

# B S R & Associates LLP

Chartered Accountants

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## INDEPENDENT AUDITORS' REPORT

**To the Members of Rainbow Children's Medicare Private Limited**

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

### Opinion

We have audited the standalone financial statements of Rainbow Children's Medicare Private Limited ("the Company"), which comprise the standalone balance sheet as at 31<sup>st</sup> March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditors' report thereon.

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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

**Rainbow Children's Medicare Private Limited**  
**Independent Auditor's Report of the standalone financial statements (continued)**

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

**Rainbow Children's Medicare Private Limited**  
**Independent Auditor's Report of the standalone financial statements (continued)**

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)**

- Conclude on the appropriateness of the Management and Board of Directors 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

**Rainbow Children's Medicare Private Limited**  
**Independent Auditor's Report of the standalone financial statements (continued)**

**Report on Other Legal and Regulatory Requirements (continued)**

- B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 2.31(A) 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. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
- C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the provisions of Section 197 of the Act are applicable only to a public Company. Accordingly, the matter to be included in the Auditor's Report under Section 197(16) is not applicable to the Company.

*for B S R & Associates LLP*

*Chartered Accountants*

ICAI Firm Registration number: 116231W / W-100024



**Hemant Maheshwari**

*Partner*

Membership Number: 096537

UDIN: 21096537AAAAEV5000

Place: Hyderabad

Date : 19 July 2021

**Rainbow Children's Medicare Private Limited**  
**Annexure A to the Independent Auditor's Report to the Standalone financial statements**

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of Independent Auditor's report to the Members of Rainbow Children's Medicare Private Limited, ('the Company') on the Standalone financial statements for the year ended 31 March 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program certain fixed assets were verified during the year. No material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property as disclosed in Note 2.1(a)(i) on property, plant and equipment to the Standalone financial statements, is not held in the name of the Company.

Amount in Rs. crores			
Total number of cases (number of sale deeds)	Whether leasehold or freehold	Gross block as on 31 March 2021	Net block as on 31 March 2021
1	Freehold	3.31	3.31

- ii. The inventories have been physically verified by the Management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noted on verification between the physical stocks and book records were not material.
- iii. The Company has granted unsecured loans to five companies covered in the Register maintained under Section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the terms and conditions on which unsecured loans have been granted is not, prima facie, prejudicial to the interest of the Company.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, for the unsecured loans granted, terms and conditions with respect to repayment of principal and payment of interest are not stipulated. We are therefore unable to make specific comment on the regularity of repayment of principal and payment of interest.
  - (c) In respect of aforesaid loans, there are no amounts which are overdue for more than ninety days. The Company has not granted any loans, secured or unsecured to firms, limited liability partnership or other parties covered in the Register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans given and investments made. Further, the Company has not provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.

**Rainbow Children's Medicare Private Limited****Annexure A to the Independent Auditor's Report to the Standalone financial statements (continued)**

- v. The Company has not accepted any deposits from the public within the meaning of provisions of Sections 73, 74, 75 and 76 of the Act and Rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Duty of customs, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in few cases. As explained to us, the Company did not have any dues on account of Cess.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Duty of customs, Income-tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Service tax, Goods and Services tax and Duty of customs which have not been deposited with appropriate authorities on account of any dispute. However, the Company disputes the dues in respect of Income-tax, Sales tax and Value added tax as set out below.

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	5,999,625	Financial year 2016-2017	Commissioner of Income tax, Hyderabad
		1,754,767	Financial year 2018-2019	Commissioner of Income tax, Hyderabad
		12,237,154	Financial year 2017-2018	Commissioner of Income tax, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	3,924,529	Financial year 2014-2015	Commercial Tax Officer, Hyderabad
Finance Act, 1994	Service Tax	5,001,606	October 2015 to June 2017	Assistant Commissioner Officer, Hyderabad
Goods and Service Taxes	Goods and Service Tax	18,244,996	July 2017 to March 2018	Directorate General of GST, Hyderabad
Andhra Pradesh Tax on Luxuries Act, 1987	Luxury tax	18,553,033 (8,304,243, paid under protest)	Financial year 2010-2011 to 2013-2014	High Court of Telangana.

**Rainbow Children's Medicare Private Limited**

**Annexure A to the Independent Auditor's Report to the Standalone financial statements (continued)**

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks or dues to debenture holders as at the Balance sheet date. Further, the Company does not have any outstanding loans or borrowings from financial institutions and government.
- ix. According to the information and explanations given to us and based on examination of the records of the Company, the term loans obtained during the year were applied for the purpose for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. The provisions of Section 197 read with Schedule V of the Act are applicable only to public Company. Accordingly, the provisions of paragraph 3(xi) of the said Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) of the said Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act wherever applicable, and the details of such transactions have been disclosed in the Standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related party disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly to this extent, the provisions of paragraph 3(xiii) of the said Order is not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of paragraph 3(xiv) of the said Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the said Order is not applicable to the Company.

**Rainbow Children's Medicare Private Limited**

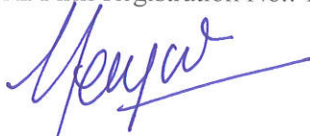
**Annexure A to the Independent Auditor's Report to the Standalone financial statements (continued)**

xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the said Order is not applicable to the Company.

*for B S R & Associates LLP*

*Chartered Accountants*

ICAI Firm Registration No.: 116231W/ W-100024



**Hemant Maheshwari**

*Partner*

Membership No.: 096537

UDIN: 21096537AAAAEV5000

Place: Hyderabad

Date: 19 July 2021



**Annexure B to the Independent Auditors' report on the standalone financial statements of Rainbow Children's Medicare Private Limited for the year ended 31 March 2021.**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("Act")**

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

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Rainbow Children's Medicare Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibility for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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.

**Annexure B to the Independent Auditors' report on the standalone financial statements of Rainbow Children's Medicare Private Limited for the year ended 31 March 2021 (continued)**

**Auditors' Responsibility (continued)**

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

**Meaning of Internal Financial controls with Reference to 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 include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 controls 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.

*for B S R & Associates LLP*

*Chartered Accountants*

ICAI Firm Registration number: 116231W / W-100024



**Hemant Maheshwari**

*Partner*

Membership Number: 096537

UDIN: 21096537AAAAEV5000

Place: Hyderabad

Date: 19 July 2021

Rainbow Children's Medicare Private Limited

Standalone Balance Sheet

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

Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Plant, property and equipment	2.1(a)	377.82	320.96
b. Capital work-in-progress	2.1(a) & 2.1(b)	28.77	42.63
c. Right-of-use of Asset	2.35	342.98	340.31
d. Intangible assets	2.1(b)	1.37	2.09
e. Financial assets			
(i) Investments	2.2	29.27	19.62
(ii) Other financial assets	2.3	53.45	36.93
f. Income tax assets (net)	2.4	4.20	1.81
g. Deferred tax assets (net)	2.30(d)	1.74	-
h. Other non-current assets	2.5	12.87	22.22
<b>Total non-current assets</b>		<b>852.47</b>	<b>786.57</b>
<b>Current assets</b>			
a. Inventories	2.6	9.29	14.62
b. Financial assets			
(i) Investments	2.7	7.52	4.56
(ii) Trade receivables	2.8	38.34	36.54
(iii) Cash and cash equivalents	2.9 (a)	4.32	5.99
(iv) Bank balances other than cash and cash equivalents	2.9 (b)	78.77	88.33
(v) Loans	2.10	51.10	50.48
(v) Other financial assets	2.11	17.96	14.37
c. Other current assets	2.12	10.05	10.39
<b>Total current assets</b>		<b>217.35</b>	<b>225.28</b>
<b>Total assets</b>		<b>1,069.82</b>	<b>1,011.85</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a. Equity share capital	2.13	54.91	54.91
b. Other equity	2.14	421.02	370.71
		<b>475.93</b>	<b>425.62</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	2.15	40.52	45.81
(ii) Lease liabilities	2.35	431.56	403.38
b. Provisions	2.16	5.39	6.95
c. Deferred tax liabilities (net)	2.30(d)	-	5.34
<b>Total non-current liabilities</b>		<b>477.47</b>	<b>461.48</b>
<b>Current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	2.17	-	4.21
(ii) Lease liabilities	2.35	4.91	10.72
(iii) Trade payables	2.18		
a) Total outstanding dues to micro and small enterprises		0.05	3.14
b) Total outstanding dues to other than micro and small enterprises		39.32	39.28
(iv) Other financial liabilities	2.19	57.36	53.28
b. Current tax liabilities (net)	2.21	3.79	3.59
c. Other current liabilities	2.22	8.52	9.76
d. Provisions	2.20	2.47	0.77
<b>Total current liabilities</b>		<b>116.42</b>	<b>124.75</b>
<b>Total liabilities</b>		<b>1,069.82</b>	<b>1,011.85</b>

Significant accounting policies

1

Notes to the standalone financial statements

2

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

As per our Report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



**Hemant Maheshwari**

Partner

Membership No.: 096537

for and on behalf of the Board of Directors of  
**Rainbow Children's Medicare Private Limited**  
CIN: U85110TG1998PTC029914



**Dr. Ramesh Kancharla**

Chairman & Managing Director

DIN: 00212270



**Dr. Dinesh Kumar Chirla**

Director

DIN: 01395841



**R Gowrisankar**

Chief Financial Officer



Place: Hyderabad

Date: 19 July 2021

Place: Hyderabad

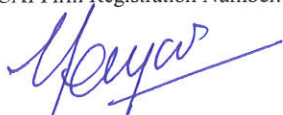
Date: 16 July 2021

**Rainbow Children's Medicare Private Limited**  
**Standalone Statement of Profit and Loss**

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

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	2.23	614.45	695.11
Other income	2.24	11.95	11.93
<b>Total revenue</b>		<b>626.40</b>	<b>707.04</b>
<b>Expenses</b>			
Medical consumables and pharmacy items consumed	2.25	97.16	101.92
Employee benefits expense	2.26	96.10	101.99
Finance costs	2.27	41.69	43.00
Depreciation and amortisation expense	2.28	67.90	64.93
Other expenses	2.29	257.66	286.03
<b>Total expenses</b>		<b>560.51</b>	<b>597.87</b>
<b>Profit before tax</b>		<b>65.89</b>	<b>109.17</b>
<b>Tax expense</b>			
(a) Current tax	2.30	23.85	43.37
(b) Deferred tax expense/(credit)		(7.37)	(5.09)
<b>Profit after tax</b>		<b>49.41</b>	<b>70.88</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement gain on defined benefit plans		1.20	(0.13)
Deferred tax effect of re-measurement of defined benefit plans	2.30	(0.30)	0.04
<b>Total Comprehensive Income for the year</b>		<b>50.31</b>	<b>70.80</b>
<b>Earning per share (face value of share Rs.10 each)</b>			
- Basic	2.38	11.24	15.94
- Diluted	2.38	10.69	15.33
Significant accounting policies	1		
Notes to the standalone financial statements	2		
The notes referred to above form an integral part of the standalone financial statements			

As per our Report of even date attached  
for **BSR & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024



**Hemant Maheshwari**  
Partner  
Membership No.: 096537

for and on behalf of the Board of Directors of  
**Rainbow Children's Medicare Private Limited**  
CIN: U85110TG1998PTC029914



**Dr. Ramesh Kancharla**  
Chairman & Managing Director  
DIN: 00212270




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



**R Gowrisankar**  
Chief Financial Officer



Place: Hyderabad  
Date: 19 July 2021

Place: Hyderabad  
Date: 16 July 2021

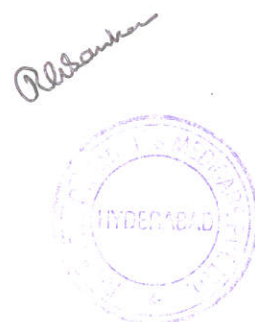
Rainbow Children's Medicare Private Limited  
Standalone Statement of Cash Flows

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Net profit before tax</b>	<b>65.89</b>	<b>109.17</b>
<b>Adjustments:</b>		
Depreciation and amortisation	67.90	64.93
Dividend income	(0.20)	(0.28)
Net gain on financial assets measured at fair value through profit or loss	(0.02)	(0.00)
Foreign exchange gain	(0.02)	(0.00)
Interest income	(11.08)	(11.58)
Finance cost	41.69	43.00
Impairment loss on non current investment	-	0.02
Inter corporate deposits written off (including interest accrued)	-	0.47
Advances written off	-	0.08
Provision for doubtful debts	1.98	5.05
Bad debts written off	0.31	0.18
Gain on sale of property, plant and equipment	(0.05)	(0.06)
Liabilities no longer required written back	(0.25)	(0.01)
<b>Operating cash flows before working capital changes</b>	<b>166.15</b>	<b>210.97</b>
Decrease/(Increase) in inventories	5.33	(7.67)
Increase in trade receivables	(4.10)	(13.11)
Increase in financial and other assets	(0.64)	(11.08)
(Decrease)/Increase in trade payables	(2.77)	8.83
Increase in financial liabilities and provisions	4.09	9.96
<b>Cash generated from operations</b>	<b>168.06</b>	<b>197.91</b>
Income-taxes paid, net	(26.51)	(19.79)
<b>Net cash flow from operating activities (A)</b>	<b>141.55</b>	<b>178.11</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangibles including capital advances	(75.42)	(61.94)
Proceeds from sale of property, plant and equipment	0.06	0.79
Investments in equity instruments	(9.65)	(18.20)
Bank deposits redeemed/(placed) with maturity of more than three months, net	(5.35)	(23.88)
Interest received	6.95	7.18
Dividend received	0.20	0.28
Investment in mutual funds placed, net	(2.95)	(1.37)
Inter-corporate deposit placed during the year	(28.27)	(86.06)
Inter-corporate deposit realised during the year	27.65	60.37
<b>Net cash used in investing activities (B)</b>	<b>(86.78)</b>	<b>(122.83)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings	-	1.28
Repayment of long term borrowings	(5.26)	(0.59)
Repayment of lease liability (including related interest)	(41.72)	(37.47)
Interest paid	(5.25)	(4.97)
Dividend paid during the year on equity and preference shares, including taxes	-	(16.72)
Proceeds from/ (repayments of) short term borrowings, (net)	(4.21)	4.21
<b>Net cash used in financing activities (C)</b>	<b>(56.44)</b>	<b>(54.26)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(1.67)</b>	<b>1.02</b>
Cash and cash equivalents at the beginning of the year	5.99	4.97
Cash and cash equivalents at the end of the year (Note (b))	<b>4.32</b>	<b>5.99</b>

**Notes:**

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



**Rainbow Children's Medicare Private Limited**  
**Standalone Statement of Cash Flows**

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

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

	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.38	0.26
Balance with banks:		
- Current accounts	3.94	5.73
	<u>4.32</u>	<u>5.99</u>

c) Reconciliation between opening and closing balances in the Balance sheet for liabilities and financial assets arising from financing activities for movement in statement of cash flow are given below.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Borrowings:</b>		
Opening balance	55.35	50.45
Proceeds from borrowings	-	5.49
Repayment of borrowings	(9.47)	(0.59)
<b>Closing balance</b>	<u>45.88</u>	<u>55.35</u>

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

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024






**Hemant Maheshwari**

Partner

Membership No.: 096537

for and on behalf of the Board of Directors of  
**Rainbow Children's Medicare Private Limited**  
CIN: U85110TG1998PTC029914

  
**Dr. Ramesh Kancharla**  
Chairman & Managing Director  
DIN: 00212270  
**Dr. Dinesh Kumar Chirla**  
Director  
DIN: 01395841  
**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 16 July 2021



Place: Hyderabad  
Date: 19 July 2021

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

Particulars	Equity share capital	Other equity			Total other equity
		Securities premium	General reserve	Debtenture redemption reserve	
<b>Balance as at 1 April 2019</b>	54.91	151.34	4.44	12.50	358.85
Impact on account of transition to Ind AS 116, net of related deferred tax (Refer note 2.30 and 2.35)	-	-	-	-	(42.21)
Profit for the year	-	-	-	-	70.88
Amount transferred	-	-	-	(7.50)	-
<b>Appropriations:</b>					
Final dividend on equity shares for the year ended 31 March 2019 i.e. Rs. 1 per share	-	-	-	-	(4.40)
Tax on above final equity dividend	-	-	-	-	(0.90)
Final dividend on Series A CCPS for the year ended 31 March 2019 i.e. Rs. 1 per share	-	-	-	-	(0.11)
Final dividend on Series B CCPS for the year ended 31 March 2019 i.e. Rs. 1 per share	-	-	-	-	(0.11)
Tax on above Series A CCPS final dividend	-	-	-	-	(0.02)
Tax on above Series B CCPS final dividend	-	-	-	-	(0.02)
Interim dividend on equity shares for the year ended 31 March 2020 i.e. Rs. 2 per share	-	-	-	-	(8.79)
Tax on above interim equity dividend	-	-	-	-	(1.81)
Interim dividend on Series A CCPS for the year ended 31 March 2020 i.e. Rs. 2 per share	-	-	-	-	(0.23)
Interim dividend on Series B CCPS for the year ended 31 March 2020 i.e. Rs. 2 per share	-	-	-	-	(0.23)
Tax on above interim Series A CCPS dividend	-	-	-	-	(0.05)
Tax on above interim Series B CCPS dividend	-	-	-	-	(0.05)
Remeasurement of defined benefit liability	-	-	-	-	(0.13)
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	0.04
<b>Balance as at 31 March 2020</b>	54.91	151.34	4.44	5.00	209.93

Particulars	Equity share capital	Other equity			Total other equity
		Securities premium	General reserve	Debtenture redemption reserve	
<b>Balance as at 1 April 2020</b>	54.91	151.34	4.44	5.00	370.71
Profit for the year	-	-	-	-	49.41
Amount transferred from debtenture redemption reserve	-	-	-	-	0.50
<b>Appropriations:</b>					
Amount transferred	-	-	-	(0.50)	-
Remeasurement of defined benefit liability	-	-	-	-	1.20
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(0.30)
<b>Balance as at 31 March 2021</b>	54.91	151.34	4.44	4.50	260.74

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

As per our Report of even date attached

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

  
**Hemant Maheshwari**  
 Partner  
 Membership No.: 096537

for and on behalf of the Board of Directors of  
**Rainbow Children's Medicare Private Limited**  
 CIN: U85110TG1998PTC029914

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

  
**Dr. Sanjesh Kancharla**  
 Chairman & Managing Director  
 DIN: 00212270

  
**R Gowrisankar**  
 Chief Financial Officer

Place: Hyderabad  
 Date: 19 July 2021



## Rainbow Children's Medicare Private limited

### Notes to standalone financial statements

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

#### 1.1 Company overview

Rainbow Children's Medicare Private Limited ("the Company") was incorporated on 07 August 1998 as a Private Limited Company under the Companies Act, 1956. The Company is primarily engaged in the business of rendering medical and healthcare services.

#### 1.2 Basis of preparation of financial statements

##### a. State of compliance:

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rule, 2016 and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Director on 16 July 2021.

The financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

Details of the Company's significant accounting policies are included in note 1.3.

##### b. Functional and Presentation Currency

These standalone financial statements are presented in Indian Rupees (INR in crores), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest crore, unless otherwise indicated.

##### c. Basis of measurement

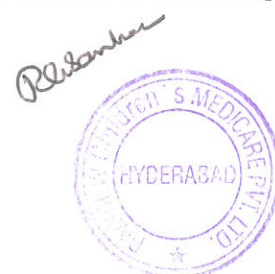
The standalone Ind AS financial statements have been prepared on historical cost basis except for the following items

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations.

##### d. 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 ongoing basis. Revisions to accounting estimates are recognised prospectively.





## Rainbow Children's Medicare Private limited

### Notes to standalone financial statements

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

#### d. Use of estimates and judgements (continued):

Changes in estimates are reflected in the financial estimates in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

#### 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 classification [Note 2.35]

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes:

- recognition of deferred tax assets: availability of future taxable profits against which tax losses carried forward can be used. [Note 2.30(d)]
- measurement of defined benefit obligations; key actuarial assumptions. [Note 2.33]
- Useful life of property, plant and equipment. [Note 2.1(a)]
- Useful life of intangible assets. [Note 2.1(b)]
- Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally generated intangible assets.
- Impairment of financial assets.
- recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources. [ Note 2.31]

#### e. Current / 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:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- 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.



## Rainbow Children's Medicare Private limited

### Notes to standalone financial statements

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

#### e. Current / Non-current classification (continued)

##### 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 equity 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.

#### f. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

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 levels 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:

- Financial instruments [Note 2.45]



**Rainbow Children's Medicare Private limited**  
**Notes to standalone financial statements**

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

**1.3 Significant accounting policies**

**a. Financial Instruments**

**i. Recognition and initial measurement**

All other financial assets and financial liabilities are initially recognised when it becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**ii. Classification and subsequent measurement**

**Financial assets:**

*Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**Equity Instruments**

Investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'Other Income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investment in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.



## Rainbow Children's Medicare Private limited

### Notes to standalone financial statements

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

#### 1.3 Significant accounting policies (continued)

##### a. Financial Instruments

###### Financial liabilities:

###### Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the EIR method.

###### Subsequent and measurement

Financial liabilities are subsequently carried at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### ii. 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 right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

###### 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 under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

###### 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 realise the asset and settle the liability simultaneously.



## Rainbow Children's Medicare Private limited

### Notes to standalone financial statements

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

#### 1.3 Significant accounting policies (continued)

##### b. Property, plant and equipment

###### i. Recognition and measurement:

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

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

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

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

###### ii. 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. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

###### iii. Depreciation:

Depreciation on property, plant and equipment (other than for those 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. 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 equipment*	7 years	13 years
Plant and equipment	15 years	15 years
Office equipment	5 years	5 years
Vehicles*	5 years	8 years
Computers	3 years	3 years
Furniture and Fixtures	10 years	10 years



**Rainbow Children's Medicare Private limited**

**Notes to standalone financial statements**

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

**1.3 Significant accounting policies (continued)**

**b. Property, plant and equipment (continued)**

\*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.

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

Individual assets costing Rs. 5,000 or less are depreciated fully in the year of purchase.

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

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

**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.

**d. Impairment of assets**

**i. Impairment of financial assets**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost 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. The Company measures loss allowances at an amount equal to lifetime expected credit losses.

The Company evaluates the collectability of the financial assets on an on-going basis and write-off the financial assets when they are deemed to be uncollectible.

*Presentation of allowance for expected credit losses in the balance sheet*

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

*Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



*Rabankur*



## Rainbow Children's Medicare Private limited

### Notes to standalone financial statements

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

#### 1.3 Significant accounting policies (continued)

##### d. Impairment of assets (continued)

##### ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

##### e. Investments

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in such entities, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

All other equity investments which are in scope of Ind AS 109 are measured at fair value.

##### f. 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

Net realisable value is the estimated selling price in the ordinary course of business and selling expenses.

The comparison of cost and net realisable value is made on an item-by-item basis.

##### g. Capital advances

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

##### h. Employee benefits

##### i. Short-term employee benefits

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

##### ii. 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.



*Debanjan*



**Rainbow Children's Medicare Private limited**

**Notes to standalone financial statements**

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

**1.3 Significant accounting policies (continued)**

**h. Employee benefits (continued)**

**ii. Post-employment benefit (continued)**

*Defined contribution plans*

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. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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/ (income) on the net defined benefit liability/ (asset) 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/ (asset), taking into account any changes in the net defined benefit liability/ (asset) 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 profit or 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

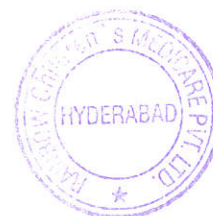
The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**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.



*Deben*





**Rainbow Children's Medicare Private limited**  
**Notes to standalone financial statements**

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

**1.3 Significant accounting policies (continued)**

**i. Revenue recognition**

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

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Income from hospital services is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered, to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of services rendered. In determining the transaction price for the hospital services, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). Income is recognised net of discounts and concessions given to the patients.

Revenue from medical tests is recognised on accrual basis when the reports are generated and released to customers, net of discounts, if any.

Revenue from sale of pharmacy and sale of food and beverages is recognised when it transfers control over a good or service to the customer, generally on delivery and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Contract assets 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.

Income from interest on deposits with banks and corporates is recognised on the time proportionate basis taking into account the amounts invested and rate of interest.

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

Dividend income is recognised when the right to receive payment is established.

**j. Leases**

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

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



*Resanhu*



**Rainbow Children's Medicare Private limited**

**Notes to standalone financial statements**

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

**1.3 Significant accounting policies (continued)**

**j. Lease note (continued)**

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

ii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of asset (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



*Rasanku*



**Rainbow Children's Medicare Private limited**

**Notes to standalone financial statements**

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

**1.3 Significant accounting policies (continued)**

**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 is also recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

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.



*Debanjan*



**Rainbow Children's Medicare Private limited**  
**Notes to standalone financial statements**

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

**1.3 Significant accounting policies (continued)**

**k. Income Tax (continued)**

**Deferred tax (continued)**

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.

**Onerous Contracts**

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

**n. Contingent liabilities and contingent assets**

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



*R. Sankar*



## Rainbow Children's Medicare Private limited

### Notes to standalone financial statements

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

#### 1.4 Significant accounting policies (continued)

##### n. Contingent liabilities and contingent assets (continued)

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

##### o. Borrowings

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

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

##### p. Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

##### q. Cash flow statement

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.

##### r. 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 financial institutions, 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 borrowings in current liabilities in the balance sheet.



*Resubmitter*



**Rainbow Children's Medicare Private limited**  
**Notes to standalone financial statements**

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

**1.3 Significant accounting policies (continued)**

**s. Assets held for sale**

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

**t. Estimation of uncertainties relating to the global health pandemic from COVID-19:**

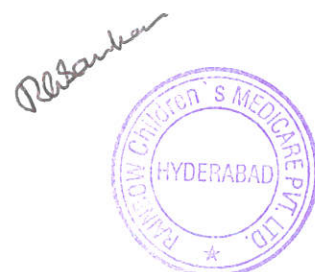
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, inventories and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates, the company expects to fully recover the carrying amount of receivables, intangibles, inventories and investments . As the outbreak continues to evolve, the company will continue to closely monitor any material changes to future economic conditions.

**u. Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021. On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.



**Rainbow Children's Medicare Private limited**

**Notes to standalone financial statements**

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

**1.3 Significant accounting policies (continued)**

**u. Recent pronouncements (continued)**

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

*Ribanku*



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

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

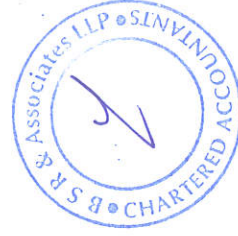
	Freehold land (refer note (i) below)	Buildings (refer note (i) below)	Leasehold Improvements	Medical equipments	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Computers	Total	Right-of-use of Asset	Capital work- in-progress
<b>Gross block</b>												
Balance as at 1 April 2019	3.31	-	209.23	87.95	51.44	31.12	12.40	5.61	5.90	406.96	344.34	20.99
Additions	-	-	8.13	12.02	2.56	1.14	1.43	3.83	0.71	29.82	20.97	26.47
Disposals/ capitalisation	-	-	(1.43)	-	(0.01)	(0.01)	(0.20)	(0.31)	-	(1.96)	-	(4.98)
<b>Balance as at 31 March 2020</b>	<b>3.31</b>	<b>-</b>	<b>215.93</b>	<b>99.97</b>	<b>53.99</b>	<b>32.25</b>	<b>13.63</b>	<b>9.13</b>	<b>6.61</b>	<b>434.82</b>	<b>365.31</b>	<b>42.48</b>
<b>Balance as at 1 April 2020</b>	<b>3.31</b>	<b>-</b>	<b>215.93</b>	<b>99.97</b>	<b>53.99</b>	<b>32.25</b>	<b>13.63</b>	<b>9.13</b>	<b>6.61</b>	<b>434.81</b>	<b>365.31</b>	<b>42.48</b>
Additions	-	39.36	15.29	20.42	11.26	5.28	2.68	2.17	1.80	98.26	35.47	84.47
Disposals/ capitalisation	-	-	-	-	(0.00)	(0.06)	(0.01)	(0.57)	(0.10)	(0.74)	(7.32)	(98.27)
<b>Balance as at 31 March 2021</b>	<b>3.31</b>	<b>39.36</b>	<b>231.22</b>	<b>120.39</b>	<b>65.25</b>	<b>37.47</b>	<b>16.31</b>	<b>10.72</b>	<b>8.31</b>	<b>532.33</b>	<b>393.46</b>	<b>28.68</b>
<b>Accumulated depreciation</b>												
Balance as at 1 April 2019	-	-	25.03	25.00	7.16	7.90	6.22	2.61	3.76	77.68	-	-
Depreciation	-	-	11.58	14.24	3.82	3.27	2.40	1.48	1.28	38.07	25.00	-
Disposals	-	-	(1.37)	-	(0.00)	(0.01)	(0.20)	(0.31)	-	(1.89)	-	-
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>35.24</b>	<b>39.24</b>	<b>10.98</b>	<b>11.16</b>	<b>8.42</b>	<b>3.78</b>	<b>5.04</b>	<b>113.86</b>	<b>25.00</b>	<b>-</b>
<b>Balance as at 1 April 2020</b>	<b>-</b>	<b>-</b>	<b>35.24</b>	<b>39.24</b>	<b>10.98</b>	<b>11.16</b>	<b>8.42</b>	<b>3.78</b>	<b>5.04</b>	<b>113.86</b>	<b>25.00</b>	<b>-</b>
Depreciation	-	0.18	11.73	15.74	4.11	3.62	2.76	1.82	1.38	41.34	25.48	-
Disposals	-	-	-	-	(0.00)	(0.03)	(0.00)	(0.57)	(0.09)	(0.69)	-	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>0.18</b>	<b>46.97</b>	<b>54.98</b>	<b>15.09</b>	<b>14.75</b>	<b>11.18</b>	<b>5.03</b>	<b>6.33</b>	<b>154.51</b>	<b>50.48</b>	<b>-</b>
<b>Net carrying amount</b>												
As at 31 March 2021	<b>3.31</b>	<b>39.18</b>	<b>184.25</b>	<b>65.41</b>	<b>50.16</b>	<b>22.72</b>	<b>5.13</b>	<b>5.69</b>	<b>1.98</b>	<b>377.82</b>	<b>342.98</b>	<b>28.68</b>
As at 31 March 2020	<b>3.31</b>	<b>-</b>	<b>180.69</b>	<b>60.74</b>	<b>43.01</b>	<b>21.09</b>	<b>5.21</b>	<b>5.35</b>	<b>1.57</b>	<b>320.96</b>	<b>340.31</b>	<b>42.48</b>

**Note:**

(i) The Company vide sale agreement dated 3 September 2010 was allotted 1 acre of land by Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") for setting up a children hospital at Health city, Chinagadli, Vishakhapatnam to facilitate socio economic development within 2 years from the date of possession of land i.e by October 2012. The Company had paid an amount of Rs. 3.09 towards acquisition of the said land and incurred an additional amount of Rs. 0.22 towards other incidental charges. As per the Clause 8(c) of the land agreement entered with APIIC, the construction of proposed hospital was required to be completed within 2 years from the date of taking the possession of the land, otherwise the land will need to be returned back to APIIC. The Company had filed an application with APIIC seeking extension of the timelines for development of the Project based on indicative project plan till August 2014 vide letter dated 17 August 2012. APIIC had considered the request and granted extension till the said date upon payment of condonation fee which was paid by the Company and timeline was extended upto August 2014. The Company failed to meet the revised timelines and consequently, APIIC had issued a cancellation of allotment order on 24 March 2015. The Company had submitted detailed reasons to APIIC for the delay in completion of the project and applied for revoking of the cancellation order. On 23 July 2016, APIIC had granted approval for extension of time upto December 2018. APIIC vide its letter dated 15 November 2018 has issued a show cause notice to the Company seeking explanation as to why the allotment shall not be cancelled for non implementation of the proposed project. On 13 December 2018, the Company has responded to APIIC explaining the status of the project and seeking further extension by 24 months. The Company has paid Rs.0.16 as condonation fee and has received extension from APIIC upto 30 November 2019. While the Agreement for Sale between APIIC and the Company had been executed on 3 September 2010, the final sale deed was to be executed after commencement of regular commercial operations. The Company has commenced the commercial operations from December 2020 onwards. The Company has incurred capital costs amounting to Rs.39.36 (31 March 2020; Rs. 30.26) for the construction of the hospital on this land.

(ii) Delhi Development authority (DDA) has granted 5,500 square meters of land on perpetual lease to Madhukar Multispecialty Hospital Research Center (MMHRC) in Malviyagar (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 has executed an amended the sub lease agreement dated 27 March 2019 which is effective from 1 April 2019. As at 31 March 2021, leasehold improvements and medical equipments include Rs. 11.97 and Rs. 8.08 ( 31 March 2020 Rs.12.69 Rs.10.18) respectively in respect of this hospital. The management is utilising the assets for the purpose of providing medical services at MMHRC.

(iii) Refer note 2.47 for details of assets pledged as security.





## 2.1(b) Intangible assets and capital work-in-progress

	Software	Capital work-in-progress
<b>Gross block</b>		
Balance as at 1 April 2019	8.49	0.03
Additions	0.47	0.13
Disposals/ capitalisation	-	(0.01)
<b>Balance as at 31 March 2020</b>	<b>8.96</b>	<b>0.15</b>
<b>Balance as at 1 April 2020</b>	<b>8.96</b>	<b>0.15</b>
Additions	0.36	0.28
Disposals/ capitalisation	-	(0.34)
<b>Balance as at 31 March 2021</b>	<b>9.32</b>	<b>0.09</b>
<b>Accumulated amortisation</b>		
Balance as at 1 April 2019	5.03	-
Amortisation for the year	1.84	-
Disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>6.87</b>	<b>-</b>
<b>Balance as at 1 April 2020</b>	<b>6.87</b>	<b>-</b>
Amortisation for the year	1.08	-
Disposals	-	-
<b>Balance as at 31 March 2021</b>	<b>7.95</b>	<b>-</b>
<b>Net carrying amount</b>		
<b>As at 31 March 2021</b>	<b>1.37</b>	<b>0.09</b>
<b>As at 31 March 2020</b>	<b>2.09</b>	<b>0.15</b>

*Rabindra*



	As at 31 March 2021	As at 31 March 2020
<b>2.2 Investment (non-current)</b> (Valued at cost unless stated otherwise)		
<b>Investments in unquoted equity instruments</b>		
<b>(i) In subsidiaries (at cost)</b>		
(a) Rainbow Children's Hospital Private Limited 9,999 shares of Rs.10 each, fully paid up (31 March 2020: 9,999 shares)	0.01	0.01
Less: Impairment loss	<u>(0.01)</u>	<u>(0.01)</u>
(b) Rainbow Women & Children's Hospitals Private Limited 9,999 shares of Rs.10 each, fully paid up (31 March 2020: 9,999 shares)	0.01	0.01
Less: Impairment loss	<u>(0.01)</u>	<u>(0.01)</u>
(c) Rainbow Specialty Hospitals Private Limited 15,150,000 shares of Rs.10 each, fully paid up (31 March 2020: 13,699,999 shares)	15.35	13.70
(d) Rosewalk Healthcare Private Limited 4,317,376 shares of Rs.10 each, fully paid up (31 March 2020: 4,317,376 shares)	1.22	1.22
(e) Rainbow Fertility Private Limited 4,499,999 shares of Rs.10 each, fully paid up (31 March 2020: 4,499,999 shares)	4.50	4.50
(f) Rainbow CRO Private Limited 100,000 shares of Rs.10 each, fully paid up (31 March 2020: 100,000 shares)	0.01	0.01
<b>Investments in unquoted debentures, at cost</b>		
Rosewalk Healthcare Private Limited 729,209 Compulsorily convertible debentures of Rs.10 each, fully paid up (31 March 2020: 729,209)	0.19	0.19
<b>(ii) Investment in unquoted equity instruments, at fair value through OCI</b>		
Vamana Solar Private Limited* 2,600 shares of Rs.10 each, fully paid up (31 March 2020: 2,600 shares)	0.00	0.00
<b>(iii) Investment in unquoted equity instruments, at cost</b>		
Unimed Healthcare Private Limited 10,00,000 shares of Rs.10 each, fully paid up (31 March 2020: Nil shares)	8.00	-
	<u>29.27</u>	<u>19.62</u>
*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 2021 is Rs. 0.00 (31 March 2020: Rs. 0.00).		
Aggregate book value of unquoted investments	29.27	19.62
Aggregate amount of impairment on unquoted investments	0.02	0.02
<b>2.3 Other financial assets</b>		
Bank deposits (due to mature after 12 months from the reporting date)	14.96	0.05
Security deposits	38.49	36.88
	<u>53.45</u>	<u>36.93</u>
Refer note 2.47 for details of assets pledged as security.		
<b>2.4 Income tax assets (net)</b>		
Advance tax [net of provisions: Rs. 63.35 (31 March 2020: Rs. 37.96)]	4.20	1.81
	<u>4.20</u>	<u>1.81</u>
<b>2.5 Other non-current assets</b> (Unsecured, considered good)		
Capital advances *	11.85	21.13
Prepaid expenses	0.14	0.21
Amounts paid under protest	0.88	0.88
	<u>12.87</u>	<u>22.22</u>
*Refer note 2.34 for related party balances		
<b>2.6 Inventories</b> (valued at the lower of cost or net realisable value)		
Medical consumables and pharmacy items	9.29	14.62
	<u>9.29</u>	<u>14.62</u>
Refer note 2.47 for details of assets pledged as security.		

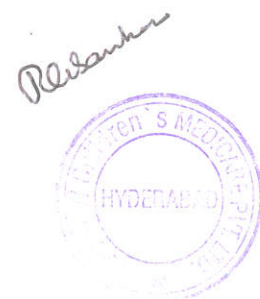


*Reshan*

Rainbow Children's Medicare Private Limited  
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	As at 31 March 2021	As at 31 March 2020
<b>2.7 Current investments</b>		
Investments in mutual funds - quoted at fair value through profit or loss		
Birla Sunlife Cash Plus-Daily Dividend-Direct Plan Nil units (31 March 2020: 12,500.92 units)	-	0.13
HDFC Mutual fund - Operational funds 2,477.28 units (31 March 2020 : 5,504.81 units)	1.00	2.08
IDFC Cash Fund - Daily Dividend - Direct Plan 17.86 units (31 March 2020: 17.86 units)	0.00	0.00
IDFC Cash Fund - Growth - Direct Plan 12,104.46 units (31 March 2020: 765.95 units)	3.01	0.07
HDFC Overnight Mutual Fund Nil units (31 March 2020: 76.46 units)	-	0.02
SBI Overnight Mutual Fund Nil units (31 March 2020: 41.54 units)	-	0.01
IDFC Overnight Mutual Fund Nil units (31 March 2020: 85.04 units)	-	0.01
Sundaram Money Fund - Direct Plan- Daily Dividend Nil units (31 March 2020: 5,904.30 units)	-	0.01
Tata Liquid Fund - Direct Plan - Daily Dividend 7,715.98 units (31 March 2020: 1,146.55 units)	2.51	0.12
Reliance Liquid Fund Nil units (31 March 2020: 63.06 units)	-	0.01
Axis Liquid Fund - Operational funds Nil units (31 March 2020: 579.32 units)	-	0.06
SBI Premier Liquid Fund - Direct Plan - Daily Dividend 3,106.90 units (31 March 2020: 6,701.85 units)	1.00	2.04
	<u>7.52</u>	<u>4.56</u>
Aggregate market value of quoted current investments	7.52	4.56
<b>2.8 Trade receivables</b>		
(Unsecured, considered good)		
Trade receivables considered good - unsecured	38.34	36.54
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	11.65	9.67
<b>Total</b>	<u>49.99</u>	<u>46.21</u>
Loss allowance	(11.65)	(9.67)
<b>Total trade receivables</b>	<u>38.34</u>	<u>36.54</u>
Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.		
The Company is subject to concentration of credit risk in its accounts receivable for one customer comprising of 69% 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) Refer note 2.47 for details of assets pledged as security.		
(b) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.43		
(c) Refer note 2.34 for related party balances.		
<b>2.9 (a) Cash and cash equivalents</b>		
Cash on hand	0.38	0.26
Balance with banks		
- On current accounts	3.94	5.73
	<u>4.32</u>	<u>5.99</u>
<b>2.9 (b) Bank balances other than cash and cash equivalents</b>		
Deposit account (with original maturity more than 3 months but less than 12 months)*	78.77	88.33
	<u>78.77</u>	<u>88.33</u>
*Includes Rs. 7.85 (31 March 2020: Rs. 26.21) towards margin money deposits against bank guarantees and cash credit limits.		
(a) Refer note 2.47 for details of assets pledged as security.		
(b) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.43		
<b>(c) Details of bank balances / deposits</b>		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	3.94	5.73
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	78.77	88.33
Bank deposits due to mature after 12 months of the reporting date included under 'Other financial assets' (refer note 2.3)	14.96	0.05



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As at 31 March 2021 As at 31 March 2020

2.10 Loans

(Unsecured, considered good)

Inter-corporate deposits (ICD)\*

51.10	50.48
<b>51.10</b>	<b>50.48</b>

\*Unsecured ICDs aggregating to Rs. 51.10 (31 March 2020: Rs. 50.48) was given to seven parties at an interest rate of 9.50% to 10.50% p.a. (31 March 2020: 9.50% to 10.50% p.a.). This loan was given towards the working capital requirements of the borrower.

Details of inter corporate deposits during the year:

Name of the borrower	Nature of relationship	Purpose of deposits given	As at 1 April 2020	Placed during the year	Refunded during the year	As at 31 March 2021
Madhukar Rainbow Children's Hospital	Others	Working capital	21.85	22.17	(20.29)	23.73
Rainbow Women & Children's Hospital Private Limited	Related Party	Working capital	-	0.05	-	0.05
Rainbow Specialty Hospital Private Limited	Related Party	Working capital	9.07	-	(3.92)	5.15
Rosewalk Healthcare Private Limited	Related Party	Working capital	19.48	6.05	(3.44)	22.09
Rainbow Fertility Private Limited	Related Party	Working capital	0.07	-	-	0.07
Rainbow C R O Private Limited	Related Party	Working capital	0.01	-	-	0.01
			<b>50.48</b>	<b>28.27</b>	<b>(27.65)</b>	<b>51.10</b>

Details of inter corporate deposits during the previous year:

Name of the borrower	Nature of relationship	Purpose of deposits given	As at 1 April 2019	Placed during the year	Refunded/ written off during the year	As at 31 March 2020
Madhukar Rainbow Children's Hospital	Others	Working capital	6.08	61.26	(45.49)	21.85
Rainbow Children's Hospital Private Limited^	Related Party	Working capital	0.01	-	(0.01)	-
Rainbow Women & Children's Hospital Private Limited^	Related Party	Working capital	0.20	-	(0.20)	-
Rainbow Specialty Hospital Private Limited	Related Party	Working capital	9.25	13.01	(13.19)	9.07
Rosewalk Healthcare Private Limited	Related Party	Working capital	9.25	11.71	(1.48)	19.48
Rainbow Fertility Private Limited	Related Party	Working capital	-	0.07	-	0.07
Rainbow C R O Private Limited	Related Party	Working capital	-	0.01	-	0.01
			<b>24.79</b>	<b>86.06</b>	<b>(60.37)</b>	<b>50.48</b>

^ Represents amount written off during the year.

2.11 Other financial assets

(Unsecured, considered good)

Contract assets (unbilled revenue)

Interest accrued on

- bank deposits

- Inter Corporate Deposits (ICD)\*\*

7.11	7.65
1.67	1.95
9.18	4.77
<b>17.96</b>	<b>14.37</b>

\*\* Refer note 2.34 related parties.

2.12 Other current assets

(Unsecured, considered good)

Advances recoverable in cash or kind

Prepaid expenses

Staff advances

Balances with government authorities

7.36	7.93
2.36	1.88
0.26	0.27
0.07	0.31
<b>10.05</b>	<b>10.39</b>

*Alankar*



	As at 31 March 2021	As at 31 March 2020
<b>2.13 Share capital</b>		
<b>Authorised</b>		
59,055,616 (31 March 2020: 59,055,616) equity shares of Rs. 10 each	59.06	59.06
1,146,771 (31 March 2020: 1,146,771) 0.0001% Series A Compulsorily Convertible Preference Shares (Series A CCPS) of Rs. 48 each	5.51	5.51
1,133,309 (31 March 2020: 1,133,309) 0.0001% Series B Compulsorily Convertible Preference Shares (Series B CCPS) of Rs. 48 each	5.44	5.44
	<u>70.01</u>	<u>70.01</u>
<b>Issued, subscribed and paid-up</b>		
43,958,924 (31 March 2020: 43,958,924) equity shares of Rs. 10 each, fully paid-up	43.96	43.96
1,146,771 (31 March 2020: 1,146,771) Series A CCPS of Rs. 48 each, fully paid-up	5.51	5.51
1,133,309 (31 March 2020: 1,133,309) Series B CCPS of Rs. 48 each, fully paid-up	5.44	5.44
	<u>54.91</u>	<u>54.91</u>

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
<b>(i) Equity shares of Rs. 10 each, fully paid-up</b>				
At the commencement of the year	4,39,58,924	43.96	4,39,58,924	43.96
Add: Shares issued during the year	-	-	-	-
	<u>4,39,58,924</u>	<u>43.96</u>	<u>4,39,58,924</u>	<u>43.96</u>
<b>(ii) Series A CCPS of Rs. 48 each, fully paid-up</b>				
At the commencement of the year	11,46,771	5.51	11,46,771	5.51
Add: Shares issued during the year	-	-	-	-
At the end of the year	<u>11,46,771</u>	<u>5.51</u>	<u>11,46,771</u>	<u>5.51</u>
<b>(iii) Series B CCPS of Rs. 48 each, fully paid-up</b>				
At the commencement of the year	11,33,309	5.44	11,33,309	5.44
Add: Shares issued during the year	-	-	-	-
At the end of the year	<u>11,33,309</u>	<u>5.44</u>	<u>11,33,309</u>	<u>5.44</u>

**b) Rights, preferences and restrictions attached****i) Equity shares :**

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

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

**ii) Series A CCPS:**

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

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

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

**iii) Series B CCPS:**

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

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

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

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

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	%	Number of shares	%
<b>(i) Equity shares of Rs. 10 each, fully paid-up held by:</b>				
- Dr. Ramesh Kancharla	2,00,13,742	45.53%	2,00,13,742	45.53%
- CDC Group Plc	84,86,105	19.30%	84,86,105	19.30%
- Dr. Dinesh Kumar Chirila	48,00,000	10.92%	48,00,000	10.92%
- CDC India Opportunities Limited	38,99,927	8.87%	38,99,927	8.87%
- Adarsh Kancharla	23,11,950	5.26%	23,11,950	5.26%
<b>(ii) Series A CCPS of Rs. 48 each, fully paid-up held by:</b>				
- CDC Group Plc	11,46,771	100%	11,46,771	100%
<b>(iii) Series B CCPS of Rs. 48 each, fully paid-up held by:</b>				
- CDC India Opportunities Limited	11,33,309	100%	11,33,309	100%

d) During the five financial years ended 31 March 2021, no shares have been bought back.

e) During the year 2017-18, 34,679,253 equity shares of Rs. 10 each, fully paid up have been allotted as bonus shares by capitalisation of securities premium.



## 2.14 Other equity

Particulars	Securities premium	General reserve	Debenture redemption reserve	Retained earning	Total other equity
Balance as at 1 April 2019	151.34	4.44	12.50	190.57	358.84
Impact on account of transition to Ind AS 116, net of related deferred tax (Refer note 2.30 and 2.35)	-	-	-	(42.21)	(42.21)
Profit for the year	-	-	-	70.88	70.88
Amount transferred	-	-	(7.50)	7.50	-
<b>Appropriations:</b>					
Final dividend on equity shares for the year ended 31 March 2019 i.e. Rs. 1 per share	-	-	-	(4.40)	(4.40)
Tax on above final equity dividend	-	-	-	(0.90)	(0.90)
Final dividend on Series A CCPS for the year ended 31 March 2019 i.e. Rs. 1 per share	-	-	-	(0.11)	(0.11)
Final dividend on Series B CCPS for the year ended 31 March 2019 i.e. Rs. 1 per share	-	-	-	(0.11)	(0.11)
Tax on above Series A CCPS final dividend	-	-	-	(0.02)	(0.02)
Tax on above Series B CCPS final dividend	-	-	-	(0.02)	(0.02)
Interim dividend on equity shares for the year ended 31 March 2020 i.e. Rs. 2 per share	-	-	-	(8.79)	(8.79)
Tax on above interim equity dividend	-	-	-	(1.81)	(1.81)
Interim dividend on Series A CCPS for the year ended 31 March 2020 i.e. Rs. 2 per share	-	-	-	(0.23)	(0.23)
Interim dividend on Series B CCPS for the year ended 31 March 2020 i.e. Rs. 2 per share	-	-	-	(0.23)	(0.23)
Tax on above interim Series A CCPS dividend	-	-	-	(0.05)	(0.05)
Tax on above interim Series B CCPS dividend	-	-	-	(0.05)	(0.05)
Remeasurement of defined benefit liability	-	-	-	(0.13)	(0.13)
Income tax relating to remeasurement of defined benefit liability	-	-	-	0.04	0.04
<b>Balance as at 31 March 2020</b>	<b>151.34</b>	<b>4.44</b>	<b>5.00</b>	<b>209.93</b>	<b>370.71</b>

Particulars	Securities premium	General reserve	Debenture redemption reserve	Retained earning	Total other equity
Balance as at 1 April 2020	151.34	4.44	5.00	209.93	370.71
Profit for the year	-	-	-	49.41	49.41
Shares issued during the year	-	-	-	-	-
Amount transferred from debenture redemption reserve	-	-	-	0.50	0.50
<b>Appropriations:</b>					
Amount transferred	-	-	(0.50)	-	(0.50)
Remeasurement of defined benefit liability	-	-	-	1.20	1.20
Income tax relating to remeasurement of defined benefit liability	-	-	-	(0.30)	(0.30)
<b>Balance as at 31 March 2021</b>	<b>151.34</b>	<b>4.44</b>	<b>4.50</b>	<b>260.74</b>	<b>421.02</b>

*Securities premium*

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

*General reserve*

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

*Debenture redemption reserve*

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

*Other comprehensive income*

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

*Retained earnings*

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

*Dividend*

The Company has not declared and paid any dividend during the year. (Previous year: The Company has declared Interim dividend of Rs. 2 per equity share and preference share). Dividends would attract dividend distribution tax when declared or paid.

*R. Sankar*



As at  
31 March 2021

As at  
31 March 2020

**2.15 Borrowings (non-current)**

Secured

(a) From banks (at amortised cost)

term loan (refer note A below)

vehicle loans (refer note A below)

-

0.78

-

1.39

(b) From others (at amortised cost)

500 (31 March 2020: 500) 9.5% redeemable non-convertible debentures (NCD)

of Rs. 900,000 (31 March 2020: Rs. 1,000,000 each) (secured) (refer note B below)

39.74

44.42

**40.52**

**45.81**

A. Vehicle loans from banks represents loans taken from HDFC Bank Limited amounting to Rs. 0.78 (31 March 2020: Rs. 1.39) disclosed under long-term borrowings and Rs. 0.43 (31 March 2020: Rs. 0.44) disclosed under current maturities of long-term debts are secured by hypothecation of vehicles financed by respective banks and carry interest rates in the range of 8.17% p.a. to 11.20% p.a. (31 March 2020: 8.17% p.a. to 11.20% p.a.) These loans are repayable in equated monthly installments with the last installment falling due on March 2025.

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

- 10 NCD allotted on 5 October 2016 aggregating to Rs. 1

- 90 NCD allotted on 9 February 2017 aggregating to Rs. 9

- 400 NCD allotted on 4 July 2018 aggregating to Rs. 40.

These NCD's are secured by first ranking fixed charge over all fixed assets (including real estate and mortgage over fixed assets) of the issuer (paripassu with existing secured creditors in relation to existing assets; in priority to existing secured creditors with respect to new assets) and first ranking floating charge over all current assets, including bank assets and receivables of the Company.

The NCD's are redeemable at its face value with an option of early prepayment only after 3 years from the date of issue. The repayment schedule is as under:

Year 0 to 4 - Nil

Year 4 and 5 - 10% of the amount borrowed

Year 6 and 7 - 25% of the amount borrowed

Year 8 - 30% of the amount borrowed

The final redemption date is 5 August 2024. These NCD's carries an interest rate of 9.50% p.a payable in every six month (i.e 4 April and 4 October of every year). Interest rate has been revised from 10.50% p.a to 9.50% p.a. with effect from 5 April 2018 vide amended agreement dated 10 April 2018. Subsequent to previous year end, the interest due for the six months as at 31 March 2020 which is payable on 04 April 2020 has been deferred to 03 July 2020 vide agreement dated 03 April 2020.

The face value of the NCD's have been reduced to Rs.900,00 each post repayment of NCD's during the year.

C. Refer note 2.47 for details of assets pledged as security.

D. The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.43

**2.16 Provisions (non-current)**

Provision for employee benefits

- Gratuity (refer note 2.33(iii))

- Compensated absences (refer note 2.33(ii))

5.39

4.86

-

2.09

**5.39**

**6.95**

**2.17 Borrowings (short term)**

Secured

- Over draft from bank

-

4.21

-

**4.21**

Note:

(a) Overdraft facility from HDFC Bank Limited is secured against lien marked on fixed deposits of the Company maintained with the bank. It carries floating interest rate which is equal to interest rate on deposits placed with Bank + 0.5% i.e. 7.23% p.a. Also refer note 2.47

(b) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.43

**2.18 Trade payables**

Trade payables

- due to micro and small enterprises (refer note 2.40)

- due to other than micro and small enterprises

- to related parties (Refer note 2.34)

0.05

3.14

38.75

38.93

0.58

0.35

**39.38**

**42.42**

The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.43



**Rainbow Children's Medicare Private Limited**  
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	As at 31 March 2021	As at 31 March 2020
<b>2.19 Other financial liabilities</b>		
Current maturities of long-term debts (refer note 2.15)	5.36	5.33
Interest accrued but not due on borrowings	2.08	2.32
Employee payables ^	21.24	18.33
Creditor for capital goods #	14.26	13.98
Purchase consideration payable	0.36	0.71
Provision for expenses	11.19	11.40
Other payables	2.87	1.21
	<u>57.36</u>	<u>53.28</u>
^ Includes Rs. 2.61 (31 March 2020: Rs. 3.20) payable to related parties. Refer note 2.34		
# Includes Rs. 2.33 (31 March 2020: Rs. 0.48) payable to related parties. Refer note 2.34		
The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.43		
<b>2.20 Provisions (current)</b>		
Provision for employee benefits		
Gratuity (refer note 2.33 (iii))	0.22	0.17
Compensated absences	2.06	0.41
	<u>2.28</u>	<u>0.58</u>
Provision for claims, other than taxes*	0.19	0.19
	<u>2.47</u>	<u>0.77</u>
<b>*Movement in provision for claims, other than taxes:</b>		
Opening balance	0.19	0.19
Add: Addition during the year	-	-
Less: Utilisation/ reversal during the year	-	-
Closing balance	<u>0.19</u>	<u>0.19</u>
Provision for claims, other than taxes represents claims pending before tribunal and based on management's estimate of claims, provision is made on prudent basis that possible outflow of resources may arise in future.		
<b>2.21 Current tax liability (net)</b>		
Provision for taxation [net of advance tax : Rs. 47.54 (31 March 2020: Rs. 41.50)]	3.79	3.59
	<u>3.79</u>	<u>3.59</u>
<b>2.22 Other current liabilities</b>		
Contract liabilities (advance from patients)	5.22	4.98
Statutory liabilities	3.30	4.78
	<u>8.52</u>	<u>9.76</u>

*Reliance*





**Rainbow Children's Medicare Private Limited**  
**Notes to standalone financial statements**

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>2.23 Revenue from operations</b>		
Income from medical and healthcare services		
- Revenue from hospital services (Refer note 2.46)	504.32	573.15
- Revenue from pharmacy (Refer note 2.46)	84.47	93.31
- Revenue from medical service fees (Refer note 2.46)	16.13	16.26
Other operating income	9.53	12.39
	<b>614.45</b>	<b>695.11</b>
<b>2.24 Other income</b>		
Interest income on		
- bank deposits	5.21	5.09
- Inter corporate deposits (ICD) (Refer note 2.34)	4.42	3.77
- financial assets carried at amortised cost	1.46	2.58
- others	-	0.14
Dividend income	0.20	0.28
Net gain on financial assets measured at fair value through profit or loss	0.02	0.00
Liabilities no longer required written back	0.25	0.01
Gain on sale of plant, property and equipment	0.05	0.06
Foreign exchange gain, net	0.02	0.00
Others	0.32	-
	<b>11.95</b>	<b>11.93</b>
<b>2.25 Medical consumables and pharmacy items consumed</b>		
Opening stock	14.62	6.95
Add: Purchases	91.83	109.59
Less: Closing stock	(9.29)	(14.62)
	<b>97.16</b>	<b>101.92</b>
<b>2.26 Employee benefits expense *</b>		
Salaries, wages and bonus	89.37	94.49
Contribution to provident and other funds (Refer note 2.33 (i))	4.55	4.70
Staff welfare expenses	2.18	2.80
	<b>96.10</b>	<b>101.99</b>
* Net of amount capitalised (refer note 2.42)		
<b>2.27 Finance costs*</b>		
Interest on long-term borrowing	0.13	0.10
Interest on NCD's	4.45	4.91
Interest on short-term borrowing	0.07	0.10
Unwinding of interest on lease liabilities (Refer note 2.35)	36.22	37.89
Others including interest on income tax	0.82	-
	<b>41.69</b>	<b>43.00</b>
* Net of amount capitalised (Refer note 2.42)		
<b>2.28 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (Refer note 2.1(a))	41.34	38.09
Amortisation of intangible assets (Refer note 2.1(b))	1.08	1.84
Amortisation of right of use asset (Refer note 2.35)	25.48	25.00
	<b>67.90</b>	<b>64.93</b>



**Rainbow Children's Medicare Private Limited**  
**Notes to standalone financial statements**

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>2.29 Other expenses *</b>		
Professional charges	143.88	155.54
Hospital maintenance	3.50	4.26
Canteen expenses	10.25	12.73
Contract wages	16.35	16.45
Housekeeping expenses	4.18	5.64
Power and fuel	12.26	13.13
Lab and investigations	11.51	9.69
Repairs and maintenance		
- Plant and equipment	6.22	3.75
- Others	12.80	19.43
Rent (Refer note 2.35)	2.27	1.62
Rates and taxes	7.68	8.69
Business promotion and advertisement	8.63	11.17
Travelling and conveyance	1.49	3.10
Printing and stationary	3.43	3.94
Bad debts written off	0.31	0.18
Inter corporate deposits written off (including interest accrued)	-	0.47
Advances written off	-	0.08
Allowances for doubtful debts	1.98	5.05
Communication expenses	2.19	2.26
Insurance	1.06	0.63
Professional and consultancy (refer note 2.37)	1.99	3.16
Impairment loss on non current investment	-	0.02
Directors sitting fees	0.27	0.04
Donations	1.00	-
Corporate social responsibility (refer note 2.41)	1.57	0.68
Bank charges	2.14	3.50
Miscellaneous expenses	0.70	0.82
	<b>257.66</b>	<b>286.03</b>

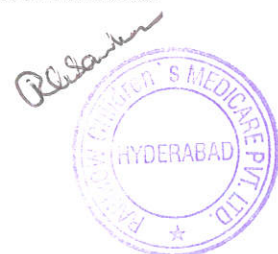
\* Net of amount capitalised (refer note 2.42)

<b>2.30 Tax expense, net</b>		
Current tax	23.85	42.96
Tax in respect of earlier years	-	0.41
	<b>23.85</b>	<b>43.37</b>
Deferred tax expense/(credit)	(7.07)	0.99
Deferred tax expense for earlier years	-	(6.08)
	<b>16.78</b>	<b>38.28</b>

**a. Reconciliation of effective tax rate**

Accounting profit before taxes	65.89	109.17
Enacted tax rates*	25.17%	34.94%
Tax expense at enacted rates	16.58	38.15
Expenses not deductible for tax	0.49	0.24
Income not subject to tax	-	(0.10)
Unrecognised deferred tax assets, net	-	(6.08)
Change in tax rate*	-	(0.38)
Tax in respect of earlier years	-	0.41
Others	(0.29)	6.05
	<b>16.78</b>	<b>38.28</b>

\*The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated on 20 September 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to domestic companies to pay income tax at a reduced tax of 22 percent plus applicable surcharge and cess with certain conditions to be met. The Company has opted for this amendment in financial year 2020-2021 and accordingly deferred tax is calculated @ 22% plus applicable surcharge and cess for the year ended 31 March 2020.



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

**2.30 Tax expenses, net (continued)**

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

	As at 31 March 2021	As at 31 March 2020
Income tax assets, net	4.20	1.81
Current tax liabilities, net	(3.79)	(3.59)
<b>Net current income tax (liabilities)/ assets at the end of the year</b>	<b>0.41</b>	<b>(1.78)</b>

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

Net income tax liabilities at the beginning of the year	(1.78)	(1.20)
Income tax paid	26.51	19.79
MAT credit utilisation	-	23.00
Income tax expense for the year including interest on income tax	(24.32)	(42.96)
Income tax pertaining to earlier years	-	(0.41)
<b>Net income tax (liabilities)/ assets at the end of the year</b>	<b>0.41</b>	<b>(1.78)</b>

**d. Recognition of deferred tax assets and liabilities**

	As at 31 March 2021	As at 31 March 2020
<b>(i) Deferred tax assets and liabilities are attributable to the following</b>		
<b>Deferred tax liability</b>		
Expenses of depreciation on the property, plant and equipment under income-tax, 1961 over depreciation under Companies Act.	29.16	30.72
Right-of-use of Asset	86.32	86.65
<b>Total deferred tax liability</b>	<b>115.48</b>	<b>117.37</b>
<b>Deferred tax asset</b>		
Provision for impairment on receivables	2.93	2.43
Provision for employee benefits	1.93	1.90
Provision for bonus	2.51	2.29
Lease liabilities (including impact of transition to Ind AS amounting to Rs.14.20 as on 31.03.2020)	109.85	104.23
Others	-	1.18
<b>Total deferred tax asset</b>	<b>117.22</b>	<b>112.03</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>(1.74)</b>	<b>5.34</b>

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Rainbow Children's Medicare Private Limited  
Notes to standalone financial statements  
(All amounts are in crores of Indian Rupees, except share data and unless otherwise stated)

2.30 Tax expenses, net (continued)

d. Recognition of deferred tax assets and liabilities (continued)

(ii) Movement in temporary differences

Particulars	Balance as at 1 April 2020	Recognised in retained earnings	Minimum alternate tax credit utilised	Recognised in standalone statement of profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2021
Provision for impairment on receivables	2.43	-	-	0.50	-	2.93
Provision for employee benefits	1.90	-	-	0.33	(0.30)	1.93
Provision for bonus	2.29	-	-	0.22	-	2.51
Lease liabilities (including impact of transition to Ind AS amounting to Rs.14.20)	104.23	-	-	5.62	-	109.85
Others	1.18	-	-	(1.18)	-	-
Right-of-use of Asset	(86.65)	-	-	0.33	-	(86.32)
Expenses of depreciation on the property, plant and equipment under income-tax, 1961 over depreciation under Companies Act.	(30.72)	-	-	1.55	-	(29.16)
	(5.34)	-	-	7.37	(0.30)	1.74

(ii) Movement in temporary differences (continued)

Particulars	Balance as at 1 April 2019	Recognised in retained earnings	Minimum alternate tax credit utilised	Recognised in standalone statement of profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2020
Provision for impairment on receivables	1.61	-	-	0.82	-	2.43
Provision for employee benefits	2.17	-	-	(0.31)	0.04	1.90
Provision for bonus	2.95	-	-	(0.66)	-	2.29
Lease liabilities (including impact of transition to Ind AS amounting to Rs.14.20)	-	14.20	-	90.03	-	104.23
Others	-	-	-	1.18	-	1.18
Minimum alternate tax credit entitlement*	16.88	-	(22.96)	6.08	-	-
Others	-	-	-	(86.65)	-	(86.65)
Expenses of depreciation on the property, plant and equipment under income-tax, 1961 over depreciation under Companies Act.	(25.31)	-	-	(5.41)	-	(30.72)
	(1.70)	14.20	(22.96)	5.08	0.04	(5.34)

\*Minimum alternate tax credit entitlement recognised in the standalone statement of profit and loss of Rs.6.08 represents credit for the previous year. In the previous year, the Company has utilized the remaining MAT credit and accumulated losses.



*Rajesh Kumar*



## Notes to standalone financial statements

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

## 2.31 Contingent liabilities and commitments

## A) Contingent liabilities

Particulars	As at	As at
	31 March 2021	31 March 2020
(i) Demands under dispute		
- Income-tax matters under dispute	2.00	0.92
- Value added tax, Central Sales Tax, Service Tax and Goods and Service Tax demand under dispute	2.72	0.39
- Luxury tax demand under dispute	1.86	1.86
(ii) Claims against the Company not acknowledged as debt	9.92	9.42
iii) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the Contingent liability in the standalone financial statements. The impact of the same is not ascertainable.		

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 defense of the proceedings and accordingly no further provision is required.

## B) Commitments

## Capital commitments

Particulars	As at	As at
	31 March 2021	31 March 2020
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	0.53	29.67

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

*Rishabh*



**2.33 Employee benefits****A. The employee benefit schemes are as under:****i) Provident fund and Employee state insurance (ESI):**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund and ESI, which is a defined contribution plan. The contribution are charged to the Statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident fund and ESI for the year amount to Rs. 3.63 and Rs. 0.92 respectively (31 March 2020: Rs. 3.57 and Rs. 1.13 respectively).

**ii) Compensated absences:**

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year end limited to 15 days. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the standalone statement of profit and loss.

**iii) Gratuity**

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. 0.20

The following table sets out the status of the unfunded gratuity plan :

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

Particulars	As at 31 March 2021	As at 31 March 2020
Opening defined benefit obligation	5.03	3.96
Service cost	1.65	1.37
Interest cost	0.34	0.30
Actuarial gain	(1.20)	0.13
Benefits paid	(0.21)	(0.73)
<b>Benefit obligation at the end of the year</b>	<b>5.61</b>	<b>5.03</b>
Short-term provision (Refer note 2.20)	0.22	0.17
Long-term provision (Refer note 2.16)	5.39	4.86

**Gratuity expense recognised in the statement of profit and loss:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	1.65	1.37
Interest on defined benefit obligation	0.34	0.30
Expected return on plan assets	-	-
Net actuarial (gain)/loss	(1.20)	0.13
<b>Net gratuity expense recognised in the statement of profit and loss:</b>	<b>0.79</b>	<b>1.80</b>

**Re-measurements recognised in other comprehensive income**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial (gain)/loss on defined benefit obligation	(1.20)	0.13
Return on plan assets excluding interest income	-	-
<b>Actuarial (gain)/loss recognised in other comprehensive income</b>	<b>(1.20)</b>	<b>0.13</b>

**Summary of actuarial assumptions**

Financial assumptions at balance sheet date:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.85% p.a	6.85% p.a
Salary escalation rate	8% p.a	8% p.a
Attrition rate		
Age 21 to 30	10% p.a	10% p.a
Age 31 to 40	5% p.a	5% p.a
Age 41 to 50	3% p.a	3% p.a
51 and above	2% p.a	2% p.a
Retirement Age	58 years	58 years

**Maturity profile of defined benefit obligation**

Particulars	As at 31 March 2021	As at 31 March 2020
Year 1	0.22	0.17
Year 2 to 5	1.08	0.96
Year 6 to 9	1.30	1.18
For 10 years and above	14.06	13.22

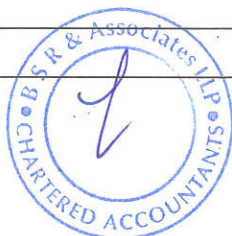
**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

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

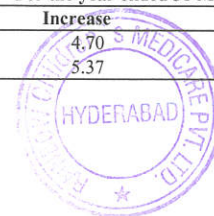
**Sensitivity analysis**

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

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	5.25	5.99	4.70	5.38
Salary escalation rate (50 bps movement)	5.98	5.26	5.37	4.71



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2.34 Related parties

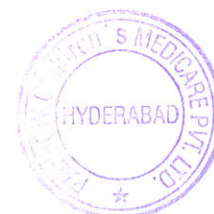
a) Names of the related parties and description of relationship:

Entities in which control exists (Subsidiaries)	Rainbow Children's Hospital Private Limited Rainbow Women & Children's Hospital Private Limited Rainbow Specialty Hospitals Private Limited Rosewalk Healthcare Private Limited Rainbow Fertility Private Limited (w.e.f. 05 August 2019) Rainbow C R O Private Limited (w.e.f. 14 November 2019)
Key managerial personnel (KMP)	Dr. Ramesh Kancharla, Managing Director Dr. Dinesh Kumar Chirla, Whole-Time Director Mr. R. Gowrisankar, Chief Financial Officer Mr. Pawan Kumar Mittal, Company Secretary (resigned w.e.f 31 March 2021)
Relative of key managerial personnel	Mrs. Padma Kancharla, wife of Dr. Ramesh Kancharla Mr. Adarsh Kancharla, son of Dr. Ramesh Kancharla Mr. K. Ramadhar Naidu, brother of Dr. Ramesh Kancharla
Enterprise exercising significant influence on the Company	CDC Group Plc CDC India Opportunities Limited CDC Emerging Markets Limited
Enterprises where key managerial personnel along with their relatives exercise significant influence	Ravindranath GE Medical Associates Private Limited Rainbow Children's Foundation (Trust) Sesha Sarojini Medical Infra Private Limited.

(b) Related party transactions during the year:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from professional services rendered</b>		
- Ravindranath GE Medical Associates Private Limited	0.01	0.00
- Rainbow Children's Foundation (Trust)	0.31	0.07
<b>Revenue from pharmacy sales</b>		
- Rainbow Specialty Hospitals Private Limited	0.81	1.05
- Rosewalk Healthcare Private Limited	1.22	0.36
<b>Other Operating Income</b>		
- Rainbow Specialty Hospitals Private Limited	0.42	0.25
- Rosewalk Healthcare Private Limited	0.31	0.14
<b>Professional services received</b>		
- Ravindranath GE Medical Associates Private Limited	0.14	0.19
<b>Medical consumables and pharmacy items</b>		
- Rainbow Specialty Hospitals Private Limited	0.38	0.22
- Rosewalk Healthcare Private Limited	0.01	0.06
<b>Other Receivables</b>		
- Rainbow Specialty Hospitals Private Limited	0.23	-
<b>Interest income on inter-corporate deposit</b>		
- Rainbow Children's Hospital Private Limited	-	0.00
- Rainbow Women & Children's Hospital Private Limited	0.00	0.02
- Rainbow Specialty Hospitals Private Limited	0.56	0.89
- Rosewalk Healthcare Private Limited	2.02	1.43
- Rainbow Fertility Private Limited	0.01	0.00
- Rainbow C R O Private Limited	0.00	0.00
<b>Investment in equity share capital</b>		
- Rainbow Specialty Hospitals Private Limited	1.65	13.69
- Rainbow Fertility Private Limited	-	4.50
- Rainbow C R O Private Limited	-	0.01
<b>Inter-corporate deposits placed</b>		
- Rainbow Children's Hospital Private Limited	-	0.00
- Rainbow Women & Children's Hospital Private Limited	0.05	-
- Rainbow Specialty Hospitals Private Limited	-	13.01
- Rosewalk Healthcare Private Limited	6.05	11.72
- Rainbow Fertility Private Limited	-	0.07
- Rainbow C R O Private Limited	-	0.01

*R. Gowrisankar*



2.34 Related parties (continued)  
(b) Related party transactions during the year (continued):

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Inter-corporate deposit received back</b>		
- Rainbow Specialty Hospitals Private Limited	3.92	13.19
- Rosewalk Healthcare Private Limited	3.44	1.48
<b>Inter-corporate deposit written off</b>		
- Rainbow Women & Children's Hospital Private Limited	-	0.20
- Rainbow Children's Hospital Private Limited	-	0.01
<b>Interest accrued on inter corporate deposit written off</b>		
- Rainbow Women & Children's Hospital Private Limited	-	0.25
- Rainbow Children's Hospital Private Limited	-	0.00
<b>Professional fees paid</b>		
- Dr. Dinesh Kumar Chirla	1.36	1.92
- Mr. K. Ramadhar Naidu	0.19	0.47
<b>Expenses incurred on behalf of related parties</b>		
- Mr. K. Ramadhar Naidu	0.01	0.02
<b>Rent paid to Key managerial personnel</b>		
- Dr. Ramesh Kancharla	-	-
<b>Remuneration including variable fee paid to Key managerial personnel</b>		
- Dr. Ramesh Kancharla	7.81	7.19
- Dr. Dinesh Kumar Chirla	1.12	1.20
- Mr. R.Gowrisankar	0.64	0.51
- Mr. Pawan Kumar Mittal	0.19	0.21
<b>Leave Travel Allowance paid to Key managerial personnel</b>		
- Dr. Ramesh Kancharla	-	0.10
- Dr. Dinesh Kumar Chirla	-	-
<b>Expenditure incurred on behalf Key managerial personnel</b>		
- Dr. Ramesh Kancharla	0.03	0.04
<b>Civil works</b>		
- Sessa Sarojini Medical Infra Limited	3.51	3.86
<b>Purchase of equity shares in Unimed Healthcare Private Limited</b>		
- Mr. Adarsh Kancharla	8.00	-
<b>Redemption of 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	5.00	-
<b>Interest on 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	4.45	4.76
<b>Dividend paid during the year to KMP and relative of KMP</b>		
- Dr. Ramesh Kancharla	-	6.00
- Dr. Dinesh Kumar Chirla	-	1.44
- Mrs. Padma Kancharla	-	0.54
- Mr. Adarsh Kancharla	-	0.69
<b>Dividend paid (on equity share capital and Series A compulsorily convertible preference shares)</b>		
- CDC Group Plc	-	2.89
<b>Dividend paid (on equity share capital and Series B compulsorily convertible preference shares)</b>		
- CDC India Opportunities Limited	-	1.51

\*The managerial personnel 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 managerial personnel has not been included in the aforementioned disclosures as these are not determined on an individual basis.

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2.34 Related parties (continued)

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

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Trade payables</b>		
- Ravindranath GE Medical Associates Private Limited	0.03	0.06
- Rainbow Specialty Hospitals Private Limited	0.47	0.22
- Rosewalk Healthcare Private Limited	0.08	0.06
<b>Other financial liabilities</b>		
- Rosewalk Healthcare Private Limited	0.36	0.71
<b>Trade receivables</b>		
- Rainbow Specialty Hospitals Private Limited	0.61	1.05
- Rosewalk Healthcare Private Limited	1.12	0.36
<b>Reimbursement of expenditure</b>		
- Mr. K. Ramadhar Naidu	-	0.00
<b>Capital creditors</b>		
- Sessa Sarojini Medical Infra Private Limited	2.21	0.48
<b>Long-term borrowings</b> (before adjustments of transaction costs incurred as required as per Ind AS 109)		
- CDC Emerging Markets Limited	45.00	50.00
<b>Interest accrued and not due on long-term borrowings payable</b>		
- CDC Emerging Markets Limited	2.08	2.32
<b>Remuneration payable to Key managerial personnel</b>		
- Dr. Ramesh Kancharla	2.61	3.20
- Dr. Dinesh Kumar Chirla		
<b>Professional fee payable to Key managerial personnel</b>		
- Dr. Ramesh Kancharla		
- Dr. Dinesh Kumar Chirla	0.12	0.14
<b>Non-current investments in equity shares</b>		
- Rainbow Women & Children's Hospital Private Limited	0.01	0.01
- Rainbow Specialty Hospitals Private Limited	15.35	13.70
- Rainbow Children's Hospital Private Limited	0.01	0.01
- Rosewalk Healthcare Private Limited	1.22	1.22
- Rainbow Fertility Private Limited	4.50	4.50
- Rainbow C R O Private Limited	0.01	0.01
<b>Non-current investments in debentures</b>		
- Rosewalk Healthcare Private Limited	0.19	0.19
<b>Inter corporate deposits</b>		
- Rainbow Women & Children's Hospital Private Limited	0.05	-
- Rainbow Children's Hospital Private Limited	-	-
- Rainbow Specialty Hospitals Private Limited	5.15	9.07
- Rosewalk Healthcare Private Limited	22.09	19.49
- Rainbow Fertility Private Limited	0.07	0.07
- Rainbow C R O Private Limited	0.01	0.01
<b>Interest accrued on inter corporate deposits</b>		
- Rainbow Women & Children's Hospital Private Limited	0.00	-
- Rainbow Specialty Hospitals Private Limited	1.54	0.98
- Rosewalk Healthcare Private Limited	3.57	1.54
- Rainbow Fertility Private Limited	0.01	0.00
- Rainbow C R O Private Limited	0.00	0.00

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

e) All the related party transactions are at arm's length

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## 2.35 Leases

## A Transition to Ind AS 116 "Leases" w.e.f April 01, 2019:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 "Leases" which replaces the existing lease standard, Ind AS 17 "Leases", and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, under modified retrospective transition method using incremental borrowing rate as at April 1, 2019, and has not restated comparative information.

The Company has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment. The weighted average incremental borrowing rate of 9.5% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

## B Following are the changes in the carrying values of right of use assets for the year ended 31 March 2021 and 31 March 2020:

Particulars	Category of ROU Assets	
	Buildings	
<b>Balance as at 1 April 2019</b>	344.34	
Additions	20.97	
Deletions	-	
<b>Balance as at 31 March 2020</b>	<b>365.31</b>	
<b>Balance as at 1 April 2020</b>	365.31	
Additions	35.47	
Deletions	(7.32)	
<b>Balance as at 31 March 2021</b>	<b>393.46</b>	
<b>Accumulated amortisation</b>		
<b>Balance as at 1 April 2019</b>	-	
Amortisation charge for the year	25.00	
Deletions	-	
<b>Balance as at 31 March 2020</b>	<b>25.00</b>	
<b>Balance as at 1 April 2020</b>	25.00	
Amortisation charge for the year	25.48	
Deletions	-	
<b>Balance as at 31 March 2021</b>	<b>50.48</b>	
<b>Carrying amounts</b>		
<b>Balance as at 31 March 2021</b>	<b>342.98</b>	
Balance as at 31 March 2020	340.31	

\*The aggregate depreciation expense for the year on ROU assets is included under depreciation and amortisation expense in the standalone statement of profit and loss.

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term lease expense	2.27	1.62
Low value lease expense	-	-
Variable lease expense	-	-
<b>Total</b>	<b>2.27</b>	<b>1.62</b>

## D Following are the changes in the lease liabilities for the year ended 31 March 2021 and 31 March 2020:

Particulars	Lease liabilities
<b>Balance as at 1 April 2019</b>	394.12
Additions	19.56
Finance cost	37.89
Deletions	-
Payment of lease liabilities	(37.47)
<b>Balance as at 31 March 2020</b>	<b>414.10</b>
<b>Balance as at 1 April 2020</b>	414.10
Additions	35.47
Finance cost	36.22
Deletions	(7.60)
Payment of lease liabilities	(41.72)
<b>Balance as at 31 March 2021</b>	<b>436.47</b>
Non-current lease liabilities	431.56
Current lease liabilities	4.91

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## 2.35 Leases (continued)

E The following is the cash outflow on leases :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Payment of lease liabilities	5.50	2.84
Interest on lease liabilities	36.22	34.63
Short-term lease expense	2.27	1.62
<b>Total cash outflow on leases</b>	<b>44.00</b>	<b>39.09</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Less than 1 year	45.21	40.73
1 to 5 years	246.01	178.23
Over 5 years	613.39	659.44

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

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**2.36 Segment reporting**

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

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

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees	0.32	0.30
Other services	-	0.02
Reimbursement of expenses	0.01	0.01
<b>Total</b>	<b>0.33</b>	<b>0.33</b>

**2.38 Earnings per share :**

The earnings per share has been computed as under:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit for the year (A)	49.41	70.88
Less: Preference dividend for the year	-	0.68
Less: Tax on preference dividend	-	0.14
Profit available for equity shareholders (B)	49.41	70.06
<b>Shares:</b>		
Weighted average number of equity shares outstanding during the year – Basic (C)	4,39,58,924	4,39,58,924
Add: Weighted average number of equity shares arising out of convertible preference shares that have dilutive effect on the EPS (D)	22,80,080	22,80,080
Weighted average number of equity shares outstanding during the year – Diluted (E = C+D)	4,62,39,004	4,62,39,004
<b>Earnings per share</b>		
Earnings per share of par value Rs. 10 - Basic (Rs.) (B/(C+D))	11.24	15.94
Earnings per share of par value Rs. 10 - Diluted (Rs.) (A/E)	10.69	15.33

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Number of non resident share holders	2	2
Number of shares held by non-resident shareholders		
- Equity shares	1,23,86,032	1,23,86,032
- Series A CCPS	11,46,771	11,46,771
- Series B CCPS	11,33,309	11,33,309
Amount remitted during the year (amount in crores)*		
- Equity shares	-	2.55
- Series A CCPS	-	0.34

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



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

**2.40 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 August 26, 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 2021 has been made in the standalone financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	As at 31 March 2021	As at 31 March 2020
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; - Principal	0.05	3.14
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 2.43

**2.41 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, rural development activities, medical facilities, employment and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013. Expenditure incurred under Section 135 of the Companies Act, 2013 on CSR activities are as below:

a) Gross amount spent by the Company during the year ended 31 March 2021 is Rs. 1.57 (31 March 2020: Rs. 1.12)

b) Amount spent during the year:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(i) On purposes of acquisition or construction of assets	-	-
(ii) On purposes other than (i) above	1.57	0.68
<b>Total</b>	<b>1.57</b>	<b>0.68</b>
<b>Remaining amount to be spent</b>	<b>-</b>	<b>0.44</b>

**2.42 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 2021	For the year ended 31 March 2020
<b>Employee benefit expenses (A)</b>	<b>1.25</b>	<b>0.80</b>
<b>Other expenses</b>		
Rent	0.71	0.01
Consultancy and project expenses	0.36	3.88
Travelling and other expenses	0.20	0.25
Power and fuel	0.13	0.02
Other general expenses	0.43	0.26
<b>Total (B)</b>	<b>1.83</b>	<b>4.42</b>
<b>Finance cost (C)</b>	<b>1.12</b>	<b>1.48</b>
<b>Grand total (A+B+C)</b>	<b>4.20</b>	<b>6.70</b>



## 2.43 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. The Company's activities expose it to a variety of financial risks : 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 and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

### Trade and other receivables

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

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

Particulars	Carrying amount	
	As at 31 March 2021	As at 31 March 2020
Insurance companies and Third-Party Administrator (TPA)	13.55	18.75
Central and state government (including public sector undertakings)	7.86	9.83
Corporates and individual patients	0.06	0.63
Others	28.52	17.00
	<b>49.99</b>	<b>46.21</b>

### Movement in the Credit loss allowance

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	9.67	4.62
Add: provided/ (utilised) during the year	1.98	5.05
Net remeasurement of provision	<b>11.65</b>	<b>9.67</b>

### 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 2021	As at 31 March 2020
Trade receivables	38.34	36.54
Cash and cash equivalents	4.32	5.99
Other bank balances	78.77	88.32
Investments	36.79	24.18
Other financial assets	71.41	51.30
Loans	51.10	50.48
	<b>280.73</b>	<b>256.81</b>

Following are the remaining contractual maturities of financial liabilities at the reporting date.

As at 31 March 2021

Particulars	Within 1 year	1-5 Years	More than five years	Total carrying amount
Borrowings - long-term (including current maturities)	5.36	4.76	35.76	45.88
Trade payables	39.38	-	-	39.38
Other financial liabilities	52.00	-	-	52.00
Lease Liabilities	45.21	246.01	613.39	904.61
	<b>141.95</b>	<b>250.77</b>	<b>649.15</b>	<b>1,041.87</b>

As at 31 March 2020

Particulars	Within 1 year	1-5 Years	More than five years	Total carrying amount
Borrowings - long-term (including current maturities)	5.33	5.82	39.98	51.13
Borrowings - short-term	4.21	-	-	4.21
Trade payables	42.42	-	-	42.42
Other financial liabilities	47.95	-	-	47.95
Lease Liabilities	40.73	178.23	659.44	878.40
	<b>140.64</b>	<b>184.05</b>	<b>699.42</b>	<b>1,024.11</b>



2.43 Financial risk management (continued)

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 primarily arises from the Company's long-term borrowings and investments in bank deposits and inter-corporate deposits.

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

Particulars	As at	As at
	31 March 2021	31 March 2020
<b>Fixed rate instruments</b>		
Financial assets	144.82	138.86
Financial liabilities	45.88	55.35

Foreign currency risk

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

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

Exposure to currency risk

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

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
		(in whole no's)		(in whole no's)	
Capital creditors	EUR	9,713	0.11	3,198	0.03
Capital advance	USD	-	-	2,235	0.02

Sensitivity analysis:

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

	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31-Mar-21</b>				
EUR (5% movement)	0.01	(0.01)	0.00	(0.00)
<b>31-Mar-20</b>				
EUR (5% movement)	0.00	(0.00)	0.00	(0.00)
USD (5% movement)	0.00	(0.00)	0.00	(0.00)

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**Rainbow Children's Medicare Private Limited**  
**Notes to standalone financial statements**

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

**2.44 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. 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 safe guard 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 and Total debt include borrowings and bank overdraft.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company's adjusted debt to equity ratio is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Total debt	45.88	55.35
Total equity	475.93	425.62
<b>Debt to equity ratio</b>	<b>0.10</b>	<b>0.13</b>

**2.45 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 2021**

Particulars	Note	Fair value			Carrying values			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value
		through profit or loss account	through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities – amortised cost	Total carrying amount					
<b>Financial assets measured at fair value</b>											
Investments in mutual funds	2.7	7.52	-	-	-	-	7.52	7.52	-	-	7.52
Investments in equity instruments	2.2	-	0.00	-	-	-	0.00	-	-	0.00	0.00
		<b>7.52</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.52</b>	<b>7.52</b>	<b>-</b>	<b>0.00</b>	<b>7.52</b>
<b>Financial assets not measured at fair value</b>											
Other financial assets	2.3 & 2.11	-	-	71.41	-	-	71.41	-	-	-	71.41
Trade receivables	2.8	-	-	38.34	-	-	38.34	-	-	-	38.34
Cash and cash equivalents	2.9 (a)	-	-	4.32	-	-	4.32	-	-	-	4.32
Investments	2.2	-	-	29.27	-	-	29.27	-	-	-	29.27
Other bank balances	2.9 (b)	-	-	78.77	-	-	78.77	-	-	-	78.77
Loans	2.10	-	-	51.10	-	-	51.10	-	-	-	51.10
		-	-	<b>273.21</b>	-	-	<b>273.21</b>	-	-	-	<b>273.21</b>
<b>Financial liabilities not measured at fair value</b>											
Borrowings (excluding interest accrued)	2.15 & 2.17	-	-	-	40.52	-	40.52	-	-	-	40.52
Lease liabilities	2.35	-	-	-	436.47	-	436.47	-	-	-	436.47
Trade payables	2.18	-	-	-	39.37	-	39.37	-	-	-	39.37
Other financial liabilities	2.19	-	-	-	57.36	-	57.36	-	-	-	57.36
		-	-	-	<b>573.72</b>	-	<b>573.72</b>	-	-	-	<b>573.72</b>





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 (All amounts are in crores of Indian Rupees, except share data and unless otherwise stated)  
**2.45 Financial instruments (continued)**

As at 31 March 2020

	Note	Carrying values						Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value
		Fair value through profit or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities - amortised cost							
<b>Financial assets measured at fair value</b>												
Investments in mutual funds	2.7	4.56	-	-	-	-	4.56	4.56	-	-	4.56	
Investments in equity instruments	2.2	-	0.00	-	-	-	0.00	-	-	0.00	0.00	
		<b>4.56</b>	<b>0.00</b>	-	-	-	<b>4.56</b>	<b>4.56</b>	-	<b>0.00</b>	<b>4.56</b>	
<b>Financial assets not measured at fair value</b>												
Other financial assets	2.3 & 2.11	-	-	51.30	-	-	51.30	-	-	-	51.30	
Trade receivables	2.8	-	-	36.54	-	-	36.54	-	-	-	36.54	
Cash and cash equivalents	2.9 (a)	-	-	5.99	-	-	5.99	-	-	-	5.99	
Other bank balances	2.9 (b)	-	-	88.33	-	-	88.33	-	-	-	88.33	
Investments	2.2	-	-	19.62	-	-	19.62	-	-	-	19.62	
Loans	2.10	-	-	50.48	-	-	50.48	-	-	-	50.48	
		-	-	<b>252.26</b>	-	-	<b>252.26</b>	-	-	-	<b>252.26</b>	
<b>Financial liabilities not measured at fair value</b>												
Borrowings (excluding interest accrued)	2.15 & 2.17	-	-	-	-	50.02	50.02	-	-	-	50.02	
Lease liabilities	2.35	-	-	-	-	436.47	436.47	-	-	-	436.47	
Trade payables	2.18	-	-	-	-	42.42	42.42	-	-	-	42.42	
Other financial liabilities	2.19	-	-	-	-	53.28	53.28	-	-	-	53.28	
		-	-	-	-	<b>582.19</b>	<b>582.19</b>	-	-	-	<b>582.19</b>	

**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 NAV as at the reporting period.

**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.
- The carrying values of current financial liabilities and current financial assets are taken as their fair value because of their short term nature.
  - The carrying values of non-current financial liabilities and non-current financial assets are taken as their fair value based on their discounted cash flows.
  - The Company has used closing NAV for valuation in mutual funds.
  - There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2021 and 31 March 2020



**Rainbow Children's Medicare Private Limited****Notes to standalone financial statements**

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

**2.46 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 2021	For the year ended 31 March 2020
Income from hospital services	504.32	573.15
Income from pharmacy	84.47	93.31
Income from medical service fee	16.13	16.26
<b>Total revenue from contracts with customers</b>	<b>604.92</b>	<b>682.72</b>
<b>Location of revenue recognition</b>		
India	604.92	682.72
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<b>604.92</b>	<b>682.72</b>
<b>Timing of revenue recognition</b>		
Services transferred over time	417.87	468.40
Services transferred at a point of time	102.58	121.01
Goods transferred at a point of time	84.47	93.31
<b>Total revenue from contracts with customers</b>	<b>604.92</b>	<b>682.72</b>

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2021 and 31 March 2020.

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contracted price	523.25	596.76
Reduction towards variable consideration components*	2.80	7.35
<b>Revenue recognised</b>	<b>520.45</b>	<b>589.41</b>

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

**Contract balances**

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	38.34	36.54
Contract assets (unbilled revenue)	7.11	7.65
Contract liabilities (advance from patients)	5.22	4.98

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets are initially recognised for revenue earned from hospital services as receipt of consideration is conditional on completion of treatment. Upon completion of treatment, the amounts recognised as contract assets are reclassified to trade receivables.

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

**Performance Obligation**

The Company provides healthcare services to patients. In case of hospital services, the performance obligation is satisfied over time. Revenue is recognised as and when the services are performed. In case of sale of pharmacy and sale of food and beverages, the performance obligation is satisfied on at a point of time.

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Rainbow Children's Medicare Private Limited

Notes to standalone financial statements

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

2.47 Assets pledged as security

Particulars	As at	As at
	31 March 2021	31 March 2020
<b>Charge on property, plant and equipment</b>		
Leasehold Improvements	184.25	180.69
Buildings	39.18	-
Medical equipments	65.41	60.74
Plant and equipments	50.16	43.01
Furniture and fixtures	22.72	21.09
Office equipments	5.13	5.21
Vehicles	5.69	5.35
Computers	1.98	1.57
<b>Total property, plant and equipment pledged as security</b>	<b>374.52</b>	<b>317.66</b>
<b>Charge on current assets</b>		
Inventories	9.29	14.62
Investments	7.52	4.56
Trade receivables	38.34	36.54
Cash and cash equivalents	4.32	5.99
Bank balances	78.77	88.33
Loans	51.10	50.48
Other financial assets	17.96	14.37
Other current assets	10.05	10.39
<b>Total current assets pledged as security</b>	<b>217.35</b>	<b>225.28</b>

2.48 The standalone financial statements are presented in Rs. crores (rounded off to two decimal places). Those items which are required to be disclosed and which were not presented in the standalone financial statements due to rounding off to the nearest crores are given below:

Note	Description	Rs. in '000	
		As at 31 March 2021	As at 31 March 2020
2.2	<b>Investments in unquoted equity instruments - Trade</b> <b>(ii) In other company (at fair value)</b> Vamana Solar Private Limited 2,600 shares of Rs.10 each, fully paid up (31 March 2020: 2,600 shares)	2.60	2.60

2.49 Impact of COVID-19:

During the current year, the COVID – 19 pandemic impacted the revenues and profitability of the Company with a decline in occupancy impacting the hospital business revenues, profitability and cash flows. The Company took various initiatives to support operations and optimise the cost. With a slew of these measures, the Company has been able to significantly reduce the negative impact on business. The Company has a well- capitalised Balance Sheet and has managed its liquidity position via cost efficiency initiatives, better working capital management and internal funding.

Accordingly, the company continues to prepare the standalone financial statements on a going concern basis. As per the Management's current assessment, no significant impact is expected on the carrying amounts of inventories, tangible assets, intangible assets, trade receivables, investments and other financial assets. The eventual outcome of the impact of this global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements. However, the Company is and will continue to closely monitor any material changes to future economic conditions

2.50 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

2.51 As per Sec 203 of Companies Act 2013, read with rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company is required to have a whole time Company Secretary. The position of Company Secretary is vacant from 1 April 2021 and the management is in the process for hiring suitable candidate in the capacity of Company Secretary.

As per our report of even date attached.  
for **BSR & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024

  
**Hemant Maheshwari**  
Partner  
Membership No.: 096537

for and on behalf of the Board of Directors of  
**Rainbow Children's Medicare Private Limited**  
CIN: U85110TG1998PTC029914

  
**Dr. Bamesh Kanchai**  
Chairman & Managin,  
DIN: 00212270

  
**Dr. Dinesh Kumar Chirl**  
Director  
DIN: 01395841

  
**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 16 July 2021

Place: Hyderabad  
Date: 19 July 2021

