

**Independent Auditor's Report  
To the Members of Rainbow Speciality Hospitals Private Limited**

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

**Opinion**

We have audited the financial statements of **Rainbow Speciality Hospitals Private Limited** (the "Company"), which comprise the Balance sheet as at 31 March 2025, and the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 along with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Other Information**

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other

*Signature*





irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Ganesh*





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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of 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 except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g);
  - c) The balance sheet, the statement of profit and loss including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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".
  - g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above ;
  - h) According to the information and explanations given to us, the director's appointment does not contain remuneration clause hence the provisions of Sec.197 of the Act are not applicable for the time being.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has no pending litigations as at 31 March 2025 which would impact its financial position.
    - 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.

*Gensh...*



- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The Company has not declared any Dividend in the previous year and hence no payment was made during the year. The Board of Directors of the Company have not proposed any dividend for the year and therefore the provisions of Section 123 of the Act are not applicable for the year.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account (SAP) and software for maintenance of hospital related revenue and consumption records (Arcus Air) which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data when using access rights , as described in note 1.11 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the software's where audit trail has been enabled. Additionally, the audit trail in respect of Arcus Air has been preserved for a period of 3 months by the Company which is integrated to SAP on daily basis , and for SAP the audit trail of prior year has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year.

for **MAHADEVAN & CO**

*Chartered Accountants*

Firm's Registration No. 01925S

**Bodhisatwa Maitreya G**

*Partner*

Membership No. 224527

UDIN: 25224527BMLGRF1849

Place: Hyderabad

Date: 23 May 2025





**Annexure A to the Independent Auditor's Report on Financial Statements**  
**RAINBOW SPECIALITY HOSPITALS PRIVATE LIMITED**  
**(Referred to in our report of even date)**

---

- (i) (a(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March,2025.
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedures as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) The Company has not been sanctioned any working capital limits from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act,2013 and the rules made thereunder, to the extent applicable. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act,2013, related to healthcare services and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not however made a detailed examination of the same.

*Garstye*





- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues applicable to it.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2025 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 statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) The Company did not have any outstanding loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

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

(c) The Company has not obtained any term loans during the year. Accordingly, clause (ix)(c) of the Order is not applicable.

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

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

- (x) (a) The Company being a private limited company cannot raise any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the Company. As represented to us by the management there are no whistle blower complaints received by the company voluntarily.

- (xii) The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.





- (xiii) Transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not engaged in non banking financial or housing finance activities . Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios disclosed in note 1.10 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

for **MAHADEVAN & CO**

Chartered Accountants

Firm's Registration No. 019255



**Bodhisatwa Maitreya C**

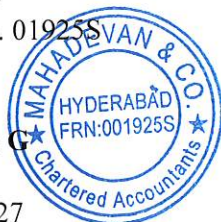
Partner

Membership No. 224527

UDIN: 

Place: Hyderabad

Date: 23 May 2025





**Annexure B to the Independent Auditors' report on the financial statements of RAINBOW SPECIALITY HOSPITALS PRIVATE LIMITED for the period ended 31 March 2025.**

**Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls with reference to financial statements of **RAINBOW SPECIALITY HOSPITALS PRIVATE LIMITED** ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's 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 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 financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial controls with Reference to Financial Statements**

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

*[Handwritten Signature]*





### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

for **MAHADEVAN & CO**

*Chartered Accountants*

Firm's Registration No. 01925S



**Bodhisatwa Maitreya G**

*Partner*

Membership No. 224527

UDIN: 25224527BMLGRF1849

Place: Hyderabad

Date: 23 May 2025



**Rainbow Speciality Hospitals Private Limited**
**Balance Sheet**

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

| Particulars                         | Notes         | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-------------------------------------|---------------|------------------------|------------------------|
| <b>ASSETS</b>                       |               |                        |                        |
| <b>Non-current assets</b>           |               |                        |                        |
| a. Property, Plant and equipment    | B1(a)         | 101.06                 | 111.48                 |
| b. Capital work-in-progress         | B1(a) & B1(b) | -                      | -                      |
| c. ROU of asset                     | 1.8           | 89.61                  | 105.90                 |
| d. Intangible assets                | B1(b)         | 0.16                   | 0.32                   |
| e. Other financial assets           | B2(a)         | 1.65                   | 6.94                   |
| f. Deferred tax assets (net)        | B3            | 9.95                   | 6.65                   |
| g. Income tax assets                | B9            | 15.98                  | 26.84                  |
| h. Other non-current assets         | B4            | 0.48                   | 0.71                   |
| Total non-current assets            |               | <b>218.89</b>          | <b>258.84</b>          |
| <b>Current assets</b>               |               |                        |                        |
| a. Inventories                      | B5            | 8.96                   | 9.21                   |
| b. Financial assets                 |               |                        |                        |
| (i) Investments                     | B6            | 212.27                 | 78.84                  |
| (ii) Trade receivables              | B7            | 16.57                  | 16.75                  |
| (iii) Cash and bank balances        | B8(a)         | 16.96                  | 7.19                   |
| (iv) Other financial assets         | B2(b)         | 17.31                  | 104.31                 |
| c. Other current assets             | B10           | 2.23                   | 5.54                   |
| Total current assets                |               | <b>274.30</b>          | <b>221.84</b>          |
| <b>TOTAL ASSETS</b>                 |               | <b>493.19</b>          | <b>480.68</b>          |
| <b>EQUITY AND LIABILITIES</b>       |               |                        |                        |
| <b>EQUITY</b>                       |               |                        |                        |
| a. Equity share capital             | B11           | 180.00                 | 180.00                 |
| b. Other equity                     | B12           | 137.91                 | 98.98                  |
|                                     |               | <b>317.91</b>          | <b>278.98</b>          |
| <b>LIABILITIES</b>                  |               |                        |                        |
| <b>Non-current liabilities</b>      |               |                        |                        |
| a. Financial liabilities            |               |                        |                        |
| (i) Lease liabilities               | 1.8           | 106.61                 | 120.59                 |
| b. Provisions                       | B13           | 2.01                   | 2.81                   |
| Total non-current liabilities       |               | <b>108.62</b>          | <b>123.40</b>          |
| <b>Current liabilities</b>          |               |                        |                        |
| a. Financial liabilities            |               |                        |                        |
| (i) Lease liabilities               | 1.8           | 12.87                  | 11.71                  |
| (ii) Trade payables                 | B14           | 32.14                  | 35.87                  |
| (iii) Other financial liabilities   | B15           | 2.61                   | 2.14                   |
| b. Other current liabilities        | B16           | 3.20                   | 4.53                   |
| c. Provisions                       | B17           | 1.14                   | 0.16                   |
| d. Current tax liabilities          | B18           | 14.70                  | 23.89                  |
| Total current liabilities           |               | <b>66.66</b>           | <b>78.30</b>           |
| <b>TOTAL EQUITY AND LIABILITIES</b> |               | <b>493.19</b>          | <b>480.68</b>          |

Summary of material accounting policies

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

As per our report of even date attached.

**For MAHADEVAN & CO.,**

Chartered Accountants

FRN 001925S

**For and on behalf of the board of Directors of  
Rainbow Speciality Hospitals Private Limited**
**Bodhisatwa Maitreya**  
Partner  
Membership Number : 224527

**Dr Ramesh Kancharla**  
Managing Director  
DIN:00212270

**Vikas Maheshwari**  
Chief Financial Officer

**Dr Dingsh Kumar Chirla**  
Director  
DIN:00212270

**Shreya Mitra**  
Company Secretary  
Membership No.: A54901

 Date : 23 May 2025  
Place: Hyderabad



**Rainbow Speciality Hospitals Private Limited****Statement of profit and loss**

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

| Particulars  | Notes  | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--|--------|-------------------------------------|-------------------------------------|
| Revenue from operations  | P1     | 377.53                              | 420.39                              |
| Other income   | P2     | 15.47                               | 11.65                               |
| <b>Total Income</b>  |        | <b>393.00</b>                       | <b>432.04</b>                       |
| <b>Expenses</b>  |        |                                     |                                     |
| Medical consumables and pharmacy items consumed                            | P3     | 75.87                               | 80.33                               |
| Employee benefits expenses   | P4     | 56.35                               | 50.70                               |
| Finance costs  | P5     | 12.02                               | 13.13                               |
| Depreciation and amortisation expense                                      | P6     | 45.43                               | 47.14                               |
| Professional fees to doctors   | P7(i)  | 82.04                               | 83.35                               |
| Other expenses   | P7(ii) | 72.36                               | 76.00                               |
| <b>Total expenses</b>  |        | <b>344.07</b>                       | <b>350.65</b>                       |
| <b>Profit before tax</b>   |        | <b>48.93</b>                        | <b>81.39</b>                        |
| Tax expense  |        |                                     |                                     |
| - Current tax  |        | 14.70                               | 23.65                               |
| - Deferred tax   |        | (3.65)                              | (2.96)                              |
| <b>Total Tax expense</b>   |        | <b>11.05</b>                        | <b>20.70</b>                        |
| <b>Profit for the year</b>   |        | <b>37.88</b>                        | <b>60.69</b>                        |
| <b>Other Comprehensive Income</b>  |        |                                     |                                     |
| <b>Items that will not be reclassified subsequently to profit and loss</b> |        |                                     |                                     |
| Re-measurement gain on defined benefit plans                               |        | 1.40                                | 0.10                                |
| Deferred tax effect of re-measurement of defined benefit plans             |        | (0.35)                              | (0.03)                              |
| <b>Other Comprehensive Income for the year net of tax</b>                  |        | <b>1.05</b>                         | <b>0.07</b>                         |
| <b>Total Comprehensive Income for the year</b>                             |        | <b>38.93</b>                        | <b>60.76</b>                        |
| Earning per Equity share (Face value of share Rs.10 each)                  |        |                                     |                                     |
| - Basic and Diluted  | P8     | 2.16                                | 3.38                                |

Summary of material accounting policies

1

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

As per our report of even date attached.

**For MAHADEVAN & CO.,**


Chartered Accountants

FRN 001925S


**For and on behalf of the board of Directors of  
Rainbow Speciality Hospitals Private Limited**

  
  
**Bodhisatwa Maitreya G**  
 Partner  
 Membership Number : 224527

  
**Dr Ramesh Kancharla**  
 Managing Director  
 DIN:00212270

  
**Dr Dinesh Kumar Chirla**  
 Director  
 DIN:00212270



  
**Vikas Maheshwari**  
 Chief Financial Officer

  
**Shreya Mitra**  
 Company Secretary  
 Membership No.: A54901

Date : 23 May 2025

Place: Hyderabad

**Rainbow Speciality Hospitals Private Limited**
**Statement of Cash Flows**

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

| Particulars   | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| <b>A. Cash flow from operating activities</b>   |                                     |                                     |
| Profit/Loss as per Statement of Profit and Loss   | 48.93                               | 81.39                               |
| Adjustments for:  |                                     |                                     |
| Depreciation and amortisation expenses  | 45.43                               | 47.14                               |
| Interest income   | (3.49)                              | (8.23)                              |
| Unrealised foreign exchange loss  | 0.01                                | 0.02                                |
| Finance cost  | 12.02                               | 13.13                               |
| Allowance for expected credit loss  | (0.01)                              | -                                   |
| Bad debts written off   | 0.03                                | 0.02                                |
| Advance written off   | 0.10                                | 0.11                                |
| Liabilities no longer required written back   | 0.26                                | -                                   |
| Gain on redemption of mutual funds  | (0.40)                              | -                                   |
| Net gain on financial assets measured at fair value through profit or loss  | (11.22)                             | (1.85)                              |
| <b>Operating profit before working capital changes</b>  | <b>91.66</b>                        | <b>131.73</b>                       |
| <b>Changes in working capital:</b>  |                                     |                                     |
| <b>Adjustment for operating assets and liabilities:</b>   |                                     |                                     |
| - Inventories   | 0.25                                | (1.48)                              |
| - Trade receivables   | 0.15                                | 5.76                                |
| - Financial and other assets  | 80.76                               | (97.08)                             |
| - Trade payables  | (3.97)                              | 7.72                                |
| - Financial liabilities, provisions and others  | 0.72                                | (0.64)                              |
| - Other current assets  | 3.31                                | (4.17)                              |
| - Other non-current assets  | 0.02                                | 0.26                                |
| <b>Cash generated from operations</b>   | <b>172.90</b>                       | <b>42.10</b>                        |
| Income tax paid, net  | (13.03)                             | (23.87)                             |
| <b>Net cash flow from operating activities</b> [A]  | <b>159.87</b>                       | <b>18.23</b>                        |
| <b>B. Cash flow from investing activities</b>   |                                     |                                     |
| Purchase of property, plant and equipment and intangibles including capital advances and capital work-in-progress | (18.35)                             | (12.02)                             |
| Gain on redemption of mutual funds, net   | 0.40                                | -                                   |
| Investment in mutual funds  | (145.00)                            | (101.99)                            |
| Redemption of mutual funds  | 22.79                               | 25.00                               |
| Bank deposits placed with maturity of more than three months, net   | 5.38                                | 100.45                              |
| Interest received   | 9.52                                | 3.48                                |
| <b>Net cash flow (used in) / from investing activities</b> [B]  | <b>(125.26)</b>                     | <b>14.92</b>                        |
| <b>C. Cash flow from financing activities</b>   |                                     |                                     |
| Repayment of lease liability  | (24.84)                             | (23.22)                             |
| Dividend paid   | -                                   | (18.00)                             |
| <b>Net cash flow used in financing activities</b> [C]   | <b>(24.84)</b>                      | <b>(41.22)</b>                      |
| <b>Net increase / (decrease) in cash and cash equivalents [A+B+C]</b>   | <b>9.77</b>                         | <b>(8.07)</b>                       |
| Cash and cash equivalents at the beginning of the year  | 7.19                                | 15.26                               |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>16.96</b>                        | <b>7.19</b>                         |
| <b>Cash and cash equivalents at the end of the year comprises:</b>  |                                     |                                     |
| i. Cash on hand   | 0.38                                | 0.26                                |
| ii. Balances with banks   | 16.58                               | 6.93                                |
| <b>Cash and cash equivalents</b>  | <b>16.96</b>                        | <b>7.19</b>                         |

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

As per our report of even date attached.

**For MAHADEVAN & CO.,**

Chartered Accountants

FRN 001925S

**Bodhisatwa Maitreya G**

Partner

Membership Number : 224529


**For and on behalf of the board of Directors of  
Rainbow Speciality Hospitals Private Limited**
**Dr Ramesh Kancharla**

Managing Director

DIN:00212270

**Dr Dinesh Kumar Chirila**

Director

DIN:00212270


**Vikas Maheshwari**

Chief Financial Officer

**Shreya Mitra**

Company Secretary

Membership No.: A54901

Date : 23 May 2025

Place: Hyderabad



**Rainbow Speciality Hospitals Private Limited**
**Financial Statements**
**B12. Statement of changes in Equity**

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

| Particulars   | Equity share capital | Other equity         |                            | Total   |
|---|----------------------|----------------------|----------------------------|---------|
|   |                      | Reserves and surplus |                            |         |
|   |                      | Retained earning     | Other comprehensive income |         |
| Balance as at 1 April 2023  | 180.00               | 55.63                | 0.59                       | 56.22   |
| Profit for the year   | -                    | 60.69                | -                          | 60.69   |
| Appropriations:   |                      |                      |                            | -       |
| Final dividend on equity shares for the year ended 31 March 2022 i.e. Rs. 1 per share | -                    | (18.00)              | -                          | (18.00) |
| Other Comprehensive Income  |                      |                      |                            |         |
| Remeasurement of defined benefit liability  | -                    | -                    | 0.10                       | 0.10    |
| Income tax relating to remeasurement of defined benefit liability                     | -                    | -                    | (0.03)                     | (0.03)  |
| Balance as at 31 March 2024   | 180.00               | 98.32                | 0.66                       | 98.98   |

| Particulars   | Equity share capital | Other equity         |                            | Total  |
|---|----------------------|----------------------|----------------------------|--------|
|   |                      | Reserves and surplus |                            |        |
|   |                      | Retained earning     | Other comprehensive income |        |
| Balance as at 1 April 2024  | 180.00               | 98.32                | 0.66                       | 98.98  |
| Profit for the year   | -                    | 37.88                | -                          | 37.88  |
| Appropriations:   |                      |                      |                            |        |
| Other Comprehensive Income  |                      |                      |                            | -      |
| Remeasurement of defined benefit liability                        | -                    | -                    | 1.40                       | 1.40   |
| Income tax relating to remeasurement of defined benefit liability | -                    | -                    | (0.35)                     | (0.35) |
| Balance as at 31 March 2025                                       | 180.00               | 136.20               | 1.71                       | 137.91 |

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

As per our report of even date attached.

**For MAHADEVAN & CO.,**

Chartered Accountants

FRN 001925S

**For and on behalf of the board of Directors of**

**Rainbow Speciality Hospitals Private Limited**

**Bodhisatwa Maitreya G**

Partner

Membership Number : 224527

**Dr. James Kancharla**

Managing Director

DIN:00212270

**Dr Dinesh Kumar Chirila**

Director

DIN:00212270

Date : 23 May 2025

Place: Hyderabad

**Vikas Maheshwari**

Chief Financial Officer

**Shreya Mitra**

Company Secretary

Membership No.: A54901

## Rainbow Speciality Hospitals Private Limited

### Summary of Material Accounting Policies to Financial Statements for the year ended

31 March 2025

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

#### 1. Material accounting policies

##### 1.1 Corporate information

Rainbow Speciality Hospitals Pvt Ltd ('the Company') is a Private Limited Company incorporated in India, having its registered office at Hyderabad, India. The company is primarily engaged in providing healthcare and related services. The Company has commenced its commercial activities from 01 June 2019.

##### 1.2 Basis of preparation and measurement

###### (i) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliance Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the years presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The financial statements were approved by the Board of Directors and authorized for issue on 23 May 2025.

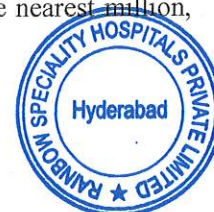
###### (ii) Basis of Measurement:

The 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 as per actuarial valuation. |

###### (iii) Functional and Presentation Currency

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





## **Rainbow Speciality Hospitals Private Limited**

### **Summary of Material Accounting Policies to Financial Statements for the year ended**

**31 March 2025**

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

#### **(iv) Use of estimates and judgements:**

In preparing these 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.

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 Financial Statements is included in the following notes:

- Lease Classification and identification of lease component [refer note 1.8]

#### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- measurement of defined benefit obligations; key actuarial assumptions. [note P4]
- useful life of tangible and intangible assets [note B1 (a and b)]

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

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

##### **Assets**

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

- 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 Speciality Hospitals Private Limited**

### **Summary of Material Accounting Policies to Financial Statements for the year ended 31 March 2025**

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

#### **(v) Current versus 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 fresh instruments do not affect its classification.

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

##### **Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

#### **(vi) Measurement of fair values**

Accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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





## Rainbow Speciality Hospitals Private Limited

### Summary of Material Accounting Policies to Financial Statements for the year ended 31 March 2025

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

#### (vi) Measurement of fair values (continued)

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

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

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

### 1.3 Material accounting policies

#### a. Financial Instruments

##### i. Recognition and initial measurement

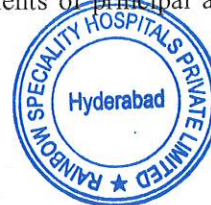
The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition 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.



## Rainbow Speciality Hospitals Private Limited

### Summary of Material Accounting Policies to Financial Statements for the year ended 31 March 2025

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

#### 1.3 Material accounting policies (continued)

##### Financial assets (continued)

###### *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.

##### Financial liabilities:

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.

#### iii. Derecognition

##### Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the 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.

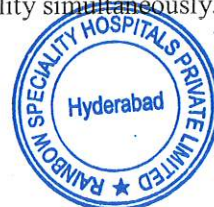
##### Financial liabilities:

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 Speciality Hospitals Private Limited****Summary of Material Accounting Policies to Financial Statements for the year ended  
31 March 2025**

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

**1.3 Material 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. Depreciation is charged to statement of profit and loss.

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



## **Rainbow Speciality Hospitals Private Limited**

### **Summary of Material Accounting Policies to Financial Statements for the year ended 31 March 2025**

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

#### **1.3 Material accounting policies (continued)**

##### **iii. Depreciation (continued)**

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.

\*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.

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

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

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

##### **c. Intangible assets and amortisation:**

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

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

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

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





## Rainbow Speciality Hospitals Private Limited

### Summary of Material Accounting Policies to Financial Statements for the year ended 31 March 2025

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

#### 1.3 Material accounting policies (continued)

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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.

###### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

###### *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.

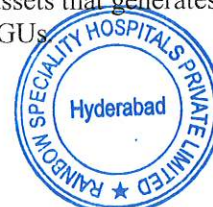
###### *Write-off*

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.

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

The Company's non-financial assets, other than inventories and 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.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.



## Rainbow Speciality Hospitals Private Limited

### Summary of Material Accounting Policies to Financial Statements for the year ended

31 March 2025

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

#### 1.3 Material accounting policies (continued)

##### ii. Impairment of non-financial assets (continued)

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### e. Investments

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

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

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

##### f. Inventories

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

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

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





## Rainbow Speciality Hospitals Private Limited

### Summary of Material Accounting Policies to Financial Statements for the year ended 31 March 2025

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

#### 1.3 Material accounting policies (continued)

##### g. 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available.

###### *Defined benefit plans*

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

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

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

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

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.



## **Rainbow Speciality Hospitals Private Limited**

### **Summary of Material Accounting Policies to Financial Statements for the year ended**

**31 March 2025**

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

#### **1.3 Material accounting policies (continued)**

##### **g. Employee benefits (continued)**

###### **Compensated absences**

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

###### **h. Revenue recognition**

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

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

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

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

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

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the Statement of Profit and Loss.

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





## **Rainbow Speciality Hospitals Private Limited**

### **Summary of Material Accounting Policies to Financial Statements for the year ended**

**31 March 2025**

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

#### **1.3 Material accounting policies (continued)**

##### **h. Revenue recognition (continued)**

###### **Contract balances:**

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

##### **i. 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.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The Company used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low value;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application;
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

###### **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.



## Rainbow Speciality Hospitals Private Limited

### Summary of Material Accounting Policies to Financial Statements for the year ended

31 March 2025

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

#### 1.3 Material accounting policies (continued)

##### i. Leases (continued)

###### i) Right-of-use assets

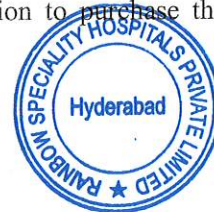
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The 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. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of- use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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 lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate as at the commencement of lease. 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.





## **Rainbow Speciality Hospitals Private Limited**

### **Summary of Material Accounting Policies to Financial Statements for the year ended 31 March 2025**

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

#### **1.3 Material accounting policies (continued)**

##### **i. Leases (continued)**

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

##### **iii) 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.

##### **j. 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 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.



## **Rainbow Speciality Hospitals Private Limited**

### **Summary of Material Accounting Policies to Financial Statements for the year ended**

**31 March 2025**

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

#### **1.3. Material accounting policies (continued)**

##### **j. Income tax (continued)**

###### **Deferred tax (continued)**

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

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

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

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

##### **k. 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.

#### **l. Provisions**

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

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





## **Rainbow Speciality Hospitals Private Limited**

### **Summary of Material Accounting Policies to Financial Statements for the year ended**

**31 March 2025**

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

#### **1.3. Material accounting policies (continued)**

##### **l. Provisions (continued)**

###### **Onerous Contracts**

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

##### **m. Contingent liabilities and contingent assets**

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

Contingent assets are neither recognised nor disclosed in the 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.

##### **n. 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.

##### **o. 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.



## **Rainbow Speciality Hospitals Private Limited**

### **Summary of Material Accounting Policies to Financial Statements for the year ended 31 March 2025**

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

#### **1.3. Material accounting policies (continued)**

##### **p. Statement of cash flows**

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

##### **q. Cash and cash equivalents**

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

##### **r. Events after reporting date**

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





# Rainbow Specialty Hospitals Private Limited

## Financial Statements

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

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

#### B1 (a) Property, plant and equipment

| Cost / Deemed Cost          | Buildings<br>(leasehold) | Medical<br>equipments | Plant and<br>equipments | Furniture and<br>fixtures | Office<br>equipments | Vehicles | Computers | Total  | Capital work-in-<br>progress |
|-----------------------------|--------------------------|-----------------------|-------------------------|---------------------------|----------------------|----------|-----------|--------|------------------------------|
| Balance as at 01 April 2023 | 35.77                    | 132.53                | 25.27                   | 8.73                      | 5.53                 | 10.39    | 5.93      | 224.15 | -                            |
| Additions                   | 1.69                     | 0.70                  | -                       | 6.26                      | 2.94                 | -        | 0.45      | 12.04  | 12.04                        |
| Disposals/ adjustments      | -                        | -                     | -                       | -                         | -                    | -        | -         | -      | (12.04)                      |
| Balance as at 31 March 2024 | 37.46                    | 133.23                | 25.27                   | 14.99                     | 8.47                 | 10.39    | 6.38      | 236.19 | -                            |
| Balance as at 01 April 2024 | 37.46                    | 133.23                | 25.27                   | 14.99                     | 8.47                 | 10.39    | 6.38      | 236.19 | -                            |
| Additions                   | 11.92                    | 2.84                  | 1.54                    | 0.10                      | 1.62                 | -        | 0.54      | 18.56  | -                            |
| Disposals/ adjustments      | -                        | -                     | -                       | -                         | -                    | -        | -         | -      | -                            |
| Balance as at 31 March 2025 | 49.38                    | 136.07                | 26.81                   | 15.09                     | 10.09                | 10.39    | 6.92      | 254.75 | -                            |
| Accumulated Depreciation    |                          |                       |                         |                           |                      |          |           |        |                              |
| Balance as at 01 April 2023 | 12.48                    | 65.12                 | 2.79                    | 3.34                      | 2.90                 | 3.56     | 4.07      | 94.25  |                              |
| Depreciation for the year   | 3.53                     | 18.91                 | 1.69                    | 1.42                      | 1.91                 | 2.08     | 0.92      | 30.46  |                              |
| Disposals/ adjustments      | -                        | -                     | -                       | -                         | -                    | -        | -         | -      |                              |
| Balance as at 31 March 2024 | 16.01                    | 84.03                 | 4.48                    | 4.76                      | 4.81                 | 5.64     | 4.99      | 124.71 |                              |
| Balance as at 01 April 2024 | 16.01                    | 84.03                 | 4.48                    | 4.76                      | 4.81                 | 5.64     | 4.99      | 124.71 |                              |
| Depreciation for the year   | 2.74                     | 19.06                 | 1.69                    | 1.40                      | 1.35                 | 1.77     | 0.97      | 28.98  |                              |
| Disposals/ adjustments      | -                        | -                     | -                       | -                         | -                    | -        | -         | -      |                              |
| Balance as at 31 March 2025 | 18.75                    | 103.09                | 6.17                    | 6.16                      | 6.16                 | 7.41     | 5.96      | 153.69 |                              |
| Net carrying amount         |                          |                       |                         |                           |                      |          |           |        |                              |
| As at 31 March 2025         | 30.63                    | 32.98                 | 20.64                   | 8.93                      | 3.93                 | 2.98     | 0.96      | 101.06 | -                            |
| As at 31 March 2024         | 21.45                    | 49.20                 | 20.79                   | 10.23                     | 3.66                 | 4.75     | 1.39      | 111.48 | -                            |

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

Balance as at 31 March 2025

| CWIP                           | Amount in CWIP for a period of |           |                   | Total |
|--------------------------------|--------------------------------|-----------|-------------------|-------|
|                                | Less than 1 year               | 1-2 years | More than 3 years |       |
| Projects in progress           | -                              | -         | -                 | -     |
| Projects temporarily suspended | -                              | -         | -                 | -     |

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

Balance as at 31 March 2024

| CWIP                           | Amount in CWIP for a period of |           |                   | Total |
|--------------------------------|--------------------------------|-----------|-------------------|-------|
|                                | Less than 1 year               | 1-2 years | More than 3 years |       |
| Projects in progress           | -                              | -         | -                 | -     |
| Projects temporarily suspended | -                              | -         | -                 | -     |

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



# Rainbow Specialty Hospitals Private Limited

## Financial Statements

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

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

#### B1 (b) Other intangible assets

| Cost / Deemed Cost          | Computer Software | Capital work-in-progress |
|-----------------------------|-------------------|--------------------------|
| Balance as at 1 April 2023  | 2.17              | -                        |
| Additions                   | -                 | -                        |
| Disposals/ adjustments      | -                 | -                        |
| Balance as at 31 March 2024 | 2.17              | -                        |
| Balance as at 1 April 2024  | 2.17              | -                        |
| Additions                   | -                 | -                        |
| Disposals/ adjustments      | -                 | -                        |
| Balance as at 31 March 2025 | 2.17              | -                        |
| Accumulated Depreciation    |                   |                          |
| Balance as at 1 April 2023  | 1.52              | -                        |
| Depreciation for the year   | 0.33              | -                        |
| Disposals/ adjustments      | -                 | -                        |
| Balance as at 31 March 2024 | 1.85              | -                        |
| Balance as at 1 April 2024  | 1.85              | -                        |
| Depreciation for the year   | 0.16              | -                        |
| Disposals/ adjustments      | -                 | -                        |
| Balance as at 31 March 2025 | 2.01              | -                        |
| Net carrying amount         |                   |                          |
| As at 31 March 2025         | 0.16              | -                        |
| As at 31 March 2024         | 0.32              | -                        |

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

| CWIP                           | Amount in CWIP for a period of |           |                   | Total |
|--------------------------------|--------------------------------|-----------|-------------------|-------|
|                                | Less than 1 year               | 1-2 years | More than 3 years |       |
| Projects in progress           | -                              | -         | -                 | -     |
| Projects temporarily suspended | -                              | -         | -                 | -     |

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

| Balance as at 31 March 2024    | Amount in CWIP for a period of |           |                   | Total |
|--------------------------------|--------------------------------|-----------|-------------------|-------|
|                                | Less than 1 year               | 1-2 years | More than 3 years |       |
| CWIP                           | -                              | -         | -                 | -     |
| Projects in progress           | -                              | -         | -                 | -     |
| Projects temporarily suspended | -                              | -         | -                 | -     |

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





Rainbow Speciality Hospitals Private Limited  
Financial Statements  
Notes to Financial Statements for the year ended 31 March 2025  
(All amounts are in Rupees millions, except share data and unless otherwise stated)

|   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| <b>B2(a). Other financial assets (non-current)</b>  |                        |                        |
| Security deposits   | 1.65                   | 1.52                   |
| Bank deposits with remaining maturity more than 12 months   | -                      | 5.38                   |
| Interest accrued on deposits  | -                      | 0.04                   |
|   | <b>1.65</b>            | <b>6.94</b>            |
| <b>B2(b). Other financial assets (current)</b>  |                        |                        |
| Bank deposits with remaining maturity less than 12 months   | 16.20                  | 97.09                  |
| Interest accrued on deposits  | 1.11                   | 7.22                   |
|   | <b>17.31</b>           | <b>104.31</b>          |
| <b>B3. Deferred Tax Asset/Liabilities</b>   |                        |                        |
| Deferred tax asset  |                        |                        |
| Lease liabilities   | 30.07                  | 33.30                  |
| Provision for employee benefits   | 0.79                   | 0.75                   |
| Provision for bonus   | 0.33                   | 0.29                   |
| Provision for impairment on receivables   | 0.25                   | 0.27                   |
| Excess of depreciation on the property, plant and equipment under Companies Act over depreciation under income-tax, 1961. | 1.41                   | -                      |
| <b>Total:</b>   | <b>32.85</b>           | <b>34.61</b>           |
| Deferred liability  |                        |                        |
| Right-of-use of Asset   | 22.55                  | 26.65                  |
| OCI Income  | 0.35                   | 0.03                   |
| Excess of depreciation on the property, plant and equipment under income tax, 1961 over depreciation under Companies Act. | -                      | 1.28                   |
| <b>Total:</b>   | <b>22.90</b>           | <b>27.96</b>           |
| Deferred tax asset/(liability) net  | <b>9.95</b>            | <b>6.65</b>            |
| <b>B4. Other non-current assets</b><br>(Unsecured, considered good)   |                        |                        |
| Capital advances  | 0.43                   | 0.64                   |
| Prepaid expenses  | 0.05                   | 0.07                   |
|   | <b>0.48</b>            | <b>0.71</b>            |
| <b>B5. Inventories</b>  |                        |                        |
| Medical consumables and pharmacy items  | 8.96                   | 9.21                   |
|   | <b>8.96</b>            | <b>9.21</b>            |
| <b>B6. Current Investments (valued at cost unless stated otherwise)</b>   |                        |                        |
| - HDFC Arbitrage Fund - Wholesale Plan - Growth - Direct Plan<br>9,684,059.54 Units (31 March 2024: 4,290,612.05 Units)   | 192.02                 | 78.84                  |
| - HDFC Liquid Fund - Growth - Direct Plan<br>3,976.59 Units (31 March 2024: Nil Units)                                    | 20.25                  | -                      |
|   | <b>212.27</b>          | <b>78.84</b>           |
| <b>B7. Trade receivables</b>  |                        |                        |
| Trade receivables considered good - unsecured   | 14.29                  | 13.27                  |
| Unbilled revenue considered good - unsecured  | 3.29                   | 4.56                   |
|   | <b>17.58</b>           | <b>17.83</b>           |
| Allowance for expected credit loss  | (1.01)                 | (1.08)                 |
|   | <b>16.57</b>           | <b>16.75</b>           |

Trade receivables ageing schedule:

As at 31 March 2025

| Particulars  | Outstanding for following years from due date of payment |                    |                   |             |             |             | Total        |
|--|--|--------------------|-------------------|-------------|-------------|-------------|--------------|
|  | Unbilled revenue   | Less than 6 months | 6 months - 1 year | 1-2 years   | 2-3 years   | > 3 years   |              |
| (i) Undisputed Trade receivables – considered good                                 | 3.29   | 12.84              | 0.45              | 0.33        | 0.25        | 0.42        | 17.58        |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -  | -                  | -                 | -           | -           | -           | -            |
| (iii) Undisputed Trade Receivables – credit impaired                               | -  | -                  | -                 | -           | -           | -           | -            |
| (iv) Disputed Trade Receivables– considered good                                   | -  | -                  | -                 | -           | -           | -           | -            |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -  | -                  | -                 | -           | -           | -           | -            |
| (vi) Disputed Trade Receivables – credit impaired                                  | -  | -                  | -                 | -           | -           | -           | -            |
| <b>Total</b>   | <b>3.29</b>  | <b>12.84</b>       | <b>0.45</b>       | <b>0.33</b> | <b>0.25</b> | <b>0.42</b> | <b>17.58</b> |

As at 31 March 2024

| Particulars  | Outstanding for following years from due date of payment |                    |                   |             |           |             | Total        |
|--|--|--------------------|-------------------|-------------|-----------|-------------|--------------|
|  | Unbilled revenue   | Less than 6 months | 6 months - 1 year | 1-2 years   | 2-3 years | > 3 years   |              |
| (i) Undisputed Trade receivables – considered good                                 | 4.56   | 12.02              | 0.18              | 0.75        | -         | 0.33        | 17.83        |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -  | -                  | -                 | -           | -         | -           | -            |
| (iii) Undisputed Trade Receivables – credit impaired                               | -  | -                  | -                 | -           | -         | -           | -            |
| (iv) Disputed Trade Receivables– considered good                                   | -  | -                  | -                 | -           | -         | -           | -            |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -  | -                  | -                 | -           | -         | -           | -            |
| (vi) Disputed Trade Receivables – credit impaired                                  | -  | -                  | -                 | -           | -         | -           | -            |
| <b>Total</b>   | <b>4.56</b>  | <b>12.02</b>       | <b>0.18</b>       | <b>0.75</b> | <b>-</b>  | <b>0.33</b> | <b>17.83</b> |



Rainbow Speciality Hospitals Private Limited  
Financial Statements  
Notes to Financial Statements for the year ended 31 March 2025  
(All amounts are in Rupees millions, except share data and unless otherwise stated)

**B8. Cash and bank balances**

**a. Cash and cash equivalents**

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

| As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------------|------------------------|
| 0.38                   | 0.26                   |
| 16.58                  | 6.93                   |
| 16.96                  | 7.19                   |
| 15.98                  | 26.84                  |
| 15.98                  | 26.84                  |

**B9. Income tax assets**

Advance tax

**B10. Other current assets**

(Unsecured, considered good)

|                                      |  |
|--------------------------------------|--|
| Advances recoverable in cash or kind |  |
| Advances to employees                |  |
| Balances with government authorities |  |
| Prepaid expenses                     |  |

|        |        |
|--------|--------|
| 0.85   | 4.19   |
| 0.16   | 0.33   |
| -      | -      |
| 1.22   | 1.02   |
| 2.23   | 5.54   |
| 0.10   | 0.11   |
| (0.10) | (0.11) |
| -      | -      |
| 2.23   | 5.54   |

(Unsecured, considered doubtful)

Other advances (credit impaired)

Less: Allowance for doubtful advances





**B11. Share Capital**

**A. Authorised :**

2,00,00,000 (31 March 2024: 2,00,00,000) equity shares of Rs. 10 each

**Issued, subscribed and paid up :**

1,80,00,000 (31 March 2024: 1,80,00,000) equity shares of Rs. 10 each, fully paid up

The Company has one class of equity shares having a face value of Rs. 10 each, fully paid up. Each shareholder is eligible for one vote per share held. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

**B. Reconciliation of the issued, subscribed and fully paid up number of shares and the amount outstanding at the beginning and at the end of the year:**

| Particulars                  | As at 31 March 2025   |        | As at 31 March 2024   |        |
|------------------------------|-----------------------|--------|-----------------------|--------|
|                              | Number of shares held | Amount | Number of shares held | Amount |
| At the beginning of the year | 18,000,000            | 180.00 | 18,000,000            | 180.00 |
| Issued during the year       | -                     | -      | -                     | -      |
| At the end of the year       | 18,000,000            | 180.00 | 18,000,000            | 180.00 |

**C. Details of shares held by each shareholder exceeding 5%**

| Name of the shareholder                  | As at 31 March 2025   |           | As at 31 March 2024   |           |
|--|-----------------------|-----------|-----------------------|-----------|
|  | Number of shares held | % holding | Number of shares held | % holding |
| Rainbow Children's Medicare Limited      | 14,185,247            | 78.81%    | 14,185,247            | 78.81%    |
| Dr. Nageswar Rao Koneti                  | 2,000,000             | 11.11%    | 2,000,000             | 11.11%    |
| Dr. Heelalige Munipapa Chinnaswamy Reddy | 964,753               | 5.36%     | 964,753               | 5.36%     |
| Others                                   | 850,000               | 4.72%     | 850,000               | 4.72%     |
|  | 18,000,000            | 100.00%   | 18,000,000            | 100.00%   |

**D. Details of shares held by promoters**

| Description                         | As at 31 March 2025 |               |                             | As at 31 March 2024 |               |                             |
|-------------------------------------|---------------------|---------------|-----------------------------|---------------------|---------------|-----------------------------|
|                                     | Number of shares    | % holding     | % of change during the year | Number of shares    | % holding     | % of change during the year |
| Equity shares:                      |                     |               |                             |                     |               |                             |
| Rainbow Children's Medicare Limited | 1,41,85,247         | 78.81%        | 0.00%                       | 1,41,85,247         | 78.81%        | 0.00%                       |
| <b>Total</b>                        | <b>1,41,85,247</b>  | <b>78.81%</b> | <b>0.00%</b>                | <b>1,41,85,247</b>  | <b>78.81%</b> | <b>0.00%</b>                |

**Dividend**

The Board of Directors of the Company, at its meeting held on 13 May 2023, have proposed final dividend of Rs. 1 per equity share for the financial year ended 31 March 2024 and the same is approved by the shareholders in their Annual General Meeting held on 28 June 2023. Final dividend is accounted in the year in which it is approved by the shareholders.



**B13. Long-term provisions**

- Provision for employee benefits  
- Gratuity (Refer note 1.1)  
- Compensated absences (Refer note 1.1)

|  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
|  | 1.58                   | 2.18                   |
|  | 0.43                   | 0.63                   |
|  | <b>2.01</b>            | <b>2.81</b>            |

**B14. Trade payables**

- due to micro enterprises and small enterprises (MSME) (refer note 1.5)  
- due to creditors other than micro enterprises and small

|  |              |              |
|--|--------------|--------------|
|  | 4.60         | 4.14         |
|  | 27.54        | 31.73        |
|  | <b>32.14</b> | <b>35.87</b> |

**Trade payables ageing schedule:**

As at 31 March 2025

| Particulars              | Outstanding for following years from the due date of payment |                     |             |             |                   | Total        |
|--------------------------|--|---------------------|-------------|-------------|-------------------|--------------|
|                          | Not Due  | Less than 1<br>year | 1-2 years   | 2-3 years   | More than 3 years |              |
| i) MSME                  | -  | 4.60                | -           | -           | -                 | 4.60         |
| ii) Others               | 11.03  | 15.71               | 0.64        | 0.14        | 0.01              | 27.53        |
| iii) Disputed Dues-MSME  | -  | -                   | -           | -           | -                 | -            |
| iv) Disputed Dues-Others | -  | -                   | -           | -           | -                 | -            |
| <b>Total</b>             | <b>11.03</b>   | <b>20.31</b>        | <b>0.64</b> | <b>0.14</b> | <b>0.01</b>       | <b>32.13</b> |

As at 31 March 2024

| Particulars              | Outstanding for following years from the due date of payment |                     |             |             |                   | Total        |
|--------------------------|--|---------------------|-------------|-------------|-------------------|--------------|
|                          | Not Due  | Less than 1<br>year | 1-2 years   | 2-3 years   | More than 3 years |              |
| i) MSME                  | -  | 4.00                | 0.14        | -           | -                 | 4.14         |
| ii) Others               | 7.55   | 23.56               | 0.53        | 0.10        | -                 | 31.73        |
| iii) Disputed Dues-MSME  | -  | -                   | -           | -           | -                 | -            |
| iv) Disputed Dues-Others | -  | -                   | -           | -           | -                 | -            |
| <b>Total</b>             | <b>7.55</b>  | <b>27.56</b>        | <b>0.67</b> | <b>0.10</b> | <b>-</b>          | <b>35.87</b> |

**B15. Other financial liabilities**

- Employee benefit payables  
Creditor for capital goods

|  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
|  | 1.97                   | 2.04                   |
|  | 0.64                   | 0.10                   |
|  | <b>2.61</b>            | <b>2.14</b>            |

**B16. Other current liabilities**

- Contract liabilities (advance from patients)  
Statutory liabilities (ESI, PF, GST, TDS etc)

|  |             |             |
|--|-------------|-------------|
|  | 1.66        | 3.04        |
|  | 1.54        | 1.49        |
|  | <b>3.20</b> | <b>4.53</b> |

**B17. Short-term provisions**

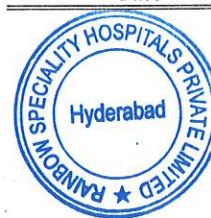
- Provision for employee benefits  
- Gratuity (Refer note 1.1)  
- Compensated absences (Refer note 1.1)

|  |             |             |
|--|-------------|-------------|
|  | 0.67        | 0.08        |
|  | 0.46        | 0.08        |
|  | <b>1.14</b> | <b>0.16</b> |

**B18. Current tax liability**

- Provision for taxation

|  |              |              |
|--|--------------|--------------|
|  | 14.70        | 23.89        |
|  | <b>14.70</b> | <b>23.89</b> |





**Rainbow Speciality Hospitals Private Limited****Financial Statements****Notes to Financial Statements for the year ended 31 March 2025**

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

|  | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--|-------------------------------------|-------------------------------------|
| <b>P1. Revenue from operations</b>   |                                     |                                     |
| Revenue from hospital services   | 362.17                              | 407.09                              |
| Revenue from pharmacy sales  | 8.90                                | 9.75                                |
| Revenue from medical service fee   | 3.57                                | 3.15                                |
| Other operating income   | 2.89                                | 0.40                                |
|  | <b>377.53</b>                       | <b>420.39</b>                       |
| <b>P2. Other income</b>  |                                     |                                     |
| Interest income on   |                                     |                                     |
| - Bank deposits  | 3.37                                | 8.12                                |
| - Income Tax refund  | 0.09                                | 0.15                                |
| Net gain on financial assets measured at fair value through profit or loss | 11.22                               | 1.85                                |
| Gain on redemption of mutual funds, net                                    | 0.40                                | -                                   |
| Reversal of expected credit loss   | 0.01                                | 1.42                                |
| Liabilities no longer required written back                                | 0.26                                | -                                   |
| Income from financial assets carried at amortised cost                     | 0.12                                | 0.11                                |
|  | <b>15.47</b>                        | <b>11.65</b>                        |
| <b>P3. Medical consumables and pharmacy items consumed</b>                 |                                     |                                     |
| Opening stock  | 9.21                                | 7.73                                |
| Add: Purchases during the year   | 75.62                               | 81.81                               |
| Less: Closing stock  | (8.96)                              | (9.21)                              |
|  | <b>75.87</b>                        | <b>80.33</b>                        |
| <b>P4. Employee benefit expenses</b>                                       |                                     |                                     |
| Salaries, wages and bonus  | 50.89                               | 46.28                               |
| Contribution to provident and other funds (Refer note 1.1)                 | 4.78                                | 3.66                                |
| Staff welfare expenses   | 0.68                                | 0.76                                |
|  | <b>56.35</b>                        | <b>50.70</b>                        |
| <b>P5. Finance costs</b>   |                                     |                                     |
| Interest on  |                                     |                                     |
| - Unwinding of interest on lease liabilities (refer note :1.8)             | 12.02                               | 13.13                               |
|  | <b>12.02</b>                        | <b>13.13</b>                        |
| <b>P6. Depreciation and amortisation expense</b>                           |                                     |                                     |
| Depreciation on property, plant and equipment (refer note B1(a))           | 28.98                               | 30.46                               |
| Amortisation of other intangible assets (Refer note B1(b))                 | 0.16                                | 0.33                                |
| Amortisation of right of use asset (Refer Note 1.8)                        | 16.29                               | 16.35                               |
|  | <b>45.43</b>                        | <b>47.14</b>                        |
| <b>P7(i). Professional fees to doctors</b>                                 | 82.04                               | 83.35                               |
|  | <b>82.04</b>                        | <b>83.35</b>                        |



**Rainbow Speciality Hospitals Private Limited****Financial Statements****Notes to Financial Statements for the year ended 31 March 2025**

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

|                                      | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| <b>P7(ii). Other expenses</b>        |                                     |                                     |
| Advances written off                 | 0.10                                | 0.11                                |
| Bad debts                            | 0.03                                | 0.02                                |
| Bank charges                         | 0.51                                | 0.87                                |
| Business promotion and advertisement | 12.07                               | 16.13                               |
| Canteen expenses                     | 10.12                               | 10.04                               |
| Communication expenses               | 1.27                                | 1.41                                |
| Contract wages                       | 12.48                               | 11.56                               |
| CSR expenditure                      | 1.40                                | 0.68                                |
| Unrealised foreign exchange loss     | 0.01                                | 0.02                                |
| Hospital maintenance                 | 1.39                                | 1.86                                |
| Housekeeping expenses                | 0.43                                | 0.34                                |
| Annual day expenses                  | 0.01                                | -                                   |
| Insurance                            | 0.47                                | 0.18                                |
| Investigations                       | 0.16                                | 0.08                                |
| Laundry charges                      | 0.35                                | 0.42                                |
| Miscellaneous expenses               | 0.15                                | 0.12                                |
| Power and fuel                       | 8.16                                | 10.01                               |
| Printing and stationary              | 1.14                                | 1.89                                |
| Professional and consultancy         | 0.51                                | 0.02                                |
| Audit fees                           | 0.41                                | 0.41                                |
| Directors sitting fees               | 0.53                                | 0.71                                |
| Rates and taxes                      | 4.63                                | 3.53                                |
| Rent                                 | 0.05                                | 0.04                                |
| Repairs and maintenance              | 14.00                               | 11.89                               |
| Travelling and conveyance            | 0.32                                | 1.27                                |
| Water charges                        | 1.66                                | 2.39                                |
|                                      | <b>72.36</b>                        | <b>76.00</b>                        |

**P8. Earnings Per Share (EPS)**

|  |            |            |
|--|------------|------------|
| i) Net Profit after tax as per Statement of Profit and Loss          | 38.93      | 60.76      |
| ii) Weighted Average number of equity shares used as denominator for | 18,000,000 | 18,000,000 |
| iii) Basic and Diluted Earnings per share (i/ii)                     | 2.16       | 3.38       |
| iv) Face Value per equity share                                      | 10         | 10         |





#### 1.1 Employee benefits

The employee benefit schemes are as under:

##### a) Defined contribution benefit plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund and Employee state insurance (ESI), which is a defined contribution plan. The contribution is charged to the Statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident fund and ESI for the year ended 31 March 2025 amounts to Rs. 2.56 million and Rs. 0.11 million respectively (31 March 2024 : Rs. 2.06 million and Rs. 0.25 million respectively).

##### b) Defined benefit plans

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of Rs. 2 million.

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

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

| Particulars                                      | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| Opening defined benefit obligation               | 2.26                   | 1.43                   |
| Current service cost                             | 0.96                   | 0.82                   |
| Past service cost                                | 0.50                   | -                      |
| Interest cost                                    | 0.16                   | 0.11                   |
| Actuarial gain                                   | (1.40)                 | (0.10)                 |
| Benefits paid                                    | (0.22)                 | -                      |
| <b>Benefit obligation at the end of the year</b> | <b>2.25</b>            | <b>2.26</b>            |
| Short-term provision (Refer note B17)            | 0.67                   | 0.08                   |
| Long-term provision (Refer note B13)             | 1.58                   | 2.18                   |

##### Gratuity expense recognised in the statement of profit and loss

| Particulars                            | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--|-------------------------------------|-------------------------------------|
| Current service cost                   | 0.96                                | 0.82                                |
| Past service cost                      | 0.50                                | -                                   |
| Interest on defined benefit obligation | 0.16                                | 0.11                                |
| <b>Net gratuity expenses</b>           | <b>1.61</b>                         | <b>0.93</b>                         |

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

| Particulars  | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--|-------------------------------------|-------------------------------------|
| Actuarial gain on defined benefit obligation                   |                                     |                                     |
| Change in financial assumptions                                | 0.02                                | 0.09                                |
| Change in demographic assumptions                              | (0.95)                              | -                                   |
| Experience Adjustments   | (0.48)                              | (0.19)                              |
| <b>Actuarial gain recognised in other comprehensive income</b> | <b>(1.40)</b>                       | <b>(0.10)</b>                       |

##### Summary of actuarial assumptions

Financial assumptions at balance sheet date:

| Particulars            | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|------------------------|-------------------------------------|-------------------------------------|
| Discount rate          | 6.90% p.a                           | 7.20% p.a                           |
| Salary escalation rate | 8% p.a                              | 8% p.a                              |
| Attrition rate         |                                     |                                     |
| Nursing staff          | 46.11% p.a                          | -                                   |
| Paramedical staff      | 27.92% p.a                          | -                                   |
| Patient care services  | 44.8% p.a                           | -                                   |
| Administration         | 36.12% p.a                          | -                                   |
| Support staff          | 33.65% p.a                          | -                                   |
| Age 21 to 30           | -                                   | 10% p.a                             |
| Age 31 to 40           | -                                   | 5% p.a                              |
| Age 41 to 50           | -                                   | 3% p.a                              |
| 51 and above           | -                                   | 2% p.a                              |
| Retirement Age         | 58 years                            | 58 years                            |

##### Maturity profile of defined benefit obligation

| Particulars            | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------------|------------------------|------------------------|
| 1st following year     | 0.67                   | 0.08                   |
| Year 2 to 5            | 1.58                   | 0.57                   |
| Year 6 to 9            | 0.43                   | 0.45                   |
| For 10 years and above | 0.16                   | 7.07                   |

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

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

##### Sensitivity analysis:

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

| Particulars                              | For the year ended<br>31 March 2025 |          | For the year ended<br>31 March 2024 |          |
|--|-------------------------------------|----------|-------------------------------------|----------|
|  | Increase                            | Decrease | Increase                            | Decrease |
| Discount rate (50 bps movement)          | 2.22                                | 2.29     | 2.10                                | 2.43     |
| Salary escalation rate (50 bps movement) | 2.28                                | 2.22     | 2.43                                | 2.10     |

##### Expected contributions to the plan for the next annual reporting year

Expected contribution to post-employment benefit plans for the next year ending 31 March 2025 is Rs. 0.67 million

The weighted average duration of the defined benefit obligation is 3.06 years



## 1.2 Related party disclosures

a) The following table provides the name of the related party and the nature of its relationship with the Company:

| Name of the parties                                   | Relationship  |
|---|---|
| Rainbow Children's Medicare Limited                   | Holding Company   |
| Dr Ramesh Kancharla                                   | Managing Director   |
| Dr Dinesh Kumar Chirla                                | Director  |
| Dr Nageswar Rao Koneti                                | Director  |
| Ms. Pratusha Channamalla                              | Company Secretary (appointed w.e.f 01 September 2021, resigned w.e.f 25 May 2022) |
| Mr. Ashish Kapil                                      | Company Secretary (resigned w.e.f. 14 December 2024)                              |
| Mrs. Shreya Mitra                                     | Company Secretary (appointed w.e.f. 9 February 2025)                              |
| Mr. R. Gowrisankar                                    | Chief Financial Officer (Resigned w.e.f. 31 May 2023)                             |
| Mr. Vikas Maheshwari                                  | Chief Financial Officer (appointed w.e.f. 05 August 2023)                         |
| Mr. Santanu Mukherjee                                 | Independent Director  |
| Ms. Sundari Raviprasad Pisupati                       | Independent Director  |
| Rainbow Women & Children's Hospitals Private Limited. | Enterprises where KMP exercise significant Influence                              |
| Rainbow Children's Hospital Private Limited           | Enterprises where KMP exercise significant Influence                              |
| Rosewalk Healthcare Private Limited                   | Enterprises where KMP exercise significant Influence                              |
| Rainbow Fertility Private Limited                     | Enterprises where KMP exercise significant Influence                              |
| Rainbow C R O Private Limited                         | Enterprises where KMP exercise significant Influence                              |
| Rainbow Children's Foundation                         | Enterprises where KMP exercise significant Influence                              |
| Rainbow Children's Hospital Foundation                | Enterprises where KMP exercise significant Influence                              |
| Ravindranath G E Medical Associates Private Limited   | Enterprises where relative of KMP exercise significant Influence                  |

b) Details of all transactions with related parties during the year:

| Particulars   | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| i) Dividend paid to Holding Company                                   | -                                   | 14.19                               |
| ii) Purchases from Holding Company                                    | 7.47                                | 7.90                                |
| iii) Sales to Holding Company   | 0.72                                | 0.30                                |
| iv) Medical service fee provided to Holding Company                   | 3.07                                | 3.15                                |
| v) Rent from Holding Company  | 1.75                                | -                                   |
| vi) Board sitting fee paid to Mr. Santanu Mukherjee                   | 0.25                                | 0.30                                |
| vii) Board sitting fee paid to Ms. Sundari Raviprasad Pisupati        | 0.20                                | 0.30                                |
| viii) Other services to Holding Company                               | 0.50                                | 0.21                                |
| ix) Services provided to Rainbow Children's Foundation                | -                                   | 0.85                                |
| x) Amount spent on CSR through Rainbow Children's Hospital Foundation | -                                   | 0.68                                |
| xi) Professional fee paid to Dr.Nageswar Rao Koneti*                  | 15.00                               | 15.00                               |

\*Does not include insurance, which is paid for the Company as a whole and gratuity and compensated absences as this is provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

c) Details of balances receivable from and payable to related parties are as follows:

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| i) Investment by Holding Company                         | 141.85                 | 141.85                 |
| ii) Trade Receivables from Rainbow Children's Foundation | -                      | 0.11                   |
| iii) Professional fee payable to Dr. Nageswar Rao Koneti | 1.25                   | 1.25                   |

d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

## 1.3 Segment information

The services rendered by the Company primarily are in the nature of healthcare services. During the year under report, the Company was engaged in the business within India and the conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary. Accordingly, no segment information has been disclosed in these standalone financial statements, as the Company has only one business and geographical segment.





**Rainbow Speciality Hospitals Private Limited****Financial Statements****Notes to Financial Statements for the year ended 31 March 2025**

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

**1.4 Capital Commitments**

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 0.91                   | 1.27                   |

**1.5 Dues to Micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 has been made in the 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 the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.  | 4.60                   | 4.14                   |
| b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;   | Nil                    | Nil                    |
| 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 this MSMED Act   | Nil                    | Nil                    |
| d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and   | Nil                    | Nil                    |
| 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 MSMED Act. | Nil                    | Nil                    |



**Rainbow Speciality Hospitals Private Limited****Financial Statements****Notes to Financial Statements for the year ended 31 March 2025**

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

**1.6 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise of borrowings, and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include cash and cash equivalents.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at 31 March 2025 and 31 March 2024.

The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2025 and 31 March 2024.

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars                     | Increase/decrease in interest rate | Effect on profit before tax |
|---------------------------------|------------------------------------|-----------------------------|
| <b>year ended 31 March 2025</b> |                                    |                             |
| INR                             | +1%                                | -                           |
| INR                             | -1%                                | -                           |
| <b>year ended 31 March 2024</b> |                                    |                             |
| INR                             | +1%                                | -                           |
| INR                             | -1%                                | -                           |

**c) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The Company does not have any trade receivables, investments or Deposits as at the date of the Balance sheet and hence the Company is not exposed to any credit risk there are no trade receivables and the company

**d) Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

|                                 | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | >5 years | Total |
|---------------------------------|-----------|--------------------|----------------|--------------|----------|-------|
| <b>Year ended 31 March 2025</b> |           |                    |                |              |          |       |
| Borrowings :                    | -         | -                  | -              | -            | -        | -     |
| Loans from Related parties      | -         | -                  | -              | -            | -        | -     |
| <b>Year ended 31 March 2024</b> |           |                    |                |              |          |       |
| Borrowings :                    | -         | -                  | -              | -            | -        | -     |
| Loans from Related parties      | -         | -                  | -              | -            | -        | -     |

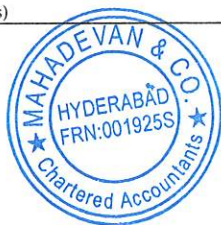
**1.7 Capital management**

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure was as follows:

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| Total equity attributable to the equity shareholders of the Company | 180.00                 | 180.00                 |
| As a percentage of total capital                                    | 100%                   | 100.00%                |
| Long term borrowings including current maturities                   | -                      | -                      |
| Short term borrowings   | -                      | -                      |
| Total borrowings  | -                      | -                      |
| As a percentage of total capital                                    | 0.00%                  | 0.00%                  |
| Total capital (equity and borrowings)                               | 180.00                 | 180.00                 |





## Rainbow Speciality Hospitals Private Limited

## Financial Statements

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

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

## 1.8 Leases

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

- B Following are the changes in the carrying values of right of use assets

| Particulars                      | Category of ROU Assets |  |
|----------------------------------|------------------------|--|
|                                  | Buildings              |  |
| Balance as at 1 April 2023       | 162.52                 |  |
| Prepayments                      | -                      |  |
| Additions                        | -                      |  |
| Change due to modification       | 0.27                   |  |
| Balance as at 31 March 2024      | 162.79                 |  |
| Balance as at 1 April 2024       | 162.79                 |  |
| Prepayments                      | -                      |  |
| Additions                        | -                      |  |
| Change due to modification       | -                      |  |
| Balance as at 31 March 2025      | 162.79                 |  |
| Accumulated amortisation         |                        |  |
| Balance as at 1 April 2023       | 40.60                  |  |
| Depreciation charge for the year | 16.35                  |  |
| Change due to modification       | (0.05)                 |  |
| Deletions                        | -                      |  |
| Balance as at 31 March 2024      | 56.89                  |  |
| Balance as at 1 April 2024       | 56.89                  |  |
| Depreciation charge for the year | 16.29                  |  |
| Change due to modification       | -                      |  |
| Deletions                        | -                      |  |
| Balance as at 31 March 2025      | 73.18                  |  |
| Balance as at 31 March 2025      | 89.61                  |  |
| Balance as at 31 March 2024      | 105.90                 |  |

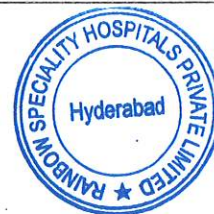
\*The aggregate depreciation expense for the year on ROU assets is included under depreciation and amortization expense in the statement of profit and loss.

- 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 2025      | 31 March 2024 |
| Short-term lease expense | 0.05               | 0.04          |
| Low value lease expense  | -                  | -             |
| Variable lease expense   | -                  | -             |
| Total                    | 0.05               | 0.04          |

- D Following are the changes in the lease liabilities

| Particulars                          | Lease liabilities |
|--------------------------------------|-------------------|
| Balance as at 1 April 2023           | 142.39            |
| Additions                            | -                 |
| Finance cost accrued during the year | 13.13             |
| Deletions                            | -                 |
| Payment of lease liabilities         | (23.22)           |
| Balance as at 31 March 2024          | 132.30            |
| Non-current lease liabilities        | 120.59            |
| Current lease liabilities            | 11.71             |
| Balance as at 1 April 2024           | 132.30            |
| Additions                            | -                 |
| Finance cost accrued during the year | 12.02             |
| Deletions                            | -                 |
| Payment of lease liabilities         | (24.84)           |
| Balance as at 31 March 2025          | 119.48            |
| Non-current lease liabilities        | 106.61            |
| Current lease liabilities            | 12.87             |



**Rainbow Speciality Hospitals Private Limited**
**Financial Statements**
**Notes to Financial Statements for the year ended 31 March 2025**

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

**1.8 Leases(continued)**

E The following is the cash outflow on leases

| Particulars                         | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Payment of lease liabilities        | 12.82                               | 10.09                               |
| Interest on lease liabilities       | 12.02                               | 13.13                               |
| Short-term lease expense            | 0.05                                | 0.04                                |
| <b>Total cash outflow on leases</b> | <b>24.89</b>                        | <b>23.26</b>                        |

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

| Particulars      | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------|------------------------|------------------------|
| Less than 1 year | 24.84                  | 23.22                  |
| 1 to 5 years     | 112.54                 | 104.95                 |
| Over 5 years     | 24.64                  | 75.70                  |

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

**1.9 Corporate social responsibility**

As per Section 135 of the Companies Act, 2013, the Company is not required to constitute CSR committee, as the CSR expenditure to be spent by the Company is not more than Rs. 5 million. Hence the functions of the CSR committee are discharged by the Board of Directors. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education and sports, rural development activities, medical facilities, and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013.

| Particulars  | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| <b>Details of Corporate social responsibility expenditure</b>  |                                     |                                     |
| (i) Gross amount required to be spent by the Company during the year   | 1.40                                | 0.68                                |
| (ii) Amount approved by the Board to be spent during the year  | 1.40                                | 0.68                                |
| (iii) Amount spent during the year (in cash)   |                                     |                                     |
| - construction/ acquisition of any asset   | -                                   | -                                   |
| - on purpose other than above  | -                                   | 0.68                                |
| (iv) Amount spent during the year (yet to be paid in cash)   |                                     |                                     |
| - construction/ acquisition of any asset   | 1.40                                | -                                   |
| - on purpose other than above  | -                                   | -                                   |
| (v) (Shortfall) / Excess at the end of the year  | -                                   | -                                   |
| (vi) Total of previous years shortfall   | -                                   | -                                   |
| (vii) Details of related party transactions  | NA                                  | NA                                  |
| (viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately | NA                                  | NA                                  |
| (ix) Reason for shortfall  | NA                                  | NA                                  |
| For the year ending 31 March 2025 and 31 March 2024 :  |                                     |                                     |
| (x) Nature of CSR activities:  |                                     |                                     |
| a) Promotion of education and sports   | -                                   | 0.55                                |
| b) Promotion of medical facilities and   | -                                   | 0.13                                |
| c) Transferred to unspent CSR account (on-going project)*  | 1.40                                | -                                   |

\* Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 ("the Rules"), the Company has transferred the Unspent amount of Rs. 1.40 million (31 March 2024 : Nil) to a separate bank account subsequent to the balance sheet date under section 135 read with rules of Companies (CSR Policy) Rules, 2014.





**Rainbow Speciality Hospitals Private Limited**

**Financial Statements**

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

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

**1.10 Additional Regulatory Information:**

It is hereby stated that clause (i) to (xvi) except clause (xiv) of paragraph L of Part I of Schedule III of the Companies Act 2013, are not applicable to the Company, since there are no circumstances prevailing either during the current financial year or in the immediate preceding financial year.

Disclosures as per clause (xiv) of the Schedule III of part I are as under :

**Ratios as per the Schedule III requirements**

**a) Current ratio = Current assets divided by Current liabilities**

| Particulars                        | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------------------------|------------------------|------------------------|
| Current assets                     | 274.30                 | 221.84                 |
| Current liabilities                | 66.66                  | 78.30                  |
| <b>Ratio</b>                       | <b>4.11</b>            | <b>2.83</b>            |
| <b>% Change from previous year</b> | <b>45.24%</b>          |                        |

**Reason for change more than 25%:**

This ratio has increased from 2.83 in March 2024 to 4.11 in March 2025 mainly due to increases in deposits with bank in cash and cash equivalents and current investments and decrease in trade payables during the year.

**b) Debt equity ratio = Total debt divided by total equity where total debt refers to sum of current & non current borrowings**

| Particulars                        | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------------------------|------------------------|------------------------|
| Total debt                         | -                      | -                      |
| Total equity                       | 317.91                 | 278.98                 |
| <b>Ratio</b>                       | <b>-</b>               | <b>-</b>               |
| <b>% Change from previous year</b> | <b>N.A</b>             |                        |

**Reason for change more than 25%: Not Applicable**

**c) Debt service coverage ratio = Earnings available for debt services divided by total interest and principal repayments**

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| Profit after tax   | 37.88                  | 60.69                  |
| <b>Add: Non cash operating expenses and finance cost</b> | <b>57.45</b>           | <b>60.27</b>           |
| -Depreciation and amortizations                          | 45.43                  | 47.14                  |
| -Finance cost  | 12.02                  | 13.13                  |
| <b>Earnings available for debt services</b>              | <b>95.33</b>           | <b>120.96</b>          |
| Interest cost on borrowings                              | -                      | -                      |
| Principal repayments                                     | -                      | -                      |
| <b>Total Interest and principal repayments</b>           | <b>-</b>               | <b>-</b>               |
| <b>Ratio</b>   | <b>-</b>               | <b>-</b>               |
| <b>% Change from previous year</b>                       | <b>N.A</b>             |                        |

**Reason for change more than 25%: Not Applicable**

**d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity**

| Particulars                        | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------------------------|------------------------|------------------------|
| Net profit after tax               | 37.88                  | 60.69                  |
| Equity                             | 317.91                 | 278.98                 |
| <b>Ratio</b>                       | <b>0.12</b>            | <b>0.22</b>            |
| <b>% Change from previous year</b> | <b>-45.23%</b>         |                        |

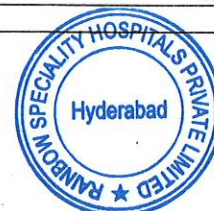
**Reason for change more than 25%:**

This ratio has decreased from 0.22 in March 2024 to 0.12 in March 2025 mainly due to decrease in profit and increase in other equity for the year.

**e) Inventory turnover ratio = Cost of medical consumables and pharmacy items consumed divided by average inventory**

| Particulars   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---|------------------------|------------------------|
| Cost of medical consumables and pharmacy items consumed | 75.87                  | 80.33                  |
| Average inventory                                       | 9.09                   | 8.47                   |
| <b>Inventory turnover Ratio</b>                         | <b>8.35</b>            | <b>9.48</b>            |
| <b>% Change from previous year</b>                      | <b>-11.95%</b>         |                        |

**Reason for change more than 25%: Not Applicable**



Rainbow Speciality Hospitals Private Limited

Financial Statements

Notes to Financial Statements for the year ended 31 March 2025

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

1.10 Ratios as per the Schedule III requirements (Continued)

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

| Particulars                 | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------|------------------------|------------------------|
| Revenue from operations     | 377.53                 | 420.39                 |
| Average trade receivables   | 16.66                  | 19.65                  |
| Ratio                       | 22.66                  | 21.39                  |
| % Change from previous year | 5.92%                  |                        |

Reason for change more than 25%: Not Applicable

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

| Particulars                 | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------|------------------------|------------------------|
| Purchases                   | 75.62                  | 81.81                  |
| Average trade payables      | 34.01                  | 32.00                  |
| Ratio                       | 2.22                   | 2.56                   |
| % Change from previous year | -13.02%                |                        |

Reason for change more than 25%: Not Applicable

h) Net capital turnover ratio = Revenue from operations divided by working capital whereas working capital= current assets - current liabilities

| Particulars                 | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------|------------------------|------------------------|
| Revenue from operations     | 377.53                 | 420.39                 |
| Working capital             | 207.64                 | 143.54                 |
| Ratio                       | 1.82                   | 2.93                   |
| % Change from previous year | -37.92%                |                        |

Reason for change more than 25%:

This ratio has decreased from 2.93 in March 2024 to 1.82 in March 2025 mainly due to increase in working capital.

i) Net profit ratio = Net profit after tax divided by Sales

| Particulars                 | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------|------------------------|------------------------|
| Net profit after tax        | 37.88                  | 60.69                  |
| Revenue from operations     | 377.53                 | 420.39                 |
| Ratio                       | 0.10                   | 0.14                   |
| % Change from previous year | -30.50%                |                        |

Reason for change more than 25%: Not Applicable

This ratio has decreased from 0.14 in March 2024 to 0.10 in March 2025 mainly due to decrease in profit during the year.

j) Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Capital Employed(pre cash)

| Particulars  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
| Profit before tax (A)                                  | 48.93                  | 81.39                  |
| Finance Costs (B)                                      | 12.02                  | 13.13                  |
| Other Income (C)                                       | 15.47                  | 11.65                  |
| EBIT (D) = (A)+(B)-(C)                                 | 45.48                  | 82.87                  |
| Capital Employed (Pre Cash) (J)=( E)-(F)-(G)-(H)-(I)   | 197.30                 | 316.35                 |
| Total Assets (E)                                       | 493.19                 | 480.68                 |
| Current Liabilities (F)                                | 66.66                  | 78.30                  |
| Current Investments (G)                                | 212.27                 | 78.84                  |
| Cash and Cash equivalents (H)                          | 16.96                  | 7.19                   |
| Bank balances other than cash and cash equivalents (I) | -                      | -                      |
| Ratio (D)/(J)  | 0.23                   | 0.26                   |
| % Change from previous year                            | -12.00%                |                        |

Reason for change more than 25%: Not Applicable

Additional Information: It is also stated that clauses (l), (m) and (n) of paragraph 7 of Schedule III of part 2 of the Act are not applicable to the company for the time being since there are no circumstances prevailing as mentioned in the above clauses either during the current financial year or in the immediate preceding financial year.





**Rainbow Speciality Hospitals Private Limited**

**Financial Statements**

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

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

**1.11 Audit Trail**

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

- 1.12** The MCA wide notification dated 24 March 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from 01 April 2021. The Company has incorporated the changes as per the said amendment in the financial statements from the said date.

**Other Statutory Information:**

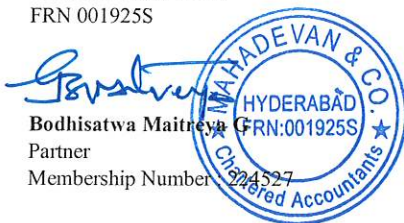
- i. The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- ii. The Company do not have any transactions with companies struck off.
- iii. The Company do not have any charges or satisfaction which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

As per our report of even date attached.

**For MAHADEVAN & CO.,**

Chartered Accountants

FRN 001925S



**Bodhisatwa Maitreya**  
Partner  
Membership Number 224527

**For and on behalf of the board of Directors of  
Rainbow Speciality Hospitals Private Limited**

**Ramesh Kancharla**  
Director  
DIN:00212270

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



**Vikas Maheshwari**  
Chief Financial Officer

**Shreya Mitra**  
Company Secretary  
Membership Number: A54901

Date : 23 May 2025

Place: Hyderabad