

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 standalone financial statements of Rainbow Children's Medicare Limited ("the Company"), which comprise the Balance sheet as at March 31, 2025, 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, 2025, 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, 2025. 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.



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, 2025 the loan outstanding balance is Rs. 327.72 million (including Interest accrued of Rs. 124.25 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 interest paid 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 March 31, 2025 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.
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, 2025.</p> <p>Due to continued losses incurred by the subsidiary until previous year, 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</p>	<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.



Key audit matters	How our audit addressed the key audit matter
assumptions including estimates of future cash flows, discount rate and growth rate. We have identified impairment of investment as a key audit matter due to: <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.	<ul style="list-style-type: none">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 Board's report to be 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, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of 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;
 - (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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above;
 - (g) 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;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 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;



(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, 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, 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
 - 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.



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- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account (SAP) and software for maintenance of hospital related revenue and consumption records (Arcus Air) 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's except that, audit trail feature is not enabled for direct changes to data when using certain 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 software's where the audit trail has been enabled. Additionally, the audit trail in respect of Arcus Air has been preserved for a period of 3 months by the Company which is integrated to SAP on daily basis for all financial data and for SAP the audit trail of prior year has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per **Atin Bhargava**
Partner

Membership Number: 504777



UDIN: 25504777BmOCMR4950

Place of Signature: Hyderabad

Date: May 24, 2025

Annexure '1' referred to in paragraph 1 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, 2025.
- (e) 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.



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

	Loans (Rs in million)	Advances in nature of loans (Rs in million)
Aggregate amount granted/ provided during the year		
- Subsidiaries	Nil	Nil
- Others	Nil	49.31
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	2.00	Nil
- Others	203.47	35.27

(b) The terms and conditions of the grant of advances in the nature of loans to 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) During the year, the Company has extended the loan to these parties which had fallen due during the year.

The aggregate amount of such dues extended and the percentage of the aggregate to the total loans granted during the year are as follows:

Name of Parties	Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Madhukar Rainbow Children's hospital	Rs 203.47 million	80%

(f) The Company has not granted any advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. Loans, investments, guarantees and security in respect of which provisions of 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



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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, 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.

The provisions relating to sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company.

- (b) The dues of luxury tax and income tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs in millions)	Amount paid under protest (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	8.30	Financial year 2010-11 to 2013-14	High court of Telangana
Income Tax Act, 1961	Tax and interest thereon	6.40	Nil	Financial year 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.

(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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(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 Company is not engaged in any non-banking financial or housing finance activities. 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.



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- (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.
- (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: 25504777BMOCMR4950

Place of Signature: Hyderabad

Date: May 24, 2025

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, 2025 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.



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, 2025, 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: 25504777BMOCMR4950

Place of Signature: Hyderabad

Date: May 24, 2025

Rainbow Children's Medicare Limited
Standalone Balance Sheet as at 31 March 2025
(All amounts are in Indian rupees millions, except share data and unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
a. Property, plant and equipment	2.1(a)	7,995.63	6,230.82
b. Capital work-in-progress	2.1(a)	276.69	138.24
c. Right-of-use of assets	2.32	5,579.54	5,915.44
d. Intangible assets	2.1(b)	102.42	40.70
e. Intangible assets under development	2.1(b)	6.93	60.92
f. Financial assets			
(i) Investments	2.2	465.45	465.45
(ii) Loans	2.10 (a)	299.54	332.51
(iii) Other financial assets	2.3 (a)	310.42	252.41
g. Deferred tax assets (net)	2.27 (d)	285.94	253.68
h. Non-current tax assets (net)	2.4 (a)	99.86	136.00
i. Other non-current assets	2.5	264.76	1,735.22
Total non-current assets		15,687.18	15,561.39
Current assets			
a. Inventories	2.6	227.42	225.86
b. Financial assets			
(i) Investments	2.7	5,495.01	2,996.16
(ii) Trade receivables	2.8	784.62	715.59
(iii) Cash and cash equivalents	2.9 (a)	168.90	74.85
(iv) Bank balances other than (iii) above	2.9 (b)	0.20	0.07
(v) Loans	2.10 (b)	30.45	-
(vi) Other financial assets	2.3 (b)	981.96	1,792.84
c. Other current assets	2.11	166.46	137.60
Total current assets		7,855.02	5,942.97
TOTAL ASSETS		23,542.20	21,504.36
EQUITY AND LIABILITIES			
EQUITY			
a. Equity share capital	2.12	1,015.52	1,015.02
b. Other equity	2.13	13,869.92	11,837.49
TOTAL EQUITY		14,885.44	12,852.51
LIABILITIES			
Non-current liabilities			
a. Financial liabilities			
(i) Lease liabilities	2.32	7,147.05	7,193.80
b. Provisions	2.14	94.25	72.94
Total non-current liabilities		7,241.30	7,266.74
Current liabilities			
a. Financial liabilities			
(i) Lease liabilities	2.32	196.50	153.20
(ii) Trade payables	2.15		
a) Total outstanding dues to micro enterprises and small enterprises		91.16	86.09
b) Total outstanding dues to creditors other than micro enterprises and small enterprises		767.62	677.31
(iii) Other financial liabilities	2.16	169.66	324.49
b. Other current liabilities	2.19	125.26	114.35
c. Provisions	2.17	65.26	29.66
d. Current tax liabilities (net)	2.18	-	0.01
Total current liabilities		1,415.46	1,385.11
TOTAL EQUITY AND LIABILITIES		23,542.20	21,504.36

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

for and on behalf of the Board of Directors of
Rainbow Children's Medicare Limited
CIN: L85110TG1998PLC029914

Atin Bhargava
per Atin Bhargava
Partner
Membership Number.: 504777




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

Vikas Maheshwari
Vikas Maheshwari
Chief Financial Officer

Place: Hyderabad
Date: 24 May 2025

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

Shreya Mitra
Shreya Mitra
Company Secretary
Membership Number: A54901



Place: Hyderabad
Date: 24 May 2025

Place: Hyderabad
Date: 24 May 2025

Rainbow Children's Medicare Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2025
(All amounts are in Indian rupees millions, except share data and unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
INCOME			
Revenue from operations	2.20	14,545.07	12,365.62
Other income	2.21	489.49	369.48
Total income		15,034.56	12,735.10
EXPENSES			
Cost of materials consumed	2.22	1,898.69	1,571.27
Employee benefits expense	2.23	1,976.08	1,687.09
Finance costs	2.24	695.94	560.66
Depreciation and amortisation expense	2.25	1,317.48	1,051.51
Professional fees to doctors	2.26 (i)	3,484.90	2,877.30
Other expenses	2.26 (ii)	2,440.64	2,095.10
Total expenses		11,813.73	9,842.93
Profit before tax		3,220.83	2,892.17
Tax expenses:	2.27		
(a) Current tax		856.68	745.43
(b) Deferred tax		(31.54)	(2.17)
(c) Adjustment of tax related to earlier periods		19.84	-
Total tax expense		844.98	743.26
Profit for the year		2,375.85	2,148.91
Other comprehensive income			
Items that will not be reclassified subsequently to the Statement of Profit or Loss			
Re-measurement (loss) / gain on defined benefit obligation	2.30	(2.88)	17.21
Income tax effect	2.27	0.72	(4.33)
Other comprehensive income for the year, net of tax		(2.16)	12.88
Total comprehensive income for the year		2,373.69	2,161.79
Earning per share (face value of share Rs.10 each, fully paid)	2.35		
- Basic (Rs)		23.40	21.17
- Diluted (Rs)		23.27	21.17

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

for and on behalf of the Board of Directors of
Rainbow Children's Medicare Limited
CIN: L85110TG1998PLC029914

Atin Bhargava
per Atin Bhargava
Partner
Membership Number.: 504777



[Signature]
Dr. Ramesh Kancharla
Chairman and Managing Director
DIN: 00212270

[Signature]
Dr. Dinesh Kumar Chirla
Director
DIN: 01395841

[Signature]
Vikas Maheshwari
Chief Financial Officer



[Signature]
Shreya Mitra
Company Secretary
Membership Number: A54901

Place: Hyderabad
Date: 24 May 2025

Place: Hyderabad
Date: 24 May 2025

Place: Hyderabad
Date: 24 May 2025

Rainbow Children's Medicare Limited
Standalone Statement of Cash Flows for the year ended 31 March 2025
(All amounts are in Indian rupees millions, except share data and unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Cash flows from operating activities		
Profit before tax	3,220.83	2,892.17
Adjustments:		
Depreciation and amortisation expense	1,317.48	1,051.51
Dividend income from subsidiary	-	(14.19)
Gain on redemption of mutual funds	(78.13)	(73.55)
Net gain on financial assets measured at fair value through profit or loss	(269.80)	(58.85)
Unrealised foreign exchange loss, net	0.12	0.21
Interest income on financial assets carries at amortised cost	(140.01)	(192.51)
Employee share based payment expense	(12.71)	54.30
Finance cost	695.94	560.66
Advances written off	-	3.46
Bad debts written off	1.70	0.15
Allowance / (reversal) for expected credit loss	7.31	(28.42)
Net gain on sale of property, plant and equipment	(0.80)	(1.27)
Liabilities no longer required written back	(0.75)	(0.69)
	4,741.18	4,192.98
Adjustments for working capital:		
(Increase) in inventories	(1.56)	(49.12)
(Increase) in trade receivables	(78.04)	(177.91)
(Increase) in financial and other assets	(102.73)	(52.47)
Increase in trade payables	95.40	13.67
(Decrease) in financial and current liabilities	(17.42)	(35.84)
Increase in provisions	54.03	33.61
Cash generated from operations	4,690.86	3,924.92
Income tax paid, net	(840.39)	(860.74)
Net cash from operating activities (A)	3,850.47	3,064.18
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	(1,433.04)	(3,520.90)
Proceeds from sale of property, plant and equipment	0.80	1.27
Bank deposits redeemed with maturity of more than three months	2,343.71	4,943.92
Bank deposits invested with maturity of more than three months	(1,598.50)	(1,651.20)
Interest received	211.01	225.39
Dividend received	-	14.19
Gain on redemption of mutual funds, net	78.13	73.55
Investment in mutual funds	(8,254.59)	(8,530.96)
Redemption of mutual funds	6,025.54	6,174.98
Loans given	-	(2.00)
Loans realised	-	134.50
Net cash used in investing activities (B)	(2,626.94)	(2,137.26)
Cash flows from financing activities		
Payment of lease liabilities	(825.34)	(680.24)
Proceeds from issue of share capital	0.50	-
Refund of share issue expenses	-	14.70
Dividend paid	(304.64)	(304.44)
Net cash used in financing activities (C)	(1,129.48)	(969.98)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	94.05	(43.06)
Cash and cash equivalents at the beginning of the year	74.85	117.91
Cash and cash equivalents at the end of the year (note b)	168.90	74.85

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 2025	As at 31 March 2024
Cash on hand	10.90	7.42
Balance with banks:		
Current accounts	158.00	67.43
	168.90	74.85

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.



Rainbow Children's Medicare Limited
Standalone Statement of Cash Flows for the year ended 31 March 2025
 (All amounts are in Indian rupees millions, except share data and unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Opening balance:		
Lease liabilities	7,347.00	5,382.90
Movement:		
Lease liabilities:		
Finance cost on lease liabilities (including capitalisation)	696.84	592.12
Addition to lease liabilities (net)	125.55	2,011.42
Lease modification	(0.50)	40.80
Payment of lease liabilities	(825.34)	(680.24)
Closing balance:		
Lease liabilities	7,343.55	7,347.00

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

for and on behalf of the Board of Directors of
Rainbow Children's Medicare Limited
 CIN: L85110TG1998PLC029914

Atin Bhargava
 per Atin Bhargava
 Partner
 Membership Number.: 504777



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

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

Vikas Maheshwari
 Vikas Maheshwari
 Chief Financial Officer



Shreya Mitra
 Shreya Mitra
 Company Secretary
 Membership Number: A54901

Place: Hyderabad
 Date: 24 May 2025

Place: Hyderabad
 Date: 24 May 2025

Place: Hyderabad
 Date: 24 May 2025

Rainbow Children's Medicare Limited
Standalone Statement of changes in equity for the year ended 31 March 2025
(All amounts are in Indian rupees millions, except share data and unless otherwise stated)

(a) Equity share capital

Particulars	Number of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid-up		
As at 01 April 2023	101,501,687	1,015.02
Add: Shares issued during the year	-	-
As at 01 April 2024	101,501,687	1,015.02
Add: Shares issued during the year	49,986	0.50
As at 31 March 2025	101,551,673	1,015.52

(b) Other equity

Particulars	Securities premium	General reserve	Share Options outstanding account	Retained earning	Total other equity
Balance as at 01 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

Particulars	Securities premium	General reserve	Share Options outstanding account	Retained earning	Total other equity
Balance as at 01 April 2024	3,986.98	44.43	96.58	7,709.50	11,837.49
Profit for the year	-	-	-	2,375.85	2,375.85
Employee share based payment expenses (refer note 2.45)	43.11	-	(79.73)	-	(36.62)
Appropriations:					
Final dividend on equity shares for the year ended 31 March 2024. i.e. Rs. 3 per share	-	-	-	(304.64)	(304.64)
Remeasurement of defined benefit liability (net of tax effect)	-	-	-	(2.16)	(2.16)
Balance as at 31 March 2025	4,030.09	44.43	16.85	9,778.55	13,869.92

* During the Previous 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

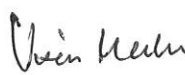

per Atin Bhargava
Partner
Membership Number.: 504777



for and on behalf of the Board of Directors of
Rainbow Children's Medicare Limited
CIN: L85110TG1998PLC029914


Dr. Ramesh Kancharla
Chairman and Managing Director
DIN: 00212270


Dr. Dimesh Kumar Chirila
Director
DIN: 01395841


Vikas Maheshwari
Chief Financial Officer


Shreya Mitra
Company Secretary
Membership Number: A54901

Place: Hyderabad
Date: 24 May 2025

Place: Hyderabad
Date: 24 May 2025

Place: Hyderabad
Date: 24 May 2025



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 2025
(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 24 May 2025.

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 2024.

(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 2025
(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 2025
(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

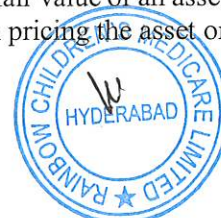
Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company normal operating cycle is twelve months.

(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 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 2025
(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.



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 2025
(All amounts are in rupees millions, except share data and unless otherwise stated)

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.

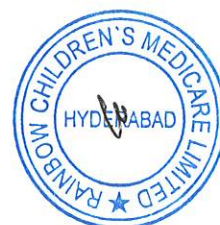
d. Impairment of assets

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.



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.



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.



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.



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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. 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

Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

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

Particulars	Freehold land	Buildings	Leasehold improvements (refer note (i) below)	Medical equipments (refer note (i) below)	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Computers	Total	Capital work-in-progress
Cost or deemed cost											
As at 01 April 2023	33.06	399.11	3,169.15	1,640.39	885.38	492.28	239.86	176.05	138.02	7,173.30	208.98
Additions	5.41	1.54	1,073.22	482.78	305.64	142.12	115.83	25.09	85.42	2,237.05	2,166.31
Disposals*	-	-	-	-	-	-	-	(3.34)	-	(3.34)	(2,237.05)
As at 31 March 2024 (A)	38.47	400.65	4,242.37	2,123.17	1,191.02	634.40	355.69	197.80	223.44	9,407.01	138.24
As at 01 April 2024	38.47	400.65	4,242.37	2,123.17	1,191.02	634.40	355.69	197.80	223.44	9,407.01	138.24
Additions	1,766.52	1.71	298.04	241.30	123.80	57.85	58.61	3.56	32.45	2,583.84	2,722.29
Disposals*	-	-	-	(1.20)	-	-	(0.21)	(3.79)	-	(5.20)	(2,583.84)
As at 31 March 2025 (B)	1,804.99	402.36	4,540.41	2,363.27	1,314.82	692.25	414.09	197.57	255.89	11,985.65	276.69
Accumulated depreciation:											
As at 01 April 2023	-	15.13	758.16	910.72	256.05	231.22	164.90	91.10	95.51	2,522.79	-
Depreciation	-	6.64	198.96	214.21	66.35	59.59	47.17	29.96	33.86	656.74	-
Disposals	-	-	-	-	-	-	-	(3.34)	-	(3.34)	-
As at 31 March 2024 (C)	-	21.77	957.12	1,124.93	322.40	290.81	212.07	117.72	129.37	3,176.19	-
As at 01 April 2024	-	21.77	957.12	1,124.93	322.40	290.81	212.07	117.72	129.37	3,176.19	-
Depreciation	-	6.66	264.03	256.49	86.48	67.37	56.70	30.04	51.26	819.03	-
Disposals	-	-	-	(1.20)	-	-	(0.21)	(3.79)	-	(5.20)	-
As at 31 March 2025 (D)	-	28.43	1,221.15	1,380.22	408.88	358.18	268.56	143.97	180.63	3,990.02	-
As at 31 March 2025 (B-D)	1,804.99	373.93	3,319.26	983.05	905.94	334.07	145.53	53.60	75.26	7,995.63	276.69
As at 31 March 2024 (A-C)	38.47	378.88	3,285.25	998.24	868.62	343.59	143.62	80.08	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 01 April 2019. As at 31 March 2025, leasehold improvements and medical equipments include Rs.92.60 million and Rs.26.91 million (31 March 2024: Rs.98.74 million and Rs.36.83 million) respectively in respect of this hospital. The Management is utilising the assets (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.



Rainbow Children's Medicare Limited
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2.1(a) Property, plant and equipment and capital work-in-progress (continued)

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

As at 31 March 2025

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	245.05	28.91	2.38	0.35	276.69
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

There are no capital work in progress projects, whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2025 and 31 March 2024.

2.1(b) Intangible assets and Intangible assets under development

Particulars	Intangible assets Software	Intangible assets under development
Cost or deemed cost		
As at 01 April 2023	127.76	19.08
Additions	20.59	62.43
Disposals*	-	(20.59)
As at 31 March 2024 (A)	148.35	60.92
As at 01 April 2024	148.35	60.92
Additions	85.55	31.56
Disposals*	-	(85.55)
As at 31 March 2025 (B)	233.90	6.93
Accumulated amortisation		
As at 01 April 2023	94.67	-
Amortisation	12.98	-
Disposals	-	-
As at 31 March 2024 (C)	107.65	-
As at 01 April 2024	107.65	-
Amortisation	23.84	-
Disposals	-	-
As at 31 March 2025 (D)	131.49	-
Net carrying amount		
As at 31 March 2025 (B-D)	102.42	6.93
As at 31 March 2024 (A-C)	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 2025

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	0.65	-	6.28	-	6.93
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

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 2025 and 31 March 2024.



Rainbow Children's Medicare Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amounts are in Indian rupees millions, except share data and unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
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	0.03	0.03
- Vamana Solar Private Limited*		
2,600 shares of Rs. 10 each, fully paid up (31 March 2024: 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 2024: 9,999 shares of Rs. 10 each)		
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 2024: 9,999 shares of Rs. 10 each)		
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 2024: 14,185,247 shares of Rs. 10 each)		
(d) Rosewalk Healthcare Private Limited	324.11	324.11
36,046,585 shares of Rs. 10 each, fully paid up (31 March 2024: 36,046,585 shares of Rs. 10 each)		
Less: Impairment loss **	(46.30)	(46.30)
	277.81	277.81
(e) Rainbow Fertility Private Limited	45.00	45.00
4,499,999 shares of Rs. 10 each, fully paid up (31 March 2024: 4,499,999 shares of Rs. 10 each)		
(f) Rainbow CRO Private Limited	0.10	0.10
99,999 shares of Rs. 10 each, fully paid up (31 March 2024: 99,999 shares of Rs. 10 each)		
	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 2025 is Rs. 0.03 million (31 March 2024: 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 2025 (31 March 2024: Rs. Nil) as an impairment loss on investment. The Company's exposure to credit risk and market risk related to investments has been disclosed in Note 2.39.		
2.3 (a) Other financial assets (non-current) (at amortised cost)		
Bank deposits with remaining maturity more than 12 months	20.26	25.11
Interest accrued on deposits	4.19	2.28
Security deposits	285.97	225.02
	310.42	252.41
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 #	957.95	1,698.44
Interest accrued on deposits	24.01	94.40
	981.96	1,792.84
# Includes an amount of Rs. 21.80 million (31 March 2024: Nil) deposited towards on-going CSR projects and an amount of Rs. 3.00 million (31 March 2024: Nil) towards margin money deposits against bank guarantees.		
2.4 (a) Non-current tax assets (net)		
Advance tax (net of provision for taxation) (refer note 2.27 (b))	99.86	136.00
	99.86	136.00
2.5 Other non-current assets (Unsecured, considered good)		
Capital advances	232.04	1,700.22
- to other than related parties	19.56	25.01
Prepaid expenses	13.16	9.99
Amounts paid under protest	264.76	1,735.22
(Unsecured, considered doubtful)		
Capital advances (credit impaired)	-	0.15
Less: Allowance for doubtful advances	-	(0.15)
	-	-
	264.76	1,735.22
2.6 Inventories (valued at the lower of cost or net realisable value)		
Medical consumables and pharmacy items	227.42	225.86
	227.42	225.86



Rainbow Children's Medicare Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

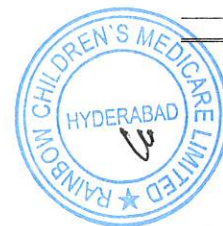
2.7 Current investments
Investments at fair value through profit or loss
Quoted:

Investments in Mutual funds - quoted

	As at 31 March 2025	As at 31 March 2024
Aditya Birla Sunlife Banking & PSU Debt Fund - Growth - Direct Plan 1,113,485.77 Units (31 March 2024: 891,229.77 Units)	414.40	305.59
HDFC Liquid Fund - Growth - Direct Plan 5,901.57 Units (31 March 2024: 31,696.61 Units)	30.06	150.36
HDFC Large & Midcap Fund - Growth - Direct Plan 431,099.53 Units (31 March 2024: 73,194.97 Units)	140.19	21.91
HDFC Corporate Bond Fund - Growth - Direct Plan 13,722,798.35 Units (31 March 2024: Nil Units)	446.56	-
HDFC Arbitrage Fund - Growth - Direct Plan 84,39,290.35 Units (31 March 2024: Nil Units)	167.33	-
DSP Liquid Fund - Growth - Direct Plan 12,160.62 Units (31 March 2024: Nil Units)	45.09	-
Bandhan Liquid Fund - Growth Direct Plan Nil Units (31 March 2024: 33,185.09 Units)	-	96.81
UTI Money Market Fund - Growth - Direct Plan 43,049.97 Units (31 March 2024: 130,817.03 Units)	131.76	371.16
ICICI Prudential Large & Midcap Fund - Growth - Direct Plan 141,192.74 Units (31 March 2024: 24,252.04 Units)	145.65	22.22
ICICI Prudential Banking & PSU Debt Fund - Growth - Direct Plan 10,550,288.35 Units (31 March 2024: 9,932,127.10 Units)	352.11	305.70
ICICI Prudential All Seasons Bond Fund - Growth - Direct Plan 8,328,117.37 Units (31 March 2024: 1,407,864.73 Units)	325.26	50.22
ICICI Prudential Equity Arbitrage Fund - Growth - Direct Plan 10,692,747.42 Units (31 March 2024: 10,692,747.42 Units)	386.53	358.04
Sundaram Liquid Fund - Growth - Direct Plan 9,082.04 Units (31 March 2024: Nil Units)	20.81	-
Tata Money Market Fund - Growth - Direct Plan 22,126.01 Units (31 March 2024: 22,126.04 Units)	104.35	96.64
TATA Arbitrage Fund - Growth - Direct Plan 19,192,942.67 Units (31 March 2024: Nil Units)	284.83	-
Parag Parikh Flexi Cap Fund - Growth - Direct Plan 1,691,383.96 Units (31 March 2024: 259,223.76 Units)	145.12	19.41
SBI Arbitrage Opportunities Fund - Growth - Direct Plan 8,818,633.98 Units (31 March 2024: 8,818,633.98 Units)	311.41	288.67
SBI Corporate Bond Fund 31,198,932.32 Units (31 March 2024: Nil Units)	486.91	-
Kotak Banking & PSU Debt Fund - Growth - Direct Plan 5,299,050.66 Units (31 March 2024: 4,989,380.42 Units)	352.88	306.14
Kotak Corporate Bond Fund - Growth - Direct Plan 106,266.49 Units (31 March 2024: 86,518.92 Units)	408.91	305.86
Kotak Money Market Fund - Growth - Direct Plan 40,461.73 Units (31 March 2024: 40,461.73 Units)	179.87	166.80
Kotak Equity Arbitrage Fund - Growth - Direct Plan 1,089,697.49 Units (31 March 2024: Nil Units)	42.88	-
Kotak Dynamic Bond Fund - Growth - Direct 6,677,570.61 Units (31 March 2024: Nil Units)	268.07	-
Nippon India - Arbitrage Fund - Growth - Direct Plan 3,817,291.94 Units (31 March 2024: Nil Units)	107.63	-
Invesco India - Arbitrage Fund - Growth - Direct Plan 1,498,997.32 Units (31 March 2024: Nil Units)	50.83	-
Axis Liquid Fund - Growth - Direct Plan 22,668.58 Units (31 March 2024: 48,676.37 Units)	65.37	130.63
HSBC Liquid Fund - Growth - Direct Plan 31,032.77 Units (31 March 2024: Nil Units)	80.20	-
	5,495.01	2,996.16

Aggregate amount of quoted investments and market value thereof

The company's exposure to credit risk and market risk related to investments has been disclosed in note 2.39



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

2.8 Trade receivables and Contract assets

Trade receivables - unsecured, considered good

- to related parties (refer note 2.31 (c))

- to other than related parties

Contract assets (Unbilled revenue) - unsecured, considered good (refer note 2.42)

Total

Less: Allowance for expected credit loss

Net total trade receivables

	As at 31 March 2025	As at 31 March 2024
Trade receivables - unsecured, considered good	37.11	33.90
Contract assets (Unbilled revenue) - unsecured, considered good	770.16	736.66
Total	873.95	855.18
Less: Allowance for expected credit loss	(89.33)	(139.59)
Net total trade receivables	784.62	715.59

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 under simplified approach 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 39% (31 March 2024: 42%) 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) Trade receivables are non-interest bearing and are generally on terms of 30-45 days

Trade receivables and Contract assets ageing schedule:
As at 31 March 2025

Particulars	Contract assets (Unbilled revenue)	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Contract assets (Unbilled Revenue), Undisputed - considered good	66.68	-	-	-	-	-	-	66.68
(ii) Undisputed Trade receivables - considered good	-	449.11	223.01	52.34	35.06	42.10	5.65	807.27
(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	66.68	449.11	223.01	52.34	35.06	42.10	5.65	873.95
Less: Allowance for expected credit loss	-	-	-	-	-	-	-	(89.33)
Net total trade receivables	-	-	-	-	-	-	-	784.62

As at 31 March 2024

Particulars	Contract assets (Unbilled revenue)	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Contract assets (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

2.9 (a) Cash and cash equivalents

Cash on hand

Balance with banks

- On current accounts

	As at 31 March 2025	As at 31 March 2024
Cash on hand	10.90	7.42
Balance with banks	158.00	67.43
Total	168.90	74.85

2.9 (b) Bank balances other than cash and cash equivalents

Unpaid dividend

Interest accrued on deposits

	As at 31 March 2025	As at 31 March 2024
Unpaid dividend	0.20	0.07
Interest accrued on deposits	-	-
Total	0.20	0.07

(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

Bank deposits with original maturity more than 3 months but less than 12 months included under 'Bank balances other than cash and cash equivalents'

Bank deposits with original maturity more than 12 months and remaining maturity less than 12 months included under Other financial assets (current) (refer note : 2.3(b))

Bank deposits with original maturity more than 12 months and remaining maturity more than 12 months included under Other financial assets (non-current) (refer note : 2.3(a))

	As at 31 March 2025	As at 31 March 2024
Bank balances available on demand/deposits with original maturity of 3 months or less included under Cash and cash equivalents	-	-
Bank deposits with original maturity more than 3 months but less than 12 months included under 'Bank balances other than cash and cash equivalents'	-	-
Bank deposits with original maturity more than 12 months and remaining maturity less than 12 months included under Other financial assets (current)	957.95	1,698.44
Bank deposits with original maturity more than 12 months and remaining maturity more than 12 months included under Other financial assets (non-current)	20.26	25.11



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2.10 (a) Loans (non-current)

(Unsecured, considered good)

Loans receivable ^

Interest accrued on - Loans receivable ^

Total loan carried at amortised cost

	As at 31 March 2025	As at 31 March 2024
Loans receivable ^	205.08	205.48
Interest accrued on - Loans receivable ^	94.46	127.03
Total loan carried at amortised cost	299.54	332.51

2.10 (b) Loans (current)

(Unsecured, considered good)

Loans receivable ^

Interest accrued on - Loans receivable ^

Total loan carried at amortised cost

	As at 31 March 2025	As at 31 March 2024
Loans receivable ^	0.40	-
Interest accrued on - Loans receivable ^	30.05	-
Total loan carried at amortised cost	30.45	-

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

Loans:

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance	205.48	337.98
Given during the year	-	2.00
Written off during the year	-	-
Repaid during the year	-	(134.50)
Closing balance	205.48	205.48

Details of unsecured outstanding loans as at 31 March 2025:

Name of the borrower	Nature of relationship	Purpose of deposits given	Rate of interest	As at 1 April 2024	Given during the year	Written off during the year	Repaid during the year	As at 31 March 2025
Madhukar Rainbow Children's Hospital (refer note below)	Others	Working capital	8.50%	203.48	-	-	-	203.48
Rosewalk Healthcare Private Limited	Related party	Working capital	9.50%	2.00	-	-	-	2.00
				205.48	-	-	-	205.48

Note: During the year, 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 9.50% p.a. to 8.50% p.a.

Details of unsecured outstanding loans as at 31 March 2024:

Name of the borrower	Nature of relationship	Purpose of deposits given	Rate of interest	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	9.50%	337.98	-	-	(134.50)	203.48
Rosewalk Healthcare Private Limited	Related party	Working capital	9.50%	-	2.00	-	-	2.00
				337.98	2.00	-	(134.50)	205.48

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

2.11 Other current assets

(Unsecured, considered good)

Advances to suppliers

Prepaid expenses

Advance to employees *

(Unsecured, considered doubtful)

Advances to suppliers (credit impaired)

Less: Allowance for doubtful advances

	As at 31 March 2025	As at 31 March 2024
Advances to suppliers	107.85	92.78
Prepaid expenses	48.26	39.47
Advance to employees *	10.35	5.35
	166.46	137.60
Advances to suppliers (credit impaired)	-	3.31
Less: Allowance for doubtful advances	-	(3.31)
	166.46	137.60

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



2.12 Equity share capital

	As at 31 March 2025	As at 31 March 2024
Authorised		
150,000,000 (31 March 2024: 150,000,000) equity shares of Rs. 10 each	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, subscribed and paid-up		
101,551,673 (31 March 2024: 101,501,687) equity shares of Rs. 10 each, fully paid-up	1,015.52	1,015.02
	1,015.52	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 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each, Issued, subscribed and fully paid-up				
At the commencement of the year	101,501,687	1,015.02	101,501,687	1,015.02
Add: Shares issued during the year	49,986	0.50	-	-
At the end of the year	101,551,673	1,015.52	101,501,687	1,015.02

b) Terms/Rights attached to 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.

c) Particulars of shareholders holding more than 5% shares in the company:

Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	Number of shares	%	Number of shares	%
Equity shares of Rs. 10 each, fully paid-up held by:				
- Dr. Ramesh Kancharla	31,517,431	31.04%	31,494,654	31.03%
- Dr. Dinesh Kumar Chirila	6,633,310	6.53%	6,633,310	6.54%
- Dr. Adarsh Kancharla	6,110,432	6.02%	6,110,432	6.02%
- Kancharla Family Trust	5,205,700	5.13%	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

As at 31 March 2025

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	22,777	31,517,431	31.04%	0.01%
Dr Dinesh Kumar Chirila	6,633,310	-	6,633,310	6.53%	-
Dr Adarsh Kancharla	6,110,432	-	6,110,432	6.02%	-
Kancharla Family Trust	5,179,200	26,500	5,205,700	5.13%	0.03%
Total	49,417,596	49,277	49,466,873	48.72%	0.04%

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%	-

2.13 Other equity

Particulars	Securities premium	General reserve	Share Options outstanding account	Retained earning	Total other equity
Balance as at 01 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
Particulars	Securities premium	General reserve	Share Options outstanding account	Retained earning	Total other equity
Balance as at 01 April 2024	3,986.98	44.43	96.58	7,709.50	11,837.49
Profit for the year	-	-	-	2,375.85	2,375.85
Employee share based payment expenses (refer note 2.45)	43.11	-	(79.73)	-	(36.62)
Appropriations:					
Final dividend on equity shares for the year ended 31 March 2024, i.e. Rs. 3 per share	-	-	-	(304.64)	(304.64)
Remeasurement of defined benefit liability (net of tax effect)	-	-	-	(2.16)	(2.16)
Balance as at 31 March 2025	4,030.09	44.43	16.85	9,778.55	13,869.92

* During the Previous 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.



2.13 Other equity (continued)

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.

Other comprehensive income

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

Retained earning

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 value of equity settled share based payments provided to employees under Employee Stock Unit Plan 2023 (refer note 2.45).

2.13 (a) Dividend

Distribution made and proposed

Dividends on equity shares declared and paid:

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

Proposed dividend on Equity shares:

Proposed dividend for the year ended 31 March 2025 : Rs. 3 per share (31 March 2024: Rs. 3 per share)

31 March 2025	31 March 2024
304.64	304.51
304.64	304.51
304.66	304.51
304.66	304.51

The Board of Directors of the Company, at its meeting held on 24 May 2025, have proposed a final dividend of Rs. 3 per Equity Share having face value of Rs.10 each aggregating to Rs. 304.66 million for the financial year ended 31 March 2025. 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.



Rainbow Children's Medicare Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

2.14 Provisions (non-current)

- Provision for employee benefits
- Gratuity (refer note 2.30(a))
- Compensated absences

	As at 31 March 2025	As at 31 March 2024
	74.04	55.93
	20.21	17.01
	94.25	72.94

2.15 Trade payables

Trade payables

- total outstanding dues to micro enterprises and small enterprises (MSME) (refer note 2.36)
- total outstanding dues to creditors other than micro enterprises and small enterprises

	91.16	86.09
	767.62	677.31
	858.78	763.40

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 2025

Particulars	Outstanding for following periods from 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)	-	89.07	1.53	0.09	0.47	91.16
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	223.82	534.36	4.26	3.44	1.74	767.62
iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	223.82	623.43	5.79	3.53	2.21	858.78

As at 31 March 2024

Particulars	Outstanding for following periods from 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	503.02	6.57	3.49	0.92	677.31
iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	163.31	587.48	7.99	3.68	0.94	763.40

2.16 Other financial liabilities (current) (at amortised cost)

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

	As at 31 March 2025	As at 31 March 2024
	81.26	91.39
	85.05	211.57
	3.22	21.53
	0.13	-
	169.66	324.49

^ 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.

2.17 Provisions (current)

- Provision for employee benefits
Gratuity (refer note 2.30 (a))
Compensated absences

	As at 31 March 2025	As at 31 March 2024
	35.25	17.02
	28.07	10.70
	63.32	27.72
	1.94	1.94
	65.26	29.66

Provision for claims, other than taxes arise in future*

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

- Opening balance
Add: Addition during the year
Less: Utilisation/ reversal during the year
Closing balance

	1.94	1.94
	-	-
	-	-
	1.94	1.94

2.18 Current tax liability (net)

- Provision for taxation (net of advance tax)

	-	0.01
	-	0.01

2.19 Other current liabilities

- Contract liabilities (advance from patients) (refer note. 2.42)
Statutory liabilities

	38.23	33.72
	87.03	80.63
	125.26	114.35



Notes to the Standalone Financial Statements for the year ended 31 March 2025

2.20 Revenue from operations

2.21 Other income

2.22 Cost of materials consumed

2.23 Employee benefits expense *

* Net of amount capitalised (refer note 2.38)

2.24 Finance costs *

* Net of amount capitalised (refer note 2.38)

Depreciation on property, plant and equipment (refer note 2.1(a))
Amortisation of intangible assets (refer note 2.1(b))
Depreciation of right-of-use assets (refer note 2.32) *

819.03	656.74
23.84	12.98
474.61	381.79
1,317.48	1,051.51

* Net of amount capitalised (refer note 2.38)



Rainbow Children's Medicare Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

2.26 (i) Professional fees to doctors *

* Net of amount capitalised (refer note 2.38)

For the year ended 31 March 2025	For the year ended 31 March 2024
3,484.90	2,877.30
3,484.90	2,877.30

2.26 (ii) Other expenses *

Hospital maintenance	69.30	62.83
Canteen expenses	257.68	223.07
Contract wages	378.77	308.24
Housekeeping expenses	78.65	72.86
Power and fuel	260.76	248.09
Lab and investigations	171.09	164.11
Repairs and maintenance		
- Plant and equipment	97.57	74.21
- Others	210.11	155.09
Rent (refer note 2.32)	24.70	15.62
Rates and taxes	159.58	133.39
Business promotion and advertisement	292.83	272.85
Travelling and conveyance	50.12	56.31
Printing and stationary	84.51	80.49
Bad debts written off	1.70	0.15
Allowance for expected credit loss	7.31	-
Advances written off	-	3.46
Communication expenses	118.78	64.63
Insurance	15.88	15.73
Professional and consultancy	44.11	56.98
Audit fees (refer note 2.34)	9.97	6.33
Directors sitting fees	4.48	5.43
Corporate social responsibility (refer note 2.37)	50.12	35.23
Bank charges	40.82	32.64
Foreign exchange loss, net	0.12	0.21
Miscellaneous expenses	11.68	7.16
	2,440.64	2,095.10

* Net of amount capitalised (refer note 2.38)

2.27 Tax expense, net
Amounts recognised in the Statement of Profit and Loss

Current tax	856.68	745.43
Deferred tax	(31.54)	(2.17)
	825.14	743.26

Amounts recognised in other comprehensive income

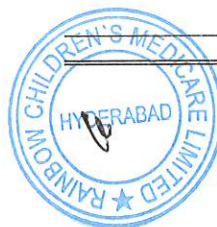
Deferred tax	0.72	(4.33)
	0.72	(4.33)

Amounts recognised in the Statement of Profit and Loss

Adjustment of tax related to earlier periods	19.84	-
	844.26	747.59

a. Reconciliation of effective tax rate

Profit before tax	3,220.83	2,892.17
Enacted tax rate	25.17%	25.17%
Tax expense at enacted rates	810.62	727.90
80JJA deduction	(7.88)	(8.81)
Expenses not deductible for tax	14.96	12.06
Others	6.72	16.44
	824.42	747.59



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 2025	As at 31 March 2024
Non-current tax assets (net)	99.86	136.00
Current tax liabilities (net)	-	(0.01)
Net non-current tax assets at the end of the year	99.86	135.99

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

Net non-current tax assets at the beginning of the year	135.99	20.68
Income tax paid	840.39	860.74
Income tax expense for the year	(856.68)	(745.43)
Income tax pertaining to earlier periods	(19.84)	-
Net non-current tax assets at the end of the year	99.86	135.99

d. Recognition of deferred tax assets and liabilities

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

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax liability		
Property, plant and equipment	240.13	254.76
Fair value gain on mutual funds	83.09	14.81
Total deferred tax liability	323.22	269.57
Deferred tax asset		
Loss allowance on receivables	37.11	35.13
Provision for employee benefits	39.66	30.92
Provision for bonus	5.71	11.19
Lease liabilities (net of right-of-use of assets)	526.68	446.01
Total deferred tax asset	609.16	523.25
Net deferred tax assets	285.94	253.68

(ii) Movement in temporary differences

Particulars	Balance as at 01 April 2024	Recognised in standalone statement of profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2025
Loss allowance on receivables	35.13	1.98	-	37.11
Provision for employee benefits	30.92	8.02	0.72	39.66
Provision for bonus	11.19	(5.48)	-	5.71
Lease liabilities (net of right-of-use of assets)	446.01	80.67	-	526.68
Property, plant and equipment	(254.76)	14.63	-	(240.13)
Fair value gain on mutual funds	(14.81)	(68.28)	-	(83.09)
	253.68	31.54	0.72	285.94

Particulars	Balance as at 01 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 (net of right-of-use of assets)	399.66	46.35	-	446.01
Property, plant and equipment	(257.47)	2.71	-	(254.76)
Fair value gain on mutual funds	(1.37)	(13.44)	-	(14.81)
	255.84	2.17	(4.33)	253.68



Rainbow Children's Medicare Limited**Notes to the Standalone Financial Statements for the year ended 31 March 2025**

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

2.28 Contingent liabilities

- (i) Demands under dispute
- Income-tax matters
 - Goods and services tax
 - Luxury tax demand under dispute
- (ii) Claims against the Company not acknowledged as debt (Medico-legal) *

	As at	As at
	31 March 2025	31 March 2024
	-	4.14
	100.56	79.06
	18.55	18.55
	145.82	112.04
	264.93	213.79

* 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 advice, 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.

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

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

	As at	As at
	31 March 2025	31 March 2024
	558.90	315.69



Rainbow Children's Medicare Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

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 2025 amounts to Rs. 79.21 million and Rs. 4.96 million respectively (31 March 2024: Rs. 55.28 million and Rs. 8.07 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 2025	As at 31 March 2024
Defined benefit obligation	114.58	77.95
Fair value of plan assets	(5.29)	(5.00)
Net defined benefit obligation	109.29	72.95
Provisions (current) (Refer note 2.17)	35.25	17.02
Provisions (non-current) (Refer note 2.14)	74.04	55.93

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:

	As at 31 March 2025	As at 31 March 2024
i. Reconciliation of present value of defined benefit obligation:		
Defined benefit obligation as at beginning of the year	77.95	71.45
Current service cost	15.88	23.65
Past service cost	24.32	-
Interest cost	4.79	5.23
Actuarial gains recognised in other comprehensive income	2.88	(17.21)
Benefits paid	(11.24)	(5.17)
Defined benefit obligation at the end of the year	114.58	77.95

	As at 31 March 2025	As at 31 March 2024
ii. Reconciliation of fair value of plan assets		
Plan assets as at the beginning of the year	5.00	-
Contributions paid in to the plan	11.24	10.18
Return on plan assets less interest on plan assets	0.29	(0.00)
Benefits paid	(11.24)	(5.18)
Plan assets as at the end of the year	5.29	5.00

	For the year ended 31 March 2025	For the year ended 31 March 2024
C.(i) Gratuity expense recognised in the statement of profit and loss:		
Current service cost	15.88	23.65
Past service cost	24.32	-
Interest on defined benefit liability / (asset)	4.50	5.23
Gratuity expenses, included in employee benefit expenses	44.70	28.88

	For the year ended 31 March 2025	For the year ended 31 March 2024
C.(ii) Re-measurements recognised in other comprehensive income		
Actuarial loss/(gain) on defined benefit obligation		
- Actuarial loss arising from change in financial assumptions	0.77	0.95
- Actuarial (gain) arising from change in demographic assumptions	(1.66)	(17.59)
- Actuarial loss/(gain) arising on account of experience changes	3.52	(0.57)
- Actual return on plan assets less interest on plan assets	0.25	(0.00)
Actuarial gain recognised in other comprehensive income	2.88	(17.21)

D. Plan assets

Plan assets comprises of the following:

	As at 31 March 2025	As at 31 March 2024
Fund managed by insurer	5.29	5.00

E. Defined benefit obligation

Actuarial assumptions at balance sheet date:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Discount rate	6.90% p.a	7.15% p.a
Salary escalation rate	8% p.a	8% p.a
Attrition rate		
Nursing staff	46.11% p.a	-
Paramedical staff	27.92% p.a	-
Patient care services staff	44.80% p.a	-
Administration staff	36.12% p.a	-
Support staff	33.65% p.a	-
Age 21 to 30	-	49% p.a
Age 31 to 40	-	34% p.a
Age 41 to 50	-	24% p.a
51 and above	-	18% p.a
Retirement Age	58 years	58 years

Maturity profile of defined benefit obligation

	As at 31 March 2025	As at 31 March 2024
1st following year	40.29	22.02
Year 2 to 5	77.48	49.73
Year 6 to 9	17.98	21.17
For 10 years and above	4.75	11.18

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 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	112.80	115.90	76.60	79.36
Salary escalation rate (50 bps movement)	115.90	112.87	79.28	76.66

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 2026 is Rs. 40.29 millions.

The weighted average duration of the defined benefit obligation is 2.71 years (31 March 2024: 3.54 years)



Rainbow Children's Medicare Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Indian 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

Entities in which control exists (others)

Rainbow Children's Hospital Foundation (w.e.f. 12 September 2023)

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 (resigned w.e.f. 14 December 2024)
Mrs. Shreya Mitra, Company Secretary (appointed w.e.f. 09 February 2025)
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 (resigned w.e.f. 30 October 2024)
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

Enterprises where key managerial personnel along with their relatives exercise significant influence

Ravindranath GE Medical Associates Private Limited
Rainbow Children's Foundation

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 2025	For the year ended 31 March 2024
Revenue from medical/ professional services rendered		
- Rainbow Children's Foundation	7.44	7.34
- Rainbow C R O Private Limited	0.07	-
Revenue from pharmacy sales		
- Rainbow Speciality Hospitals Private Limited	7.47	7.90
- Rosewalk Healthcare Private Limited	11.37	9.41
Revenue from sale of baby products		
- Rosewalk Healthcare Private Limited	25.30	-
Other expense		
- Rainbow Speciality Hospitals Private Limited	-	0.21
Professional services received		
- Ravindranath GE Medical Associates Private Limited	1.56	7.28
- Unimed Healthcare Private Limited	40.77	13.52
Professional services provided		
- Unimed Healthcare Private Limited	1.31	-
Medical service fee paid		
- Rainbow Speciality Hospitals Private Limited	3.07	3.15
- Ravindranath GE Medical Associates Private Limited	0.00	0.25
Medical consumables and pharmacy items		
- Rainbow Speciality Hospitals Private Limited	0.72	0.30
- Rosewalk Healthcare Private Limited	38.57	4.41
Dividend Received		
- Rainbow Speciality Hospitals Private Limited	-	14.19
Reimbursement of expenditure		
- Rainbow Speciality Hospitals Private Limited	0.50	-
- Unimed Healthcare Private Limited	18.14	-



Rainbow Children's Medicare Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2025

(All amounts are in Indian 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 2025	For the year ended 31 March 2024
Rental expenditure		
- Unimed Healthcare Private Limited	50.80	48.46
- Rainbow Speciality Hospitals Private Limited	1.75	-
CSR expenditure		
- Rainbow Children's Hospital Foundation	5.86	10.00
Rental income		
- Rosewalk Healthcare Private Limited	1.24	0.10
Interest income on inter-corporate deposit		
- Rosewalk Healthcare Private Limited	0.19	0.07
Inter-corporate deposits placed		
- Rosewalk Healthcare Private Limited	-	2.00
Travel advance to KMP		
- Dr. Ramesh Kancharla	2.32	0.33
Professional charges to KMP		
- Dr. Dinesh Kumar Chirla	28.25	34.04
- Dr. Adarsh Kancharla	-	0.96
Remuneration to KMP*		
- Dr. Ramesh Kancharla	45.00	65.00
- Mr. R. Gowrisankar	-	1.72
- Mr. Vikas Maheshwari (including perquisites)	25.57	12.36
- Mr. Sanjeev Sukumaran (including perquisites)	69.15	23.19
- Mr. Ashish Kapil	3.10	2.77
- Mrs. Shreya Mitra	0.68	-
Project management consultancy fee to relative of KMP		
- Mr. Ramadhara Naidu Kancharla	6.04	6.05
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	0.90	1.15
- Mr. Aluri Srinivasa Rao	0.70	0.80
- Mrs. Sundari Raviprasad Pisupati	0.75	1.15
- Mr. Santanu Mukherjee	1.05	1.40
- Dr. Adarsh Kancharla	0.40	0.10
Leave travel allowance paid to KMP		
- Dr. Ramesh Kancharla	0.80	3.05
- Dr. Dinesh Kumar Chirla	-	1.20
Expenditure incurred on behalf of KMP		
- Dr. Dinesh Kumar Chirla	-	0.07
Dividend paid during the year to KMP and relative of KMP		
- Dr. Ramesh Kancharla	94.48	94.48
- Dr. Dinesh Kumar Chirla	19.90	19.90
- Dr. Adarsh Kancharla	18.33	18.33
- Mr. Ramadhara Naidu Kancharla	0.18	0.18
- Mr. R. Gowrisankar	-	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.



Rainbow Children's Medicare Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

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

	As at 31 March 2025	As at 31 March 2024
Trade payables		
- Ravindranath GE Medical Associates Private Limited	-	1.29
- Rosewalk Healthcare Private Limited	1.73	0.01
- Unimed Healthcare Private Limited	2.21	-
Trade receivables		
- Rosewalk Healthcare Private Limited	34.35	32.70
- Rainbow C R O Private Limited	0.04	-
- Rainbow Children's Foundation	2.00	1.19
- Unimed Healthcare Private Limited	0.72	-
Travel advance to KMP		
- Dr. Ramesh Kancharla	2.65	0.33
Project management consultancy fee payable to relative of KMP		
- Mr. Ramadhara Naidu Kancharla	0.50	0.50
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	2.81	2.80
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	2.00
Interest accrued on inter corporate deposits		
- Rosewalk Healthcare Private Limited	0.26	0.07
Rent Payable		
- Unimed Healthcare Private Limited	4.90	4.37
Rent Receivable		
- Rosewalk Healthcare Private Limited	0.19	-
Rental Security Deposit paid		
- Unimed Healthcare Private Limited	30.00	30.00
Rental Security Deposit received		
- Rosewalk Healthcare Private Limited	0.07	0.07

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

b) 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.)



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 01 April 2023	5,289.79
Additions	2,049.20
Disposals	(4.86)
Modification	40.80
Cost as at 31 March 2024 (A)	7,374.93
Cost as at 01 April 2024	7,374.93
Additions	146.96
Disposals	(5.80)
Modification	(0.28)
Cost as at 31 March 2025 (B)	7,515.81
Accumulated depreciation	
Accumulated depreciation as at 01 April 2023	1,058.62
Depreciation charge for the year	381.79
Disposals	-
Depreciation capitalised (refer note 2.38)	19.08
Accumulated depreciation as at 31 March 2024 (C)	1,459.49
Accumulated depreciation as at 01 April 2024	1,459.49
Depreciation charge for the year	474.61
Disposals	-
Depreciation capitalised (refer note 2.38)	2.17
Accumulated depreciation as at 31 March 2025 (D)	1,936.27
Net carrying amounts	
As at 31 March 2025 (B-D)	5,579.54
As at 31 March 2024 (A-C)	5,915.44

- B The following are the amounts recognised in the Statement of Profit and Loss :

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation expense on right-of-use of assets	474.61	381.79
Finance cost on lease liabilities	695.94	560.66
Expense relating to short term leases (included in other expenses)	24.70	15.62
Total	1,195.26	958.07

- C Following is the movement in lease liabilities :

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening Balance	7,347.00	5,382.90
Additions	131.76	2,016.73
Finance cost charge for the year	695.94	560.66
Finance cost capitalised (refer note 2.38)	0.90	31.46
Disposals	(6.21)	(5.31)
Payment of lease liabilities	(825.34)	(680.24)
Modification	(0.50)	40.80
Lease liability at the end of the year	7,343.55	7,347.00
Non-current lease liabilities	7,147.05	7,193.80
Current lease liabilities	196.50	153.20

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Payment of lease liabilities	825.34	680.24
Short-term lease expense	1,195.26	958.07
Total cash outflow on leases	2,020.60	1,638.31

- 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 2025	For the year ended 31 March 2024
Less than 1 year	862.05	816.47
1 to 5 years	3,712.90	3,498.33
Over 5 years	9,399.35	10,315.78

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 when they fall due.



Rainbow Children's Medicare Limited**Notes to the Standalone Financial Statements for the year ended 31 March 2025**

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

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 Chairman and Managing Director. 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 2025	For the year ended 31 March 2024
As an auditor		
- Statutory audit fees	5.30	3.10
- Limited review	2.70	2.40
- Reimbursement of expenses	0.45	0.83
Total	8.45	6.33

2.35 Earnings per equity share :

The earnings per share has been computed as under:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit for the year (A)	2,375.85	2,148.91
Less: Employee share based payment expenses (net of tax)	(9.51)	40.63
Profit attributable to equity shareholders (B)	2,366.34	2,189.54
Shares:		
Number of equity shares at the beginning of the year	101,501,687	101,501,687
Add: Fresh issue	49,986	-
Total number of equity shares outstanding at the end of the year	101,551,673	101,501,687
Weighted average number of equity shares outstanding during the year – Basic	101,536,429	101,501,687
Number of equity shares at the end of year (C)	101,536,429	101,501,687
Effect of potential equity shares on employee stock options outstanding (D)	175,050	254,641
Weighted average number of equity shares outstanding during the year – Diluted (E = C+D)	101,711,479	101,756,328
Earnings per share		
Earnings per share of par value Rs. 10 - Basic (Rs.) (A/C)	23.40	21.17
Earnings per share of par value Rs. 10 - Diluted (Rs.) (B/E)	23.27	21.17

Note: During the previous year, employee stock options were not included in the calculation of diluted earnings per share because they are antidilutive for the year.



Rainbow Children's Medicare Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

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 2025 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 2025	As at 31 March 2024
(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	91.16	86.09
- 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.

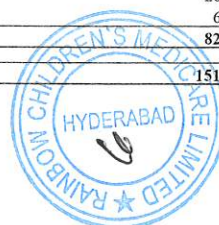
Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Details of Corporate social responsibility expenditure		
(i) Gross amount required to be spent by the Company during the year	50.12	35.23
(ii) Amount approved by the Board to be spent during the year	50.12	35.23
(iii) Amount spent during the year (in cash)		
- construction/ acquisition of any asset	-	-
- on purpose other than above	5.86	13.43
(iv) Amount spent during the year (yet to be paid in cash)*		
- construction/ acquisition of any asset	-	-
- on purpose other than above	44.26	21.80
(v) (Shortfall) / Excess at the end of the year	-	-
(vi) Total of previous years shortfall	-	-
(vii) Contribution to a trust controlled by the Company in relation to CSR expenditure	5.86	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 2025 and 31 March 2024 :		
(x) Nature of CSR activities:		
a) Promotion of education and sports	2.00	2.36
b) Rural development activities and training for women	3.76	10.00
c) Promotion of medical facilities	0.10	1.00
d) Administrative overheads	-	0.07
e) Transferred to unspent CSR account (on-going project)*	44.26	21.80

* Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 ("the Rules"), the Company has transferred the Unspent amount of Rs. 44.26 million (31 March 2024 : 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 2025	For the year ended 31 March 2024
Employee benefit expenses (A)	65.73	152.17
Finance cost (B)	0.90	31.46
Depreciation and amortisation (C)	2.17	19.08
Professional fees to doctors (D)	-	11.75
Other expenses:		
Professional and consultancy	54.27	74.30
Travelling and conveyance	1.39	2.77
Power and fuel	0.26	4.70
Rates and taxes	20.27	38.20
Other expenses	6.16	23.53
Total (E)	82.35	143.50
Total (A+B+C+D+E)	151.15	357.96



Rainbow Children's Medicare Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

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

As at 31 March 2025

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 6 months	738.80	3.01%	22.21
6 months - 1 year	52.34	18.97%	9.93
1-2 years	35.06	47.92%	16.80
2-3 years	42.10	82.52%	34.74
More than 3 years	5.65	100.00%	5.65
	873.95		89.33

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

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

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	139.59	183.88
Provision/(Reversal) for expected credit loss	7.31	(28.42)
Bad debts written-off out of opening	(8.27)	(15.87)
Provision for discounts and disallowances adjusted from gross receivables	(49.30)	-
Net remeasurement of provision	89.33	139.59

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 2025 and 31 March 2024 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.

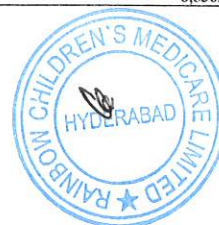
Liquidity risk

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 2025	As at 31 March 2024
Trade receivables (refer note 2.8)	784.62	715.59
Cash and cash equivalents (refer note 2.9 (a))	168.90	74.85
Bank balances other than cash and cash equivalents (refer note 2.9 (b))	0.20	0.07
Investments (refer note 2.2 and 2.7)	5,960.46	3,461.61
Other financial assets (refer note 2.3 (a) and 2.3 (b))	1,292.38	2,045.25
Loans (refer note 2.10 (a) and 2.10 (b))	329.99	332.51
Total	8,536.55	6,629.88



Rainbow Children's Medicare Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

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 2025

Particulars	Carrying Amount	Within 1 year	1-5 Years	More than five years	Total amount
Trade payables	858.78	858.78	-	-	858.78
Other financial liabilities	169.66	169.66	-	-	169.66
Lease liabilities (undiscounted)	7,343.55	862.05	3,712.90	9,399.35	13,974.30
Total	8,371.99	1,890.49	3,712.90	9,399.35	15,002.74

As at 31 March 2024

Particulars	Carrying Amount	Within 1 year	1-5 Years	More than five years	Total amount
Trade payables	763.40	763.40	-	-	763.40
Other financial liabilities	324.49	324.49	-	-	324.49
Lease liabilities (undiscounted)	7,347.00	816.47	3,498.33	10,315.78	14,630.58
Total	8,434.89	1,904.36	3,498.33	10,315.78	15,718.47

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 2025	As at 31 March 2024
Fixed rate instruments (excluding interest accrued)		
Financial assets	1,183.69	1,929.03
Financial liabilities	7,343.55	7,347.00

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 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 2025	
		Amount in foreign currency (in whole no's)	Amount in INR
Employee payables	USD	304	0.03
Advance to employees	USD	26,195	2.26
Advance to employees	GBP	5,562	0.59

Particulars	Currency	As at 31 March 2024	
		Amount in foreign currency (in whole no's)	Amount in INR
Trade payables	USD	108,847	9.04

Sensitivity analysis:

A reasonably possible strengthening / (weakening) of the INR, against USD and GBP 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 2025				
USD (5% movement)	(0.11)	0.11	(0.08)	0.08
GBP (5% movement)	(0.03)	0.03	(0.02)	0.02
31 March 2024				
USD (5% movement)	0.45	(0.45)	0.34	(0.34)

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

Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

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, lease liabilities 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 2025	As at 31 March 2024
Lease liabilities	7,343.55	7,347.00
Less: Cash and cash equivalents	(168.90)	(74.85)
Net debt	7,174.65	7,272.15
Total equity	14,885.44	12,852.51
Gearing ratio	0.48	0.57

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 2025

Particulars	Note	Carrying values					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Measured at fair value through profit or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities – amortised cost	Total carrying amount			
Financial assets measured at fair value									
Investments in equity instruments *	2.2	-	0.03	-	-	0.03	-	-	0.03
Investments in mutual funds	2.7	5,495.01	-	-	-	5,495.01	5,495.01	-	-
		5,495.01	0.03	-	-	5,495.04	5,495.01	-	0.03
Financial assets at amortised cost									
Trade receivables	2.8	-	-	784.62	-	784.62	-	-	-
Cash and cash equivalents	2.9 (a)	-	-	168.90	-	168.90	-	-	-
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	0.20	-	0.20	-	-	-
Loans	2.10(a) and 2.10(b)	-	-	329.99	-	329.99	-	-	-
Other financial assets	2.3(a) and 2.3(b)	-	-	1,292.38	-	1,292.38	-	-	-
		-	-	2,576.09	-	2,576.09	-	-	-
Financial liabilities at amortised cost									
Trade payables	2.15	-	-	-	858.78	858.78	-	-	-
Other financial liabilities	2.16	-	-	-	169.66	169.66	-	-	-
		-	-	-	1,028.44	1,028.44	-	-	-

* 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
Notes to the Standalone Financial Statements for the year ended 31 March 2025
(All amounts are in Indian rupees millions, except share data and unless otherwise stated)

2.41 Financial instruments (continued)

As at 31 March 2024

Particulars	Note	Carrying values					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Measured at fair value through profit or loss account or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities – amortised cost	Total carrying amount			
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(a) and 2.10(b)	-	-	332.51	-	332.51	-	-	-
Other financial assets	2.3(a) and 2.3(b)	-	-	2,045.25	-	2,045.25	-	-	-
		-	-	3,168.27	-	3,168.27	-	-	-
Financial liabilities at amortised cost									
Trade payables	2.15	-	-	-	763.40	763.40	-	-	-
Other financial liabilities	2.16	-	-	-	324.49	324.49	-	-	-
		-	-	-	1,087.89	1,087.89	-	-	-

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

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 entity specific estimates. If the significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2025 and 31 March 2024.



Rainbow Children's Medicare Limited**Notes to the Standalone Financial Statements for the year ended 31 March 2025**

(All amounts are in Indian 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 2025	For the year ended 31 March 2024
Income from medical and healthcare services		
Revenue from hospital services	12,554.04	10,710.49
Revenue from pharmacy sales	1,585.83	1,299.05
Revenue from medical service fee	264.93	253.05
Total revenue from contracts with customers	14,404.80	12,262.59

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 2025 and 31 March 2024.

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Contracted price	14,488.40	12,330.29
Reduction towards variable consideration components*		
-Discounts	(56.97)	(55.26)
-Disallowances	(26.63)	(12.44)
Revenue from contracts with customers	14,404.80	12,262.59

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

Contract balances

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables	807.27	770.56
Contract assets (Unbilled revenue)	66.68	84.62
Contract liabilities (advance from patients)	38.23	33.72

Movement in contract liabilities during the year:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	33.72	28.59
Less: Revenue recognised from above	(33.72)	(28.59)
Add: Addition during the year	38.23	33.72
Balance at the end of the year	38.23	33.72

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.



- 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 certain sections of the code came into effect on 03 May 2024. 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 2025	31 March 2024
Current assets	7,855.02	5,942.97
Current liabilities	1,415.46	1,385.11
Ratio	5.55	4.29
% Change from previous year	29.37%	

Reason for change more than 25%:

This ratio has increased from 4.29 in March 2024 to 5.55 in March 2025 mainly due to increase in current investments in mutual funds.

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 2025	31 March 2024
Total debt (including lease liabilities)	7,343.55	7,347.00
Shareholder's equity	14,885.44	12,852.51
Ratio	0.49	0.57
% Change from previous year	(14.04%)	

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 2025	31 March 2024
Net profit after taxes	2,375.85	2,148.91
Add: Non cash operating expenses and finance cost	2,007.22	1,638.05
- Allowance/(reversal) for expected credit loss	7.31	(28.42)
- Employee share based payment expenses	(12.71)	54.30
- Depreciation and amortisation	1,317.48	1,051.51
- Finance cost	695.94	560.66
- (Gain) on sale of property, plant and equipment	(0.80)	-
Earnings available for debt service	4,383.07	3,786.96
Payment of lease liabilities	825.34	680.24
Total principal repayments	825.34	680.24
Ratio	5.31	5.57
% Change from previous year	(4.67%)	

Reason for change more than 25%: Not applicable

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

Particulars	31 March 2025	31 March 2024
Net profit after taxes	2,375.85	2,148.91
Earning available to equity shareholders	2,375.85	2,148.91
Average shareholder's equity	13,868.98	11,868.20
Ratio	17.13%	18.11%
% Change from previous year	(5.41%)	

Reason for change more than 25%: Not applicable

e) Inventory turnover ratio = Cost of goods sold divided by average inventory

Particulars	31 March 2025	31 March 2024
Cost of materials consumed	1,898.69	1,571.27
Average inventory	226.64	201.30
Inventory turnover ratio	8.38	7.81
% Change from previous year	7.30%	

Reason for change more than 25%: Not applicable

f) Trade receivables turnover ratio = Credit sales divided by Average trade receivables

Particulars	31 March 2025	31 March 2024
Credit sales	5,350.03	4,437.37
Average Trade Receivables	750.11	612.50
Ratio	7.13	7.24
% Change from previous year	(1.52%)	

Reason for change more than 25%: Not applicable

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

Particulars	31 March 2025	31 March 2024
Purchases	1,900.25	1,620.39
Average trade payables	811.09	756.54
Ratio	2.34	2.14
% Change from previous year	9.35%	

Reason for change more than 25%: Not applicable



2.44 Ratios as per the Schedule III requirements (continued)

h) Net capital turnover ratio = Revenue from operations divided by Working capital where Working capital= Current assets - Current liabilities

Particulars	31 March 2025	31 March 2024
Revenue from operations	14,545.07	12,365.62
Working capital	6,439.56	4,557.86
Ratio	2.26	2.71
% Change from previous year	(16.61%)	

Reason for change more than 25%: Not applicable

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

Particulars	31 March 2025	31 March 2024
Net profit after taxes	2,375.85	2,148.91
Revenue from operations	14,545.07	12,365.62
Ratio	16.33%	17.38%
% Change from previous year	(6.04%)	

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 2025	31 March 2024
Profit before taxes (A)	3,220.83	2,892.17
Finance costs (B)	695.94	560.66
EBIT (D) = (A)-(B)	3,916.77	3,452.83
Capital employed (Pre Cash) (J)=(E)-(F)-(G)+(H)	15,086.51	13,003.30
Total assets (E)	23,542.20	21,504.36
Total liabilities (F)	8,656.76	8,651.85
Intangible assets and Intangible assets under development (G)	109.35	101.62
Deferred tax assets (net) (H)	310.42	252.41
Ratio (D)/(J)	25.96%	26.55%
% Change from previous year	(2.22%)	

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 2025	31 March 2024
Dividend income from subsidiary	-	14.19
Gain on redemption of mutual funds, net	78.13	73.55
Net gain on financial assets measured at fair value through profit or loss	269.80	58.85
Interest income on bank deposits	102.06	151.75
Income generated from invested funds (A)	449.99	298.34
Average Invested Funds (B)	6,061.91	5,636.64
Ratio (A)/(B)	7.42%	5.29%
% Change from previous year	40.25%	

Reason for change more than 25%:

This ratio has increased from 5.29% in March 2024 to 7.42% in March 2025 mainly due to increase in net gain on financial assets measured at fair value through profit or loss on current investments.



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, an 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.

Movement in the stock units under the Plan**Stock units outstanding at the beginning of the year**

Stock units granted during the year
Add : Stock units exercised during the year *
Less : Stock units lapsed during the year
Less : Stock units cancelled during the year #
Stock units exercisable at the end of the year

No. of stock units	
As at	As at
31 March 2025	31 March 2024
312,414	-
-	312,414
49,986	-
12,497	-
220,000	-
29,931	312,414

*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. On 17 July 2024, the Nomination and Remuneration Committee through circular resolution allotted 44,000 equity shares of Rs. 10 each to the Chief Operating Officer of the Company.

During the year, upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 13 August 2024, vested 5,986 stock units under Stock Unit Plan 2023 at an exercise price of Rs 10 per share to the Chief Financial Officer of the Company. Each stock unit represents one equity share of Rs 10 each, fully paid-up. On 22 August 2024, the Nomination and Remuneration Committee through circular resolution allotted 5,986 equity shares of Rs. 10 each to the Chief Financial Officer of the Company.

On 27 October 2024, the Company has accepted the resignation of an eligible employee. Accordingly, the Company has cancelled 220,000 stock units.

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

The ESOP 2025 scheme :

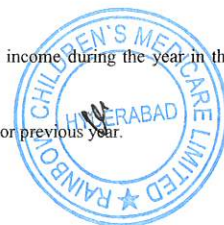
Pursuant to the resolutions passed by the Board of Directors on 09 February 2025 and by the Shareholders on 02 April 2025, the Company approved 'The Rainbow Children's Medicare Limited - Employee Stock Option Scheme 2025 ("ESOP 2025") in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB SE Regulations"). The ESOP 2025 scheme is for issue of employee stock options to eligible employees, which may result in an issuance of a maximum number of 1,015,000 Equity Shares. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock option. The exercise price per option shall be determined by the Nomination and Remuneration Committee subject to a maximum discount of up to 20% from the market price of shares as on the date of Grant.

2.46 Subsequent events

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

2.47 Other Statutory Information:

- 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.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory year.
- The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current year.
- 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
 - 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 to or on behalf of the Ultimate Beneficiaries
- 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:
 - 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.
- 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.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 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).
- The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- 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.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There were no amounts which were required to be transferred to Investor Education Protection Fund by the Company.



Rainbow Children's Medicare Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2025

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

- 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 had 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 have been adjusted with securities premium as per the 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 2025* (B)	Amount to be spent as per offer document for the year 2024-25 (C)	Utilisation up to 31 March 2025 (D)	Unspent balance as at 31 March 2025 (E) = (B) - (D)
Early redemption of NCDs issued by our Company to CDC Emerging Markets Limited, in full	400.00	400.00	-	400.00	-
Capital expenditure towards setting up of new hospitals and purchase of medical equipment for such new hospitals	1,700.00	1,700.00	200.00	1,700.00	-
General corporate purposes *	561.40	576.10	-	576.10	-
Total	2,661.40	2,676.10	200.00	2,676.10	-

* During the financial year 2023-24, the Company has received an amount of Rs. 14.70 million towards the Company's share of unspent IPO expenses. The same has been adjusted with securities premium as per the Companies Act, 2013. The Board of Directors of the Company in their meeting held on 30 October 2023 had 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.

- 2.49 The Company has used accounting software for maintaining its books of account (SAP) and software for maintenance of hospital related revenue and consumption records (Arcus Air) 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 softwares, except that audit trail feature is not enabled at the database level. Further no instance of audit trail feature being tampered with was noted in respect of the softwares where the audit trail has been enabled. Additionally, the audit trail in respect of Arcus Air has been preserved for a period of 3 months by the Company which is integrated to SAP on daily basis for all financial data and for SAP the audit trail of prior year has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year.

As per our report of even date attached.

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/1300004

Atin Bhargava
per Atin Bhargava
Partner
Membership Number: 504777



for and on behalf of the Board of Directors of

Rainbow Children's Medicare Limited

CIN: L85110TG1998PLC029914

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

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



Vikas Maheshwari
Vikas Maheshwari
Chief Financial Officer

Shreya Mitra
Shreya Mitra
Company Secretary
Membership Number: A54901

Place: Hyderabad
Date: 24 May 2025

Place: Hyderabad
Date: 24 May 2025

Place: Hyderabad
Date: 24 May 2025