



# Rainbow<sup>®</sup> Children's Hospital

It takes a lot to treat the little.

## **STRONG FOUNDATIONS, BRIGHTER FUTURES**

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**Deepening Our Commitment  
to Children's Healthcare**

**Integrated Annual Report  
2022-23**



# Read through the Pages

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# About the Report

## Reporting Approach

This report encapsulates all financial, operational, and societal activities of Rainbow Children's Medicare Limited, hereafter called Rainbow. Our goal is to deliver long-term value to our stakeholders ethically, employing different forms of capital and further promoting value-added activities.

Our reporting method is rooted in the Value Reporting of six capitals. These impacts are also correlated with the UN's Sustainable Development Goals. The integrated report incorporates six capitals: Financial, Manufactured, Human, Intellectual, Social and Relationship, and Natural.

## Reporting Period and Cycle

The current Integrated Report spans from 1st April, 2022 to 31st March, 2023, providing a comprehensive view of Rainbow's operational and business activities. It showcases our environmental, economic, and social performance for the fiscal year 2022-23.

The digital copy of this report is accessible on our website: [www.rainbowhospitals.in](http://www.rainbowhospitals.in)

## Frameworks and Compliance for Reporting

The report has been compiled following the principles suggested by the International Integrated Reporting Council (IIRC). Furthermore, we have mapped the Sustainable Development Goals (SDGs) to the Key Performance Indicators (KPIs) used for reporting on the Capitals.

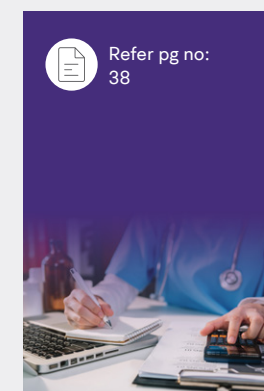
## Stakeholders Feedback

We encourage and highly value the active involvement and input of our stakeholders.

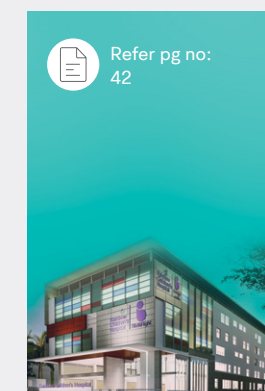
Email: [investorrelations@rainbowhospitals.in](mailto:investorrelations@rainbowhospitals.in)  
Website: [www.rainbowhospitals.in](http://www.rainbowhospitals.in)

## Forward-Looking Statements

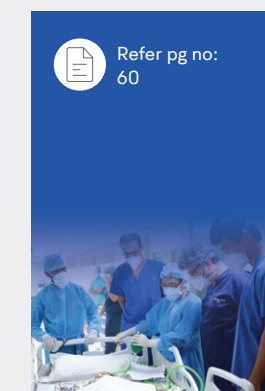
This report may include statements projecting Rainbow's future financial standing, operational outcomes, strategic plans, and growth projections, generally marked by forward-looking terminology such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will," among others. Such forward-looking statements reflect current views and are based on management beliefs, plans, estimates and expectations based on currently available information. We caution that the actual results, performances, or accomplishments may significantly deviate from those projected in these forward-looking statements. We do not commit to update or revise any forward-looking statements, irrespective of any new information, future events, or other circumstances.



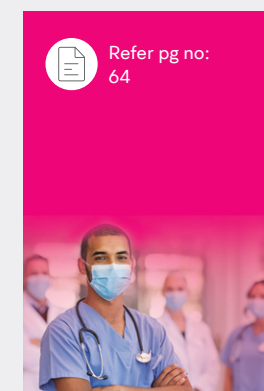
Financial Capital



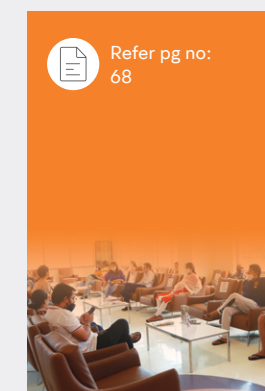
Manufactured Capital



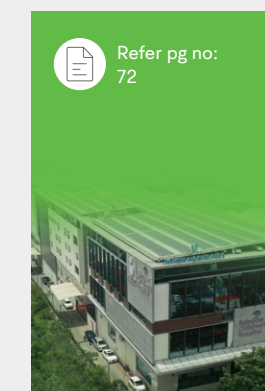
Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital



“FY23 performance demonstrates the trust reposed by patients in our clinical excellence, the strong brand recall, and the scalability of our business model. Further, it reinforces the growing need for quality pediatric healthcare.”

**Dr. Ramesh Kancharla**  
Chairman and Managing Director



Scan the QR code to know more about the company

Look out for this icon through out the report



Referred pages to read more within the report



To view the report online, log on to [www.rainbowhospitals.in/investors-relations/annual-reports](http://www.rainbowhospitals.in/investors-relations/annual-reports)



## Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, and fiscal regimes. Some of the images used in this report are purely for illustrative purposes only and hence they are not the photos/ images of our facilities, products or of any such nature/kind.

## Our Philosophy

**At Rainbow, we firmly believe that every child deserves the highest level of care and attention.**

Our unwavering commitment to children's healthcare drives us to continuously improve and innovate. Over the years, we have taken significant steps to strengthen our foundation, ensuring a brighter and healthier future for every child.

We have developed a unique approach that revolves around putting children at the center of everything we do. Our hospitals are designed to create an environment that nurtures the joy, curiosity, and resilience of childhood, providing a safe haven where children can receive the best possible care.

To deliver comprehensive healthcare, we have built a collaborative network of medical experts from various disciplines. This ensures that each child receives personalized and holistic treatment, tailored to their specific needs. Our dedicated team of consultants is available round the clock, ensuring prompt and expert care.

Our reach is driven by our hub-and-spoke model, where we have strategically established facilities across cities in India. This enables us to provide accessible and high-quality healthcare services to children.

Recognizing the importance of specialized care, we continue to invest in our infrastructure and enhance our services. Through the adoption of advanced medical technologies and treatment modalities, we are raising the bar for pediatric healthcare. Our commitment to continuous professional development ensures that our staff remains at the forefront of medical advancements, enabling us to deliver the best possible outcomes for our young patients.

Looking ahead, our vision remains steadfast. We are committed to creating brighter futures and fostering the well-being of the children. We are driven by a deep-rooted belief that every child deserves the opportunity to thrive, dream, and realize their full potential. With strong foundations and an unwavering commitment, we are poised to continue making a meaningful difference in the lives of countless children and their families.

# About Us

We are India's leading multi-speciality pediatric hospital chain with over two decades of experience in pediatric, obstetrics, gynecology and fertility care.

Incorporated in 1998, Rainbow Children's Medicare Limited (Rainbow) has been a pioneer in multi-speciality pediatric and perinatal care in India. With a promise to provide the widest suite of pediatric, women, fertility and perinatal care within a dedicated child-friendly hospital, we are relentlessly expanding our network to reach patients in different parts of the country. Our unwavering dedication to quality healthcare has cemented our position as a leading hospital chain in the country and we remain committed to offer end-to-end solutions from the mother to the fetus to the new born, infant to children.

## Key Highlights

16

Hospitals

6

Cities

3

Clinics

1,655

Bed capacity

86,864

Inpatient admissions

14,797

Deliveries

12,090

ICU admissions

6,379

Surgical procedures

12,40,569

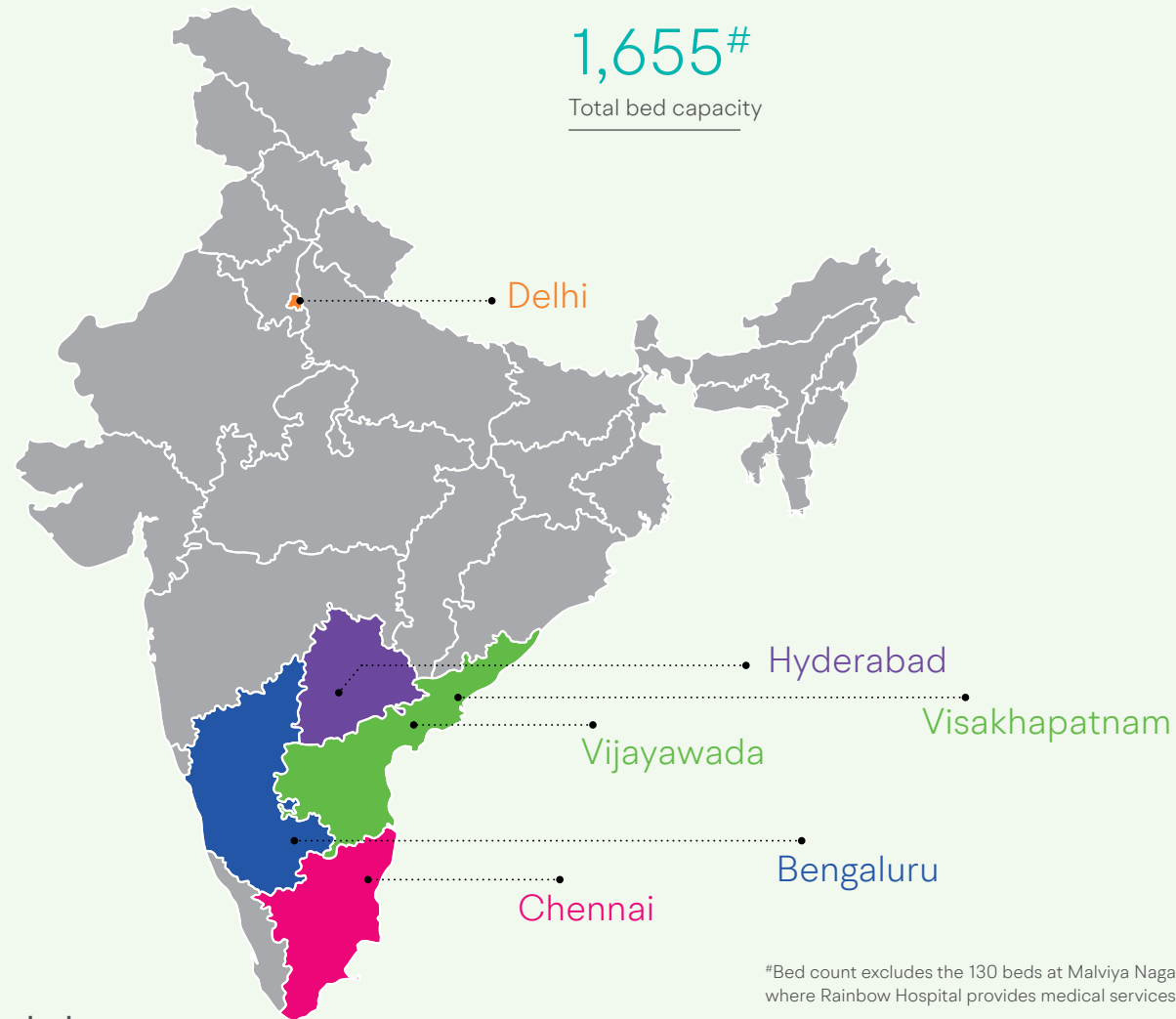
Outpatient visits



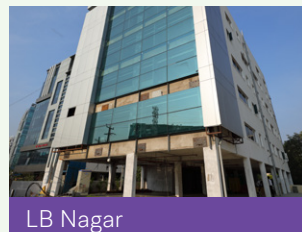
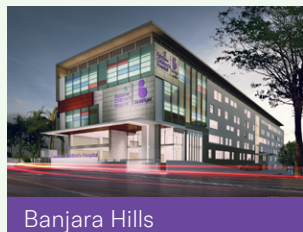
## About Us contd...

### Geographic Presence

With a strong presence in South India, our healthcare network has expanded to six major cities across India. Carrying forward our reputation of offering specialized care for children and women, we seek to develop a multi-disciplinary approach to deliver better clinical outcomes.



#### Hyderabad



Total Bed Capacity: **830**

#### Bengaluru



Total Bed Capacity: **352**

#### Chennai



Total Bed Capacity: **190**

#### Delhi



Total Bed Capacity: **154**

#Rainbow Hospital provides Medical services to this hospital

#### Visakhapatnam



Total Bed Capacity: **129**

#### Vijayawada



Total Bed Capacity: **130**

Refer to page 44 for more details

## Chairman's Message



**Dear Shareholders,**

**I'm pleased to present our Company's second Integrated Annual Report for FY 2022-23. This report demonstrates the strength of our business model, the agility of our scaling capabilities, and our considerable industry expertise.**

### Macro-Economic Overview

Despite global adversities, India's economy thrives as one of the world's fastest growing. Persistent inflation, although a significant hurdle, is being addressed effectively by strategic monetary measures from the Reserve Bank of India.

Throughout the recurring waves of the Covid-19 pandemic, India exhibited a remarkable determination, delivering vital healthcare services and executing an extensive vaccination campaign. Recent years have seen a pivotal transformation in the Indian healthcare delivery market. Influenced by the rise in non-communicable diseases, escalating healthcare spends, greater patient awareness, as well as the tailwinds of nuclearization of families and increased insurance penetration, the sector has experienced considerable growth.

The Indian Health Care sector is expected to grow to INR 8,620 billion by FY26 with a CAGR of 12% while Indian Pediatric and maternity market is growing marginally higher at 14% and 12% respectively. Dominated by private entities, which account for ~ 60% to 70% of the national healthcare expenditure, the market continues to expand.

### Rainbow's Unique Business Model

Rainbow Children's Hospital is built on strong fundamentals of multi-disciplinary approach in a child centric environment with a unique doctor engagement model, where doctors work exclusively on a full-time, retainer basis to offer 24/7 consultant led service, which is particularly important for children's emergency, neonatal, pediatric intensive care services and to support pediatric retrieval services. The company follows a hub-and-spoke operating model where the hub hospital provides comprehensive outpatient, inpatient care, with a focus on tertiary and quaternary services while the spokes provide 24/7 emergency care in pediatrics and obstetrics, large outpatient services and comprehensive obstetrics, pediatric and level 3 NICU services. This model is successfully operational at Hyderabad and is gaining traction in Bengaluru. The endeavor is to replicate this approach in Chennai and across the National Capital Region. Subsequently Rainbow intends to expand into tier-2 cities of Southern India.

### Our Journey

Rainbow embarked on its journey with a steadfast commitment for providing advanced clinical care to children.

We started as a 50-bed hospital that specialized in children's intensive care services. As we progressed, our vision expanded, leading us to build an advanced children's hospital with a wide range of pediatric specializations and integrated perinatal care services under BirthRight by Rainbow Hospitals, offering comprehensive obstetrics and gynecology services. This growth was amplified through the adoption of the hub-and-spoke model, which allowed us to expand our reach to Vijayawada, Bengaluru, Chennai, Visakhapatnam and Delhi.

Our pediatric services encompass new-born and pediatric intensive care, multi-speciality care, quaternary care, and organ transplantation. Today, Rainbow stands as India's largest pediatric hospital chain, comprising 16 hospitals and 3 clinics in 6 cities with a total bed capacity of 1,655 beds.

At Rainbow, our focus on delivering exceptional care is reinforced by the integration of our medical professionals' expertise within a child-centric environment. Our vibrant and inviting interiors, complemented by designated children's play areas and children friendly staff and doctors, provides comfort and support for the therapeutic journey of recovering children.

In alignment with global trends, where a majority of complex pediatric surgeries (over 97%) are performed in children's hospitals for better outcomes, we have nurtured our intensive care and super speciality services, evolving into quaternary care. We have performed significant number of transplant cases (Liver, Bone Marrow, Kidney) with survival rates of over 90%. Our cardiac surgeries, which include extremely complex congenital defects have

survival rates of ~95%. These outcomes would be equivalent to the programs running in the developed world. This strengthened our resolve to evangelize the need for a children's hospital and its viability as a business model.

### The Year Since The IPO

Rainbow has crossed its first year as a publicly listed hospital and remains the only listed pediatric hospital chain in the English-speaking world. Consequently, the listed universe has no peer comparison for financial analysts and investors.

Post the public listing, our stock price saw a decline due to macro-economic volatility and a lack of understanding of our business model as a children's hospital. We assiduously engaged with investors both in India and overseas and explained the various building blocks of our business model, our key differentiators, the significant growth opportunity in our business model, and the potential it offers. We were able to give complete exit to CDC group and their entire stake was bought by marquee investors.

Our current emphasis lies in scaling our children's healthcare model, achieving excellent operating metrics, and identifying key parameters for analysts to track our operational and financial performance. The results we have achieved at the end of the year serve as a testament to our efforts in this direction.

### Financial Performance

Rainbow Hospitals has consistently demonstrated an impressive track record of delivering strong financial performance year after year. In the fiscal year 2022-23, we achieved a significant growth of 20.5% year

## Chairman's Message contd...

on year, generating a revenue of INR 1173.5 crores. Our exceptional financial success is further exemplified by our impressive EBITDA margin of 33.8%, a testament to our efficient cost management and operational excellence.

The driving force behind our outstanding financial performance is the ever-growing demand for specialized maternal and child healthcare services, coupled with our commitment to providing excellent patient care. With our robust financial performance and continuous investments in advanced technology and state-of-the-art infrastructure, we are poised to address the unmet need for advanced children's healthcare.

### Operational Excellence

Our Hyderabad hospitals have demonstrated remarkable growth in intensive care, speciality services, and tertiary and quaternary care. The implementation of our well-established and successful hub-and-spoke model has proven effective in unlocking untapped potential in prominent metros like Bengaluru, Chennai, and the NCR region.

In the fiscal year 2022-23, we achieved significant growth across key operating metrics, including impressive occupancy levels, increased inpatient and outpatient volumes, and higher birthing numbers. These accomplishments can be attributed to our niche business model, which enables shorter average length of stay (ALOS) while upholding clinical excellence. Our exceptional service delivery, resulting in high outpatient department (OPD) numbers and rapid turnovers, has played a pivotal role in driving higher revenues for our chain of hospitals.

Occupancy levels in children's hospitals are not directly comparable to multi-speciality hospitals due to seasonality, differential clinical care and unique

parental behavioral traits that often lead to early discharge requests.

### Dedicated Teams who make a Difference

Our doctor engagement model is a crucial driver of our sustained growth. In a children's hospital, having consultants available 24/7 is paramount, given that admissions can occur at any time, particularly in emergency situations. At Rainbow, our doctors work full-time and do not participate in private practice. Moreover, they are dedicated to providing on-site overnight coverage, ensuring that all patients receive the highest level of care.

We are also proud to conduct one of India's largest academic training programs for pediatrics and pediatric super specialties in private healthcare. We offer a comprehensive range of training programs, including the Post-Graduate DNB program, fellowship in intensive care and in various other super specialties. These initiatives provide our medical professionals with the chance to grow within the Rainbow network while fostering a multi-disciplinary approach that cultivates a comprehensive clinical environment and supports work-life balance.

Rainbow has been recognized by Great Place to Work® consequently for 4 years for our exceptional people management approach. This prestigious award affirms

**With over two decades of expertise, our comprehensive consultant-led women and child care services have made a transformative impact on the lives of women and children across key cities such as Hyderabad, Vijayawada, Bengaluru, Delhi, Chennai, and Visakhapatnam.**

our commitment to employee satisfaction, growth, and engagement. It reinforces our dedication to nurturing a workplace culture that fosters creativity, innovation, and excellence in patient care.

### Robust Infrastructure

With over two decades of expertise, our comprehensive consultant-led women and children care services have made a transformative impact on the lives of women and children across key cities such as Hyderabad, Vijayawada, Bengaluru, Delhi, Chennai, and Visakhapatnam.

Pediatric Healthcare in Northern India is still evolving and there is a large unmet need. We currently operate a hospital in South Delhi, but the accessibility of advanced child healthcare remains limited for the large pediatric population in this region. Rainbow is dedicated to providing comprehensive multi-speciality pediatric services on a larger scale. In recognition of the healthcare needs in Northern India, as well as international geographies and the National Capital Region (NCR), we have identified Gurugram as a strategic location to address these requirements.

The company recently participated in the e-auction held by HSVP (Haryana Shehri Vikas Pradhikaran) and won the bids for 2 land parcels and awaits the allotment letter from HSVP. The Company intends to

construct a greenfield hub hospital which will offer comprehensive care, with a special emphasis on tertiary and quaternary services. It will also serve as a referral center for multi-disciplinary pediatric and perinatal care.

### Digitization and Transformation

Rainbow Children's Hospital is strongly committed to integrating technology for superior patient care and streamlined operations, aiming to transition into a largely paperless hospital. By leveraging advanced cloud-based systems, we are minimizing human interventions, optimizing data security, and enhancing operational efficiency. This digital transformation includes user-friendly solutions such as video consultations, digital prescriptions, WhatsApp and SMS alerts, and a dedicated doctor-patient app, each designed to enhance communication and health monitoring. These technological initiatives demonstrate our unwavering commitment to providing efficient, personalized, and superior healthcare experiences, furthering our journey towards becoming a digitally-advanced, paperless healthcare institution.

### Promoting Sustainable Business Practices

We are committed to promoting sustainable business practices and have taken several environmental, social, and governance (ESG) initiatives to reduce our carbon footprint, encourage energy efficiency, and ensure patient safety at all times.

One of our major initiatives is the installation of solar rooftops at our Sholinganallur, Chennai and Rosewalk, Delhi units. We remain committed to reducing waste and promoting recycling. Rainbow has in place several measures to reduce

plastic waste, encourage the use of recycled paper, and avoid paper usage by promoting electronic tabs in our IP and OP services.

Rainbow will invest in policies and practices promoting environmental sustainability as we move forward. We will play our responsible part in creating a greener and healthier world.

### Looking Forward

Our primary objective is to expand and enhance our clinical services, focusing on Pediatric multi-speciality care and further, advancing to quaternary care in all our hub hospitals, delivering outcomes on par with the standards set by developed nations. We have strategic plans to strengthen our tertiary and quaternary services in key cities such as Bengaluru, Delhi NCR to the similar standards achieved in Hyderabad.

Further, we look at strengthening the regional spokes to establish a seamless connect with our hub hospitals in Southern India. Drawing from our learnings, we keenly look at setting up additional spoke hospitals, to create a boundaryless hub-and-spoke model allowing us to serve a larger geographic area.

This expansion into well-established and mature geographies aligns seamlessly with our efficient hub-and-spoke model, enabling us to achieve sustained growth for our business. We are confident that our strategic initiatives, combined with our strong foundation and dedicated team, will drive our continued success in the years ahead.

We plan to add 1000 beds over next 4-5 years, of which 400 beds would be added in Delhi NCR and 600 beds would be added in the Southern India largely through spokes in the cities of Hyderabad, Bengaluru and Chennai. We plan to add regional

**Today, Rainbow stands as India's largest pediatric hospital chain, comprising 16 hospitals and 3 clinics in 6 cities with a total bed capacity of 1,655 beds.**

spokes in tier-2 cities of Andhra Pradesh and Tamil Nadu which would enable us to add these geographies to our maternal and child health network, provide multi-speciality pediatric coverage in these cities and strengthen our hubs in Hyderabad, Bengaluru and Chennai. At the same time, we are also looking for inorganic opportunities with philosophically aligned organizations.

In conclusion, I extend my heartfelt gratitude to our valued stakeholders, dedicated employees, and visionary management team for their commitment and exceptional contributions to Rainbow Children's Medicare Limited. It is through our collective teamwork and the support of all stakeholders that we have achieved remarkable success. With a solid foundation in place, we are poised for continued growth and prosperity in the future.

Thank you.

Warm regards,

**Dr. Ramesh Kancharla**  
Chairman and Managing Director

# Milestones

**1999**

Began Operations with first hospital at **Banjara Hills, Hyderabad**

**2007**

Added hospital at **Vijayawada**

Expanded our services into **obstetrics and gynecology**

**2009**

First spoke established at **Vikrampuri, Hyderabad**

**2010**

Opened first outpatient clinic at **Madhapur, Hyderabad**

**2013**

Established hospital in **Kondapur, Hyderabad**

CDC Group invests in The Company

**2015**

Established two hospitals at **Hydernagar, Hyderabad and Marathahalli, Bengaluru**

Rebranded our perinatal services division as **'BirthRight by Rainbow Hospitals'**

**2016**

Sets Guinness World Record for **largest premature birth** gathering in Hyderabad

Established two spoke hospitals at **BG Road, Bangalore and at LB Nagar, Hyderabad**

**2017**

Expanded into North India with Madhukar Rainbow Children's Hospital at **Malviya Nagar, New Delhi**

**2018**

Expanded into **Chennai** with launch of a **hospital in Guindy**

**2019**

Started IVF facility at **Kondapur, Hyderabad**

Established two hospitals:  
- **Rosewalk, New Delhi**

- Standalone Cardiac Hospital at **Hyderabad (RCHI)**

**2020**

Expanded our footprint to **Visakhapatnam, Andhra Pradesh**

Added one spoke hospital at **Hebbal, Bengaluru**

Conducted over **125,000** outpatient video consultations during the pandemic

**2021**

Commenced **liver transplant** services at **Banjara Hills, Hyderabad**

**2022**

Got listed on **BSE and NSE**

Added one spoke hospital in **Sholinganallur, Chennai**

**1st Fertility** chain to receive **JCI accretion in India (Kondapur unit)**

**2023**

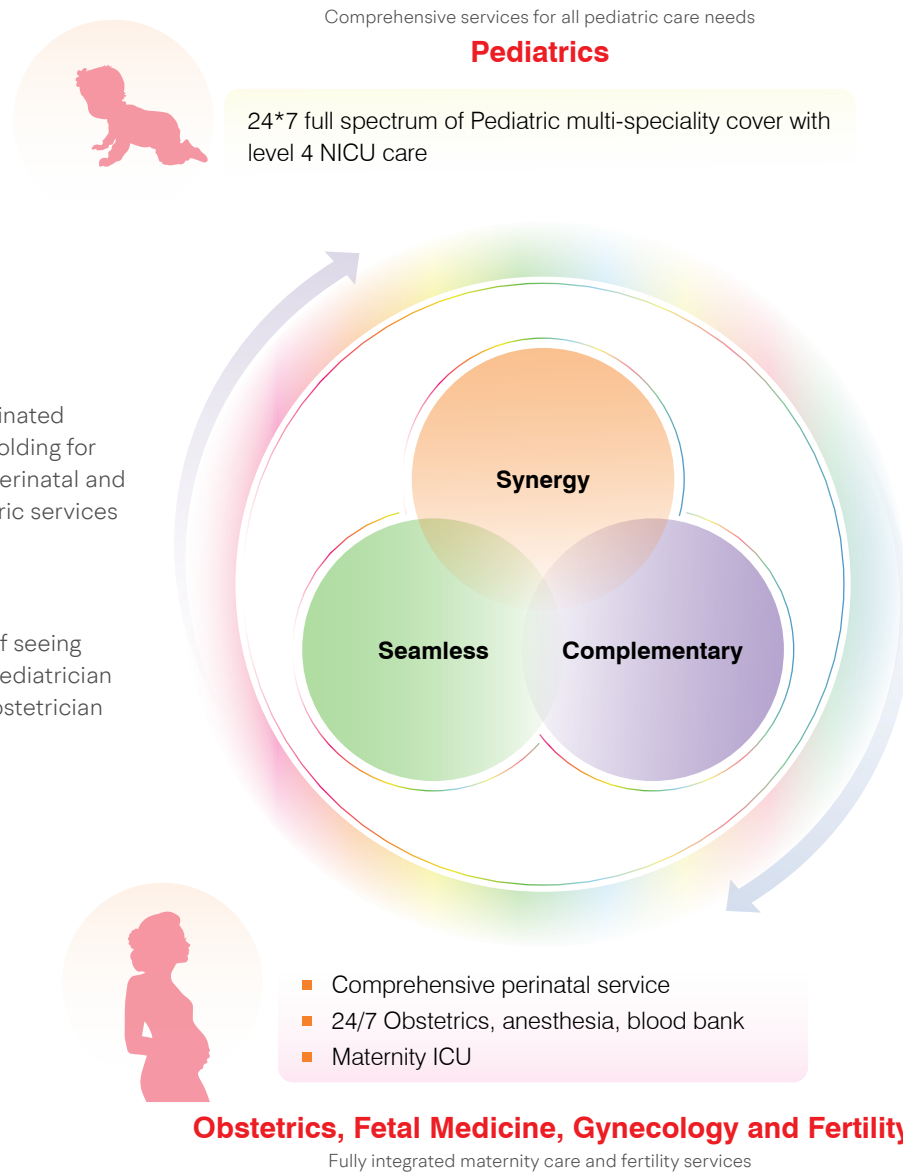
Established Seventh hospital at **Financial District, Hyderabad** expanded our count to **16 hospitals**



# Our Offerings

At Rainbow, we are dedicated to offering an extensive spectrum of specialized pediatric healthcare services. Our commitment is to provide not only secondary care but tertiary care, multi-speciality care, and quaternary care, each tailored to the unique needs of our young patients.

Our aim is to offer a nurturing and comprehensive medical environment that supports the holistic health and wellbeing of every child that steps through our doors



## Pediatric Care Offerings

### Pediatric Secondary Care

Our secondary care provides comprehensive care for children, addressing a wide range of health needs. From immunizations and acute illness treatment to chronic disease management and adolescent care, our dedicated team of professionals is well-equipped to handle various Pediatric outpatient consultation with extended hours.

#### Our Offerings

- Pediatric Outpatient Services
- Immunizations
- Developmental Screening
- Treatments for Acute and Seasonal Illnesses



### Pediatric Tertiary Intensive Care

- Care of Pre-term Babies with Low/ Extremely Low Birth Weight
- New Born Emergency Transports
- Neonatal Surgical Services
- Inhale Nitric Oxide Therapy
- Advanced Ventilation Including HFOV
- Pediatric Neuro-Critical Care Services
- ECMO Services

### Pediatric Multi-speciality and Quaternary Care

- Pediatric Surgery, Urology and Minimally Invasive Surgery
- Pediatric Cardiology and Cardiothoracic Surgery
- Pediatric Neurology and Neuro-Surgery
- Pediatric Hemato-Oncology
- Pediatric Gastroenterology and Liver Diseases
- Pediatric Nephrology
- Pediatric Orthopedics
- Pediatric Pulmonology and Allergy
- Pediatric Organ Transplantation (Liver, Kidney, Bone-Marrow)

## Our Offerings contd...

### Our Extensive Tertiary and Quaternary Care Offerings

#### Pediatric Neurology and Neurosurgery

Our Pediatric Neurology department possesses a specialized focus on the identification, treatment, and effective management of neurological conditions affecting children. These conditions encompass a broad range, including epilepsy, autism, and ADHD. Employing a compassionate and highly skilled approach, we deliver comprehensive care for diverse developmental, behavioral, and neurological challenges encountered in pediatric patients

#### Our Expertise Lies in:

- Epilepsy
- Neuro-Muscular Disorders
- Developmental Disorders
- Congenital Malformations of Nervous System

#### Department of Pediatric Nephrology

Our specialized division in Pediatric Nephrology is committed to managing various renal disorders affecting pediatric patients. With a comprehensive understanding of kidney-related conditions, our team of experts possesses the necessary skills and knowledge to accurately diagnose and effectively treat a wide spectrum of renal concerns, encompassing both prevalent conditions such as nephrotic syndrome, as well as rare congenital metabolic disorders.

#### Our Expertise Lies in:

- Acute and Chronic Renal Failure
- Nephritis and Nephrotic Syndrome
- Urinary Tract Infections
- Acute and Long Term Dialysis
- CRRT
- Plasmapheresis
- Kidney Transplant



#### Department of Pediatric Surgery, Urology and Minimally Invasive Surgery

The Department of Pediatric Surgery provides an extensive array of surgical procedures for pediatric patients, encompassing neonatal surgeries, Minimally Invasive Approaches, and Reconstructive Interventions. Our exceptionally skilled team of surgeons and nurses place utmost importance on delivering outstanding surgical care while incorporating cutting-edge advancements within the discipline.

#### Our Expertise Lies in:

- Neonatal Surgery
- Pediatric Urology and Minimally Invasive Surgery
- Hepato-Biliary Surgeries
- Correction of Congenital Malformation

#### Department of Pediatric Gastroenterology

Our Pediatric Gastroenterology department specializes in the comprehensive management of gastrointestinal and nutritional disorders in children. We deliver exceptional care for conditions including liver disease, food intolerances, and inflammatory bowel disease. Additionally, our team offers extensive expertise in liver transplant evaluation, as well as the diagnosis and management of childhood mobility disorders. We also provide dedicated nutritional care services to ensure optimal health and well-being.

#### Our Expertise Lies in:

- Acute and Chronic Liver Disease
- Food Intolerance / Allergies
- GERD (Gastro Esophageal Reflux Disease)
- Pancreatitis
- Liver Transplant

#### Department of Hemato-Oncology

Our dedicated team of doctors and nurses provide specialized care for children with blood disorders, cancer, and those requiring bone marrow transplantation. Committed to comprehensive and compassionate treatment, we have a dedicated Bone Marrow Transplant Unit to treat various conditions.

#### Our expertise lies in:

- Childhood Leukemias
- Brain Tumors
- Solid Tumors
- Diagnosis and Treatment of Various Hematological Disorders
- BMT



#### Department of Orthopedics

Our Orthopedics department specializes in musculoskeletal care, offering advanced diagnostic and treatment options for children with conditions such as fractures, ligament injuries, and spine disorders. The team is committed to providing a holistic approach to musculoskeletal disorders.

#### Our Expertise Lies in:

- Childhood Trauma
- Correction of Congenital Deformities
- Ligament Repairs

#### Department of Pediatric Cardiology and Cardiac Sciences

Our Pediatric Cardiology department focuses on the diagnosis and treatment of heart conditions in children, including arrhythmias and congenital heart diseases. Our dedicated team is available round-the-clock to handle emergency cases.

#### Our Expertise Lies in:

- Congenital Heart Disease
- Arrhythmias
- Childhood Hypertension
- Congestive Heart Failure

#### Department of Pulmonology and Allergy

The Department of Pulmonology and Allergy offers comprehensive care for children with respiratory and allergy-related conditions. We utilize advanced diagnostic techniques and innovative technologies to identify and manage both acute and long-term respiratory issues.

#### Our Expertise Lies in:

- Asthma
- Acute and Chronic Cough
- Chronic Lung Disease
- Sleep Apnea

#### Pediatric Transplant Program

Our comprehensive Pediatric Transplant Program is designed to meet the complex and critical needs of our young patients who require organ transplants. Our commitment lies in providing effective and efficient transplant solutions, focusing on the safety and health of your child throughout the process.

#### Our Expertise Lies in:

- Bone Marrow Transplant
- Liver Transplant
- Kidney Transplant



## Our Offerings contd...

### Women Care

At Rainbow, we value women care and are committed to providing personalized care at every stage of women care. We deliver a comprehensive range of healthcare services for women ensuring optimal care right from the crucial phase of pregnancy through fetal medicine, focusing on the health and well-being of both the mother and the unborn child. Our obstetrics department is equipped to handle

everything from standard pregnancy care to complex obstetric surgeries, ensuring safe childbirth, even under high-risk conditions. The gynecology department addresses various female reproductive health issues, offering advanced surgical interventions, when necessary. For couples striving to conceive, fertility care services under BirthRight Fertility offer advanced treatments to assist in their journey towards parenthood.



### Fetal Medicine

- Targeted Imaging for Fetal Anomalies (TIFFA Scan)
- Chromosome Screening
- Prenatal Testing and Diagnosis
- Pediatric Fetal Growth Assessments and Well-Being
- Fetal Therapies like Intra-Uterine Transfusions, Laser Interstitial Ablations and so on

### Obstetrics

#### Pregnancy and Child Birth

- Prenatal Care including Neonatal Specialty Care, Diagnostics, Advanced Imaging and NICUs

#### High-Risk Pregnancy Care

- Complex Obstetric Surgeries

- Multi-Disciplinary Care
- Maternal Intensive Care
- Supports natural yet painless birthing

### Gynecology

- Ovarian Cysts and Polycystic Ovarian Syndrome (PCOS)
- General Gynecologic Conditions and Pelvic Pain
- Minimal Access Surgery and Advanced Gynecological Surgery
- Birth Control Needs

### Fertility Care

- Intrauterine Insemination (IUI)
- In Vitro Fertilization (IVF)
- Intracytoplasmic Sperm Injection (ICSI)
- Intracytoplasmic Sorphologically Selected Sperm Injection (IMSI)

### International Patients

Patients from countries like Bangladesh, Bhutan, Bahrain, Kenya, Tanzania, Rwanda, Somalia, Sudan, Maldives and many more countries consider us as a reliable partner in their healthcare journey. We offer seamless and comprehensive care, offering them end-to-end solutions to make their stay and treatment comfortable and convenient.

**22,239**

International patients treated

# Operating Environment

## Growth of IT and Financial Hubs in India

The growth of IT and financial hubs in India has led to a significant increase in job opportunities for professionals, particularly in the age group of 25-35. It has, in turn, attracted a large workforce, often consisting of couples who intend to start a family.

### Our Response

We have strategically established hub-and-spoke model in business hubs of major cities, ensuring easy accessibility and comprehensive care for children born to families residing in these areas.

## Prominence of Healthcare Applications

The healthcare landscape continues to witness rapid changes and various mobile applications have been designed to support medical professionals as well as patients. These versatile apps offer a range of features such as self-diagnosis tools, comprehensive drug information, search functions for hospitals and doctors, appointment scheduling assistance, and electronic prescription management facilities. While medical professionals benefit from easy access to details about drug dosages, contra-indications, disease references, and procedures, patients can effortlessly locate healthcare providers, arrange appointments, and opt for video consultations.

### Our Response

The Rainbow Children's Hospital mobile app, available for both Android and iOS with services such as video consultation and implementation of chatbots to allow our patients to engage easily with us on website/WhatsApp. This offers a tailored experience to cater to the unique needs of our patients, ensuring convenient access to medical information and appointment scheduling.

## Increasing Affordability of Healthcare

Improvement of living standards in India, driven by economic growth, growing employment rates and income equality, have led to a significant rise in the middle and high-income groups. This growing prosperity has in turn contributed to increased affordability for healthcare. Consequently, families now have better access to quality healthcare services and are conscious about the need to lead a healthier lifestyle.

### Our Response

Our hospitals have exceptional doctors, cutting-edge medical technology and a competitive pricing structure that makes high-quality care accessible to our patients in a children-friendly environment while fostering a sense of trust and satisfaction towards our services.

## Emerging Technologies in Healthcare Delivery

The healthcare industry is consistently adapting and advancing alongside developments in information technology, resulting in systems that provide faster and more reliable services. These cutting-edge technologies not only enhance the reach and quality of healthcare delivery systems nationwide, but also enable healthcare providers to improve their efficiency through effective resource planning and meticulous maintenance of patient records. With the impending introduction of 5G networks, increasing smartphone penetration, and a growing health-conscious population, digital healthcare penetration is expected to deepen further, transforming the healthcare landscape.

### Our Response

By incorporating innovative technologies such as SAP, HIS, EMRs, advanced data analytics, salesforce, among others into our operations, we have significantly elevated the customer experience, streamlined processes and enabled seamless communication between patients, healthcare providers, and staff members. To ensure safety of our IT systems we upgraded our firewall to Palo alto which is regarded as the best firewall system.

## Enhancing Healthcare Accessibility through Telemedicine

Telemedicine is revolutionizing the way healthcare services are delivered, particularly to remote locations. By harnessing the power of information technology, telemedicine bridges the gap between doctors in central hospitals and patients in distant areas or telemedicine centers. Physicians can assess patients via phone calls or video conferencing, while being supported by a junior doctor or health worker who is physically present with the patient. This collaborative approach enables accurate diagnoses and prescription of medications based on the information provided by the on-site professional.

### Our Response

We are expanding our reach through a robust digital ecosystem enabling us to offer video consultations, SMS alerts to patients on varied use cases, a feedback portal, call center, and soft copies of all OP and IP prescriptions to enhance patient care.

## Government Policies to Improve Healthcare Coverage

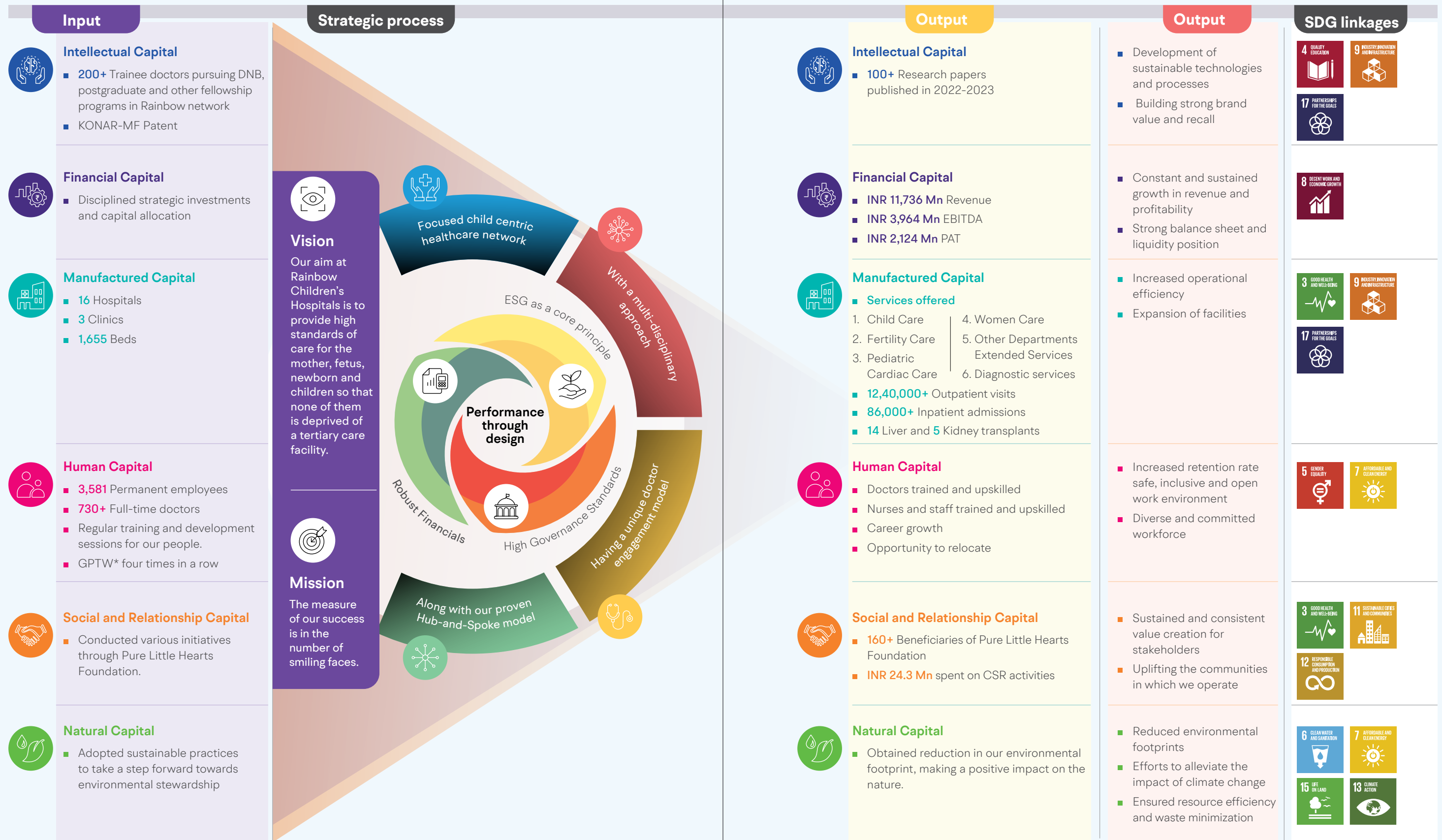
In recent years, the government has increased healthcare budget significantly, reflecting a shift in focus from merely curative measures to a more comprehensive approach emphasizing preventive health and well-being within the framework of holistic healthcare. This strategic move is aimed at enhancing the overall health of the nation by prioritizing a balanced healthcare system. As part of the National Health Policy, the long-term objective is to steadily increase healthcare spending as a proportion of GDP, ultimately resulting in a more robust healthcare system for the nation.

### Our Response

We have embraced government initiatives by offering comprehensive healthcare services that prioritize preventive measures and holistic well-being, supporting the nation's goal of building a robust and balanced healthcare system for all.










# Business Model









\* Great Place To Work







# Stakeholders Engagement

At Rainbow, we acknowledge the vital role that stakeholder engagement plays in our pursuit of excellence in Pediatric and maternal healthcare. Our dedication to nurturing transparent communication and collaboration with diverse stakeholders enables us to strengthen relationships, support our objectives goals and contribute to the superior patient experience we strive to provide.

Stakeholder	Expectations from us	How we Engage with them	How we Measure Success	Capital Linkage
 <b>Patients/ Customers</b>	<ul style="list-style-type: none"> <li>Timely availability of services</li> <li>Quality/efficiency of service</li> <li>Cost effectiveness</li> <li>Innovation in services/products</li> <li>Hygiene in environment</li> <li>Patient data privacy (restrict personal data use/shred documents)</li> </ul>	<ul style="list-style-type: none"> <li>CRM</li> <li>Daily/weekly/monthly or continuous monitoring based on feedback system depending on the nature of stakeholder engagement</li> <li>Responding to feedback</li> <li>Website and Social media</li> <li>Company's PRO</li> <li>Customer support desk</li> <li>Patient feedback system</li> <li>Patient satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Positive feedback</li> <li>Complaints/ Constructive feedback, with regards to price and quality</li> <li>Patients' downtime</li> <li>Success rate of treatments/ procedures</li> <li>Repeat patients</li> <li>TAT</li> <li>Patient satisfaction score</li> </ul>	 Social and Relationship capital   Financial capital   Manufactured capital
 <b>Government</b>	<ul style="list-style-type: none"> <li>Legal compliance</li> <li>Regulatory compliance</li> <li>Healthcare for all</li> </ul>	<ul style="list-style-type: none"> <li>Compliance department within the company</li> <li>Press release</li> <li>Compliance with drugs and healthcare norms and regulations</li> <li>Filing of returns</li> <li>Report submissions</li> <li>Compliance to ESG</li> <li>Timely payment of taxes</li> </ul>	<ul style="list-style-type: none"> <li>Number of litigations</li> <li>Non-compliance penalty if any</li> <li>Inspection by the regulatory bodies</li> </ul>	 Social and Relationship capital   Financial capital

Stakeholder	Expectations from us	How we Engage with them	How we Measure Success	Capital Linkage
 <b>Investors</b>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Operational performance</li> <li>Corporate governance</li> <li>Management strategies and outcomes</li> <li>Dividends</li> </ul>	<ul style="list-style-type: none"> <li>Information provided about financial and operational management</li> <li>Company IR, website</li> <li>Annual general meeting</li> <li>Quarterly and annual presentations and earning calls</li> <li>Announcements to stock exchanges</li> <li>IR communication in digital formats</li> </ul>	<ul style="list-style-type: none"> <li>Management meetings</li> <li>Internal controls</li> <li>Investor complaints</li> </ul>	 Social and Relationship capital   Financial capital
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Physiological safety</li> <li>Learning and growth opportunities</li> <li>Sense of belongingness</li> </ul>	<ul style="list-style-type: none"> <li>Robust learning journeys</li> <li>Continuous performance development</li> <li>Competitive compensation and benefits</li> <li>Structured employee surveys</li> <li>Periodic townhalls to enable bottom-to-top communication</li> <li>Culture of service orientation with each other</li> </ul>	<ul style="list-style-type: none"> <li>Retention figures</li> <li>Average organization performance score</li> <li>Internal talent mobility vs. external hiring for open positions</li> <li>Promotion %</li> <li>GPTW survey scores</li> <li>Number of employee grievances</li> </ul>	 Human capital   Social and Relationship capital


Stakeholders Engagement contd...

Stakeholder	Expectations from us	How we Engage with them	How we Measure Success	Capital Linkage
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Number of orders</li> <li>Competitive pricing</li> <li>Consistency of orders</li> <li>Timelines</li> <li>Payment methods</li> <li>Other terms and conditions of delivery</li> </ul>	<ul style="list-style-type: none"> <li>Procurement policy</li> <li>Purchase committee</li> <li>Logistics committee</li> <li>Print media</li> <li>Regular meetings between supplier and the committee</li> <li>Meetings of suppliers and management</li> <li>Timely payments</li> <li>Transparent processes</li> <li>Negotiations</li> <li>Measuring deliverables</li> </ul>	<ul style="list-style-type: none"> <li>Positive feedback</li> <li>Complaints/ Constructive feedback</li> <li>Credit period</li> <li>Stock out percentage</li> <li>Timely delivery</li> <li>Repeat purchase percentage</li> </ul>	 Social and Relationship capital   Financial capital   Manufactured capital
 <b>Society</b>	<ul style="list-style-type: none"> <li>Analysis of healthcare needs of the society</li> <li>Identifying the gap between demand and supply</li> <li>Prevention of illnesses</li> <li>Need for private practitioners and hospitals to work cohesively</li> </ul>	<ul style="list-style-type: none"> <li>Social media</li> <li>CSR</li> <li>Community building sessions</li> <li>Awareness campaigns</li> <li>Health surveys</li> <li>Discussions on medical issues</li> <li>Press conferences</li> <li>Health talks and camps</li> <li>Fulfilling health requirements</li> </ul>	<ul style="list-style-type: none"> <li>Positive feedback</li> <li>Complaints/ Constructive feedback</li> <li>Number of attendees for public events</li> <li>Responses on social media</li> </ul>	 Social and Relationship capital




# Our Strategic Enablers

## Our Strengths




**Child-Centric Environment**

We offer an environment which is designed specifically for children, with vibrant interiors and dedicated play areas, promoting faster healing and emotional care for pediatric patients.




**Multi-Disciplinary Care**

As one of India's largest multi-speciality pediatric care providers, our strong clinical expertise in managing complex diseases grants a significant competitive advantage.




**Comprehensive Perinatal Care**

Our comprehensive perinatal care services and synergies between pediatric, obstetrics and gynecology services provide efficient, one-stop healthcare solutions for families.




**Hub-and-Spoke Model**

The implementation of a hub-and-spoke model ensures better care and access for patients, expanding their reach and service offerings across various cities.




**High-Caliber Professionals**

Our ability to attract, train, and retain high-caliber medical and non-medical professionals, across levels, contributes to our growth and solidifies our reputation as a leading healthcare provider



**Strong Performance**

We have a strong track record of growth, operational, and financial performance, representing our commitment to delivering quality care and adapting to market needs.



**Experienced Management**

With an experienced senior management team, supported by strong institutional shareholders, we drive our strategic direction and commitment to patient care and corporate governance.

## Strategies driving growth

**Strengthening of tertiary and quaternary Pediatric services**

We will expand quaternary care operations in major cities in our existing hospitals along with developing Pediatric Cardiac Centers with specialized infrastructure

**Timely execution of projects**

Through strategic project planning and optimal resource utilization, we improve patient care and enhance our reputation for efficiency and reliability.

**Further grow our comprehensive perinatal services**

Under **BirthRight by Rainbow** offering, we plan to enhance perinatal services with a focus on training, midwifery, and expanding service offerings.

**Digital healthcare initiatives**

To address patient convenience, operational efficiencies and expand reach, we implemented a mobile application and AI-enabled content management engine.

**Initiatives to drive performance efficiencies**

To streamline procurement, leverage technology, continuous skill upgradation and improve capacity utilization through practice of minimally invasive surgeries.

**Grow our presence through hub-and-spoke networks**

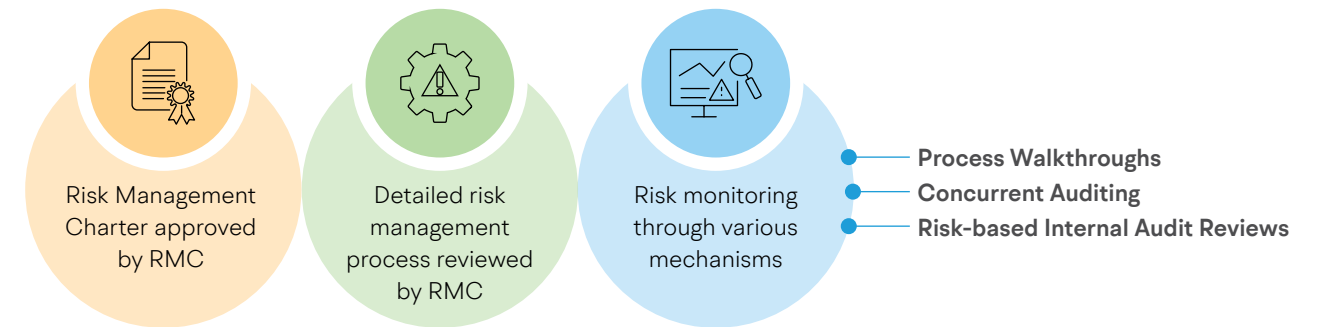
We plan to replicate hub-and-spoke model in key cities, increase capacity at hubs, and explore organic/inorganic growth opportunities at new locations.



## Risk Management

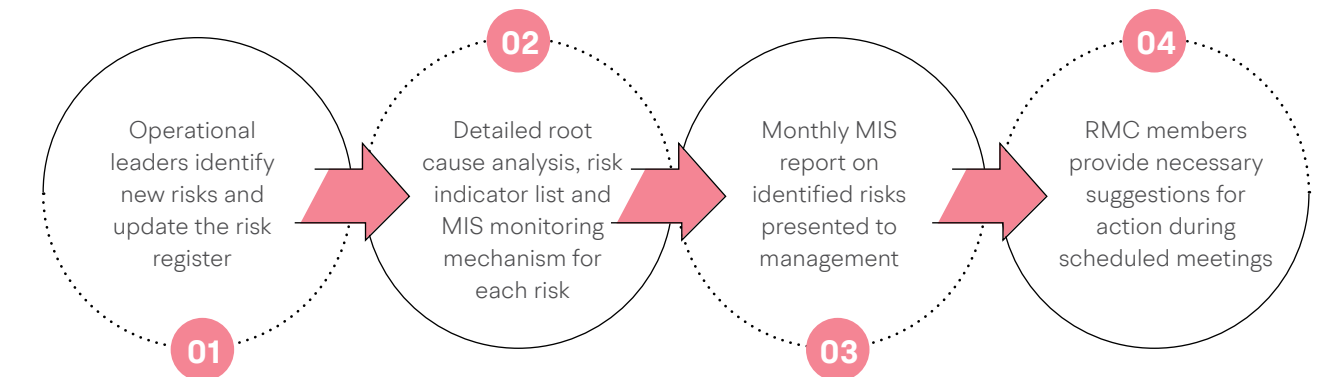
At Rainbow Children's Hospital, we take a proactive approach to risk management, covering various aspects of our business. We have developed a comprehensive risk management system. Our Risk Management Committee (RMC) oversees and monitors the risk management framework.

### Risk Management Framework



We assess risks based on risk perception surveys, business environment scanning, and inputs from various internal and external stakeholders. As part of our risk management exercise, functional heads prepare comprehensive Risk Registers, which form the base documents for this process. Risks are given a scoring based on probability of occurrence, the severity of impact and detectability.

### Risk Identification and Mitigation



We believe in transparency in communication and our Risk Management Committee oversees the risk management processes for all probable risks, including strategic, financial, liquidity, security, regulatory, legal, reputational, and other risks. We have a sound Risk Management Policy in place to address these risks. There are no elements of risk which, in the opinion of the Board, may threaten the existence of the Company.

### Technology for Effective Risk Management

- Integrated HIS and SAP system for real-time data analytics
- Digitized medical records for patient data management
- Robust IT security, firewalls security, and insurance against all cyber risks

Our Business Risk Evaluation and Management is an ongoing process within the organization, and we have a robust risk management framework to identify, monitor, and minimize risks. The Board of Directors has constituted a Risk Management Committee headed

by the Independent Director to identify elements of risk in different areas of operations and to develop a policy for actions associated with mitigating the risks. The Committee informs the Board of Directors about risk assessment and minimization procedures on a timely basis.

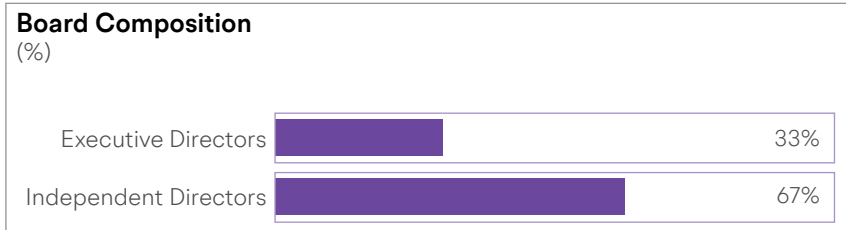
# Governance

At Rainbow, our purpose, values and culture are intricately aligned to foster long-term growth and achieve our strategic objectives. To ensure a steadfast focus on sustainable business practices, we have implemented a robust governance framework, headed by leaders who diligently oversee and guide our operations.

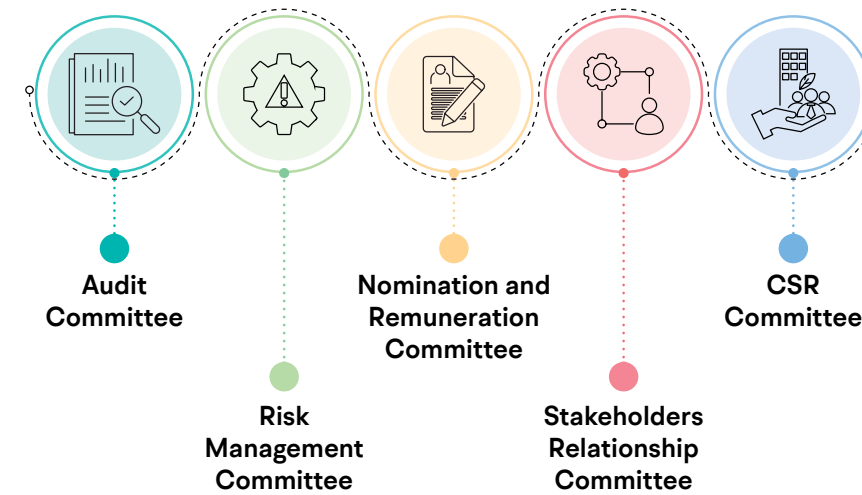
The Company's philosophy on Governance is founded upon a rich legacy of fair, ethical and transparent governance practice. The Company also places great emphasis on values such as empowerment and integrity of its employees, safety of the employees and communities surrounding its Hospitals, transparency in decision making process, fair and ethical dealings with all and accountability to all the stakeholders. The Company doesn't practice Governance as an act of compliance but with the spirit of governance.

We believe that our Company has gone beyond adherence to regulatory framework. Our corporate structure, business, operations, disclosure practices and systems have been strictly aligned to our governance principles. We believe our system driven performance and performance-oriented systems protect the interests of all our stakeholders.

Our Code of Conduct binds all our employees and directors. It ensures compliance with all pertinent laws and agreements in both financial and non-financial management. It also ensures fairness, transparency, and ethical practices in the workplace and business transactions.



## Our Committees



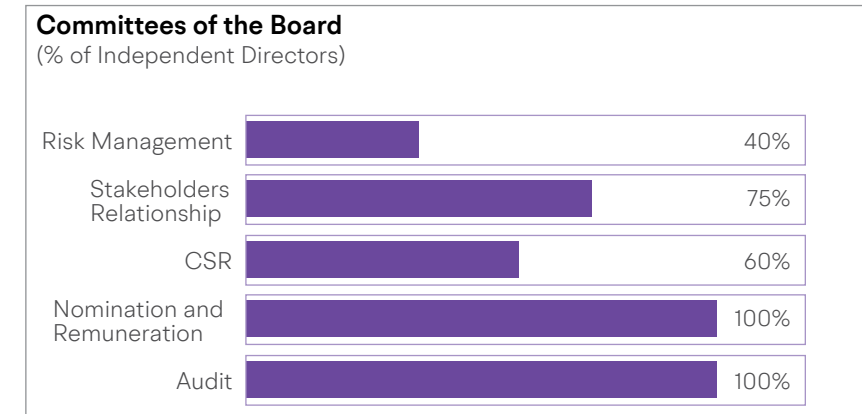
The **Audit Committee** supervises our accounting and financial reporting processes, audits of financial statements, and the performance and appointment of external auditors. They warrant transparency, precision, and integrity in our financial reports.

**Risk Management Committee** has the responsibility to pinpoint, evaluate, and mitigate risks that could disrupt our organizational goals. They establish risk management structures and monitor their efficiency, initiating corrective measures when necessary.

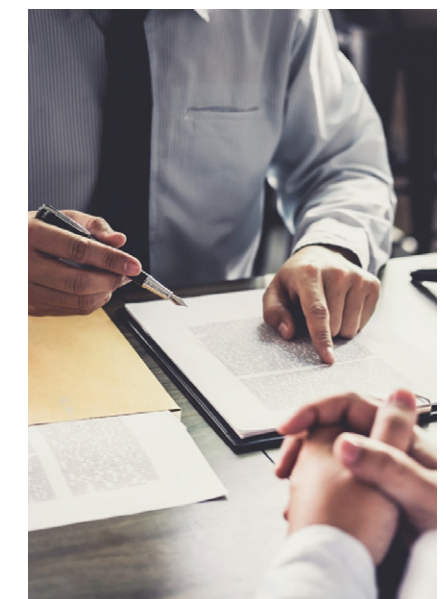
**Nomination and Remuneration Committee** ensures that the right individuals are assigned the right roles within our organization. They manage executive appointments, determine remuneration standards, establish performance goals, and supervise succession planning.

**Stakeholders Relationship Committee** oversees the relationships with all our stakeholders. They create communication strategies and engagement plans to make sure the opinions of stakeholders are factored into decision-making processes.

**Corporate Social Responsibility (CSR) Committee** supervises our contributions to societal wellbeing. They formulate and execute CSR initiatives, ensuring that our activities resonate with our societal duties.



We have established various committees and policies that not only reinforce our commitment to excellence but, also help us to foster transparency and ethical behavior. By integrating our core principles into every aspect of our operations, we continue to create value and build a strong foundation for a thriving business.



### Governance contd...

#### Board of Directors



**Dr. Ramesh Kancharla**  
Chairman and Managing Director  
M ● ● ● ●



**Dr. Anil Dhawan**  
Independent Director  
C ● | M ● ● ● ●



**Mr. Santanu Mukherjee**  
Independent Director  
C ● ● ● | M ● ● ●

- Audit Committee   ● Risk Management Committee   ● Nomination and Remuneration Committee
- Stakeholder Relationship Committee   ● CSR Committee   C Chairman   M Member



**Dr. Dinesh Kumar Chirla**  
Whole-time Director  
M ●



**Mr. Aluri Srinivasa Rao**  
Independent Director  
C ● | M ● ● ● ●



**Ms. Sundari Raviprasad Pisupati**  
Independent Director  
C ● | M ● ● ● ●

# Awards and Accolades



Dr. Ramesh Kancharla, Chairman and Managing Director was bestowed with **The Lifetime Achievement Award** at the prestigious **Times Health and Excellence Awards, 2022**



### Ranked No. 1 in

- National Single Speciality – Pediatrics India Critical Care Survey – 2022
- Obstetrics and Gynecology Hospital in India Critical Care Survey – 2021
- **The Best** Multi Speciality Hospital in Fertility and IVF category 2018-2019



The Week and Hansa Research Survey – India's **No.1** in Pediatrics Standalone Hospitals – 2021 and 2023



Guinness Book of World Record Holder for the **largest gathering of people born prematurely** – 2016



India's **first** NABH Accredited Corporate Children's Hospital



Ranked India's **No. 1** in Pediatrics, Obstetrics and Gynecology, and **No. 2** in Infertility



For **Four** Consecutive Years



**BirthRight Fertility** by Rainbow Hospitals, Kondapur, Hyderabad accredited by JCI in 2022



Awarded **Best** Children's Hospital by CNBC TV 18 and ICICI Lombard – 2010, 2014, 2018



Pharmacie De Qualite' certification from the Bureau of De Veritas – Rainbow Children's Hospital, Banjara Hills – 2017



South East Asia's **smallest** baby born at Rainbow Children's Hospital, Hyderabad – 2018

# Financial

## Capital



At Rainbow, we leverage the strength of our financial capital to foster our care continuum.

With robust financial management, we assure the stability of the organization, explore opportunities for enhancing our healthcare portfolio, augur investments in advanced facilities and improve services to ensure the delivery of world-class healthcare facilities to mothers and children.

### Business Performance

Our strong financial performance is rooted in our ability to ensure patient satisfaction through dedicated treatment plans that enhance patient outcomes. At Rainbow, our focus on delivering the finest care facilities has enabled us to earn the trust of people. It has resulted in a simultaneous growth in crucial operating metrics like bed occupancy, in-patient admissions, outpatient visits, and delivery volumes. Additionally, we launched two new branches in Sholinganallur, Chennai and the Financial District, Hyderabad to make our services accessible to new parents living in and around these IT and business hubs.

#### Key Highlights

**Revenue**  
**INR 11,736 Mn**  
 20.52% growth Y-o-Y

**EBITDA**  
**INR 3,964 Mn**  
 30.01% growth Y-o-Y

**PAT**  
**INR 2,124 Mn**  
 53.15% growth Y-o-Y



### Financial Strengths

Our asset-light business model helps us to ensure optimal use of resources to efficiently run new hospitals and improve operations in existing facilities. Our goal is to balance growth while maintaining profitability.

To achieve this, we have taken the following steps:

Increased bed capacity and occupancy rates with focus on tertiary and quaternary care.

Reduced material costs

Conducted pricing revisions and Third Party Administrator (TPA) negotiations for better revenue realization

Optimized our cost structure through efficient resource utilization to achieve revenue growth

#### Results of these initiatives

**55.40%**  
 Occupancy Rate

**33.78%**  
 EBITDA margin

**24.61%**  
 ROCE

**25.36%**  
 ROE

## Financial Capital contd...

### Future Strategies

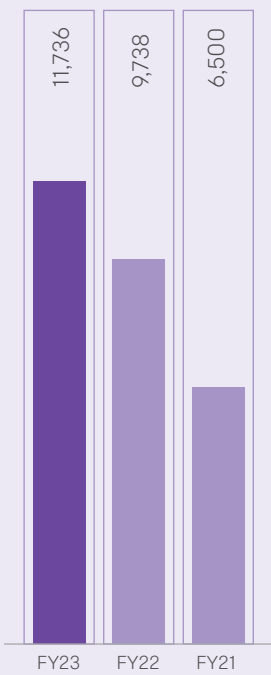
In FY24, we plan to boost growth and benefit stakeholders with a comprehensive business expansion strategy. The initiatives entail the following:

- Opening of new hospitals in Central Hyderabad, Sarjapur, Bangalore and Annanagar, Chennai with 60, 80 and 80 beds, respectively
- Addition of 15 and 50 beds, respectively, to existing hospitals in Hyderabad (LB Nagar and Hydernagar)
- Hiring of skilled doctors and visiting consultants to further expand our network
- Strengthening of marketing efforts to reach more patients
- Looking for inorganic opportunities with philosophically aligned organizations

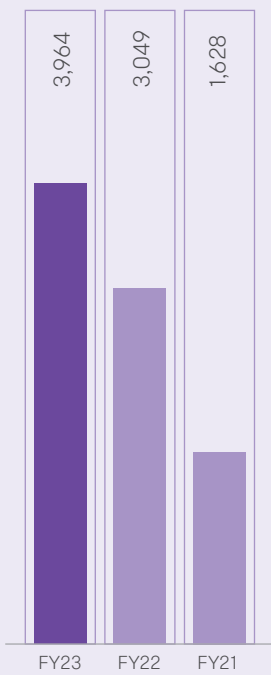


### Financial Highlights for 2022-2023

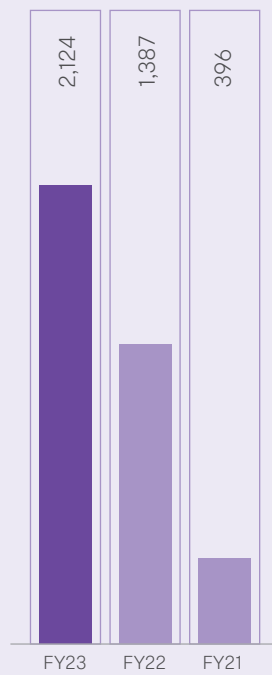
**Net Revenue (Turnover)**  
(INR in million)



**EBITDA**  
(INR in million)



**PAT**  
(INR in million)

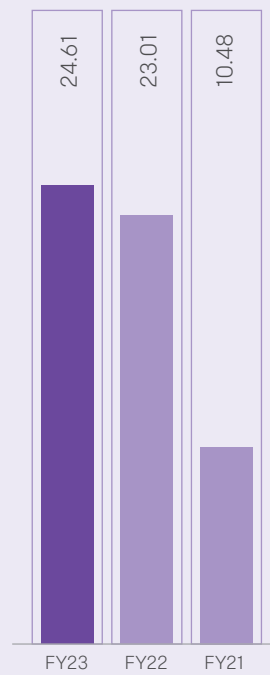


**20.52%** ↑  
YoY growth

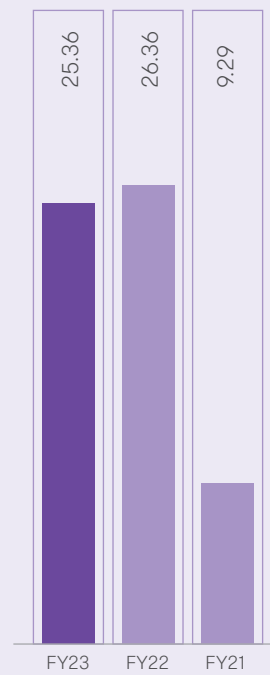
**30.01%** ↑  
YoY growth

**53.15%** ↑  
YoY growth

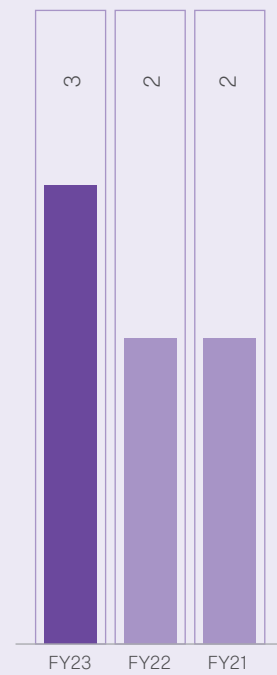
**ROCE**  
(%)



**ROE**  
(%)

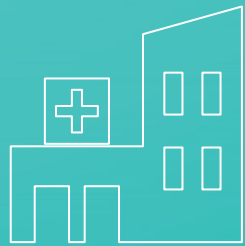


**Dividend per Share**  
(INR)



# Manufactured

## Capital



As Rainbow continues to pursue its growth story, we remain motivated to carry forward a legacy of excellent care through our multi-speciality pediatric hospitals and clinics.

Our world-class hospitals are equipped with the finest pediatric care facilities along with provisions for women and perinatal care. We ensure excellent patient outcomes by leveraging state-of-the-art equipment that helps us to make use of the latest advancements in the field of medicine.



### Hub-and-spoke Model

Rainbow has successfully implemented a hub-and-spoke model in various cities across India. It has entailed the creation of a central 'hub' hospital, equipped with specialized facilities and state-of-the-art medical equipment to deliver exceptional care by leveraging advanced technology. The hub is connected to several smaller 'spoke' hospitals or clinics, which provide primary care services in their respective catchment areas. The spokes act as a referral network for the hub hospital, ensuring seamless patient care.



### Hub Specifications

Our hub hospitals generally have around 150-250 beds and only one or two hubs are present in a city. These facilities have experienced pediatric super specialists who focus on providing exceptional tertiary and quaternary care services.

### Spoke Specifications

Our spoke hospitals have 50 to 125 beds and help to refer complex

cases to the hub hospitals. They handle primary, secondary, and emergency cases, ensuring timely care for patients without putting additional burden on hub hospitals. They have robust transport network to save sick newborn/children from districts and establish pediatric sub-speciality clinics at districts

### Capitalizing Synergies

The spoke hospitals benefit significantly from the centralized expertise and resources available

at nearby Hubs. Patients admitted to our spoke hospitals receive similar care facilities as our hub hospitals and it, therefore, ensures improved outcomes at reduced costs. The cost savings incurred by patients are mainly on account of shorter duration of hospital stay, fewer inter-hospital transfers and minimum complications in treatment. Patients in extremely critical condition are transported to the quaternary hub for specialized care.

## Manufactured Capital contd...

### Hub-and-spoke Model in Hyderabad

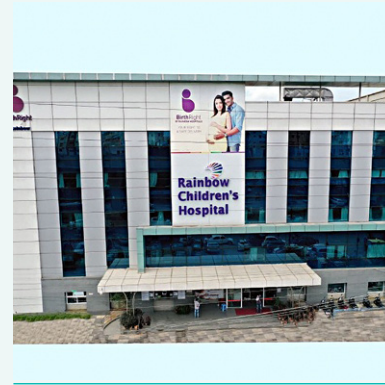
Spokes



Location: Vikramপুরi  
Established: 2009  
Bed Capacity: 110



Location: Kondapur  
Established: 2013  
Bed Capacity: 50



Location: Hydernagar  
Established: 2014  
Bed Capacity: 110



Location: Banjara Hills  
Established: 1999  
Bed Capacity: 250

Spokes



Location: LB Nagar  
Established: 2016  
Bed Capacity: 100



Location: RCHI (Heart Institute)  
Established: 2019  
Bed Capacity: 110



Location: Financial District  
Established: 2023  
Bed Capacity: 100

In Hyderabad, our Banjara Hills Hospital, comprising 250 beds, serves as the hub, and is complemented by six spokes located in Vikramপুরi, LB Nagar, Kondapur, Hydernagar, Financial District and RCHI, Banjara Hills. At the hub hospital, comprehensive outpatient and inpatient care is provided, with a focus on tertiary and quaternary care. At the spokes, secondary care in pediatric, obstetrics and gynecology, and emergency services are provided.

### Hub-and-spoke Model in Bengaluru



Location: Marathahalli  
Established: 2015  
Bed Capacity: 200

Spokes



Location: BG Road  
Established: 2016  
Bed Capacity: 102



Location: Hebbal  
Established: 2020  
Bed Capacity: 50

We have implemented a similar hub-and-spoke model in Bengaluru, with the hub being situated at Marathahalli. As we move forward, we plan to extend this model more extensively in Bengaluru by adding more spoke centers.



## Manufactured Capital contd...

### Hub-and-spoke Model in Delhi

To strengthen our presence in North India, we have concentrated on expanding the range of specialties offered at our hospitals in Delhi. We aim to transform Malviya Nagar into a prominent hub hospital, paving the path for the establishment of spoke hospitals.



Location: Malviya Nagar#  
Established: 2017  
Bed Capacity: 130



Location: Rosewalk  
Established: 2019  
Bed Capacity: 24

Spoke

#Rainbow Hospital provides Medical services to this hospital

### Andhra Pradesh Cluster

In Andhra Pradesh, we established our hospitals at the 2 major cities in the state, strengthening our footprint in the region.



Location: Vijayawada  
Established: 2007  
Bed Capacity: 130



Location: Visakhapatnam  
Established: 2020  
Bed Capacity: 129

### Hub-and-spoke model in Chennai

We have implemented a similar hub-and-spoke model in Chennai, with the hub being situated at Guindy and spoke at OMR(Sholinganallur)



Location: Guindy  
Established: 2018  
Bed Capacity: 135

Spoke



Location: OMR (Sholinganallur)  
Established: 2022  
Bed Capacity: 55

## Benefits of Hub-and-spoke



### Improved Access to Healthcare

The hub-and-spoke model ensures availability of quality healthcare services to patients in remote or underserved areas. We continue to serve communities in need with our specialized services.



### Cost-Effective Care

By streamlining services and utilizing resources efficiently, we offer cost-effective healthcare solutions to patients. Our spoke clinics and hospitals effectively manage primary care services, thereby reducing the burden on our hub hospital and allowing us to allocate resources on need basis.



### Enhanced Quality of Care

Our hub hospital is equipped with advanced technology and has expert medical professionals who ensure high-quality care for patients referred from spoke facilities.



### Knowledge and Skill Sharing

The model promotes knowledge and skill sharing among our medical teams. The expertise and experience of the hub hospital can be disseminated to spoke facilities, fostering a culture of continuous learning and improvement.



### Reduced Patient Wait Time

With the availability of primary care services at our spoke clinics and hospitals, patients can receive timely care without having to travel long distances to the hub hospital. This reduces waiting time and eases the overall patient experience.



## Manufactured Capital contd...

### Perinatal Services

We started our perinatal services in 2007 by providing comprehensive perinatal care which was backed by teamwork, round-the-clock availability of obstetricians, anesthesiologists, neonatologists and maternal intensivists. At our hospitals, we endeavor to make the birthing experience safe for both the mother and baby. We have built the full spectrum of obstetrics, gynecology, fetal medicine and fertility care services, under BirthRight.



### Child Care

With over two decades of experience, we have established ourselves as a leading pediatric healthcare provider committed to nurturing the health and well-being of children. Our emphasis on offering the widest suite of pediatric care facilities lie at the heart of our efforts.



### Services Offered

#### Preventive Care

Our focus on preventive care helps children lead healthy lives through routine health check-ups, vaccination and expert guidance on nutrition. Additionally, our developmental screenings identify any potential delays or abnormalities, enabling early intervention.

#### Primary Care

Our comprehensive primary care services address a variety of conditions, from minor ailments like cold and flu to more complex issues such as asthma and diabetes. Our pediatricians are well-versed in the latest treatment methods and tailor care plans to each child's needs.

#### Specialty Care

Our specialized care services cater to the distinct medical needs of children. Our team of pediatric consultants consists of cardiologists, neurologists, endocrinologists, gastroenterologists and other specialists dedicated to offer the highest quality care.

#### Emergency Care

Our emergency services are available round-the-clock and our team of specialists are always prepared to manage contingencies efficiently. With access to advanced technology and resources, we ensure timely attention and care.

## 24/7

Availability of pediatricians

#### Surgical Care

Our surgical care services encompass minor procedures like tonsillectomies to the intricate surgeries such as complex heart surgeries.

#### Rehabilitation Services

Our all-encompassing rehabilitation services, including physical therapy, occupational therapy and speech therapy, assist children in recovering from illnesses, injuries, or surgeries. Our therapists collaborate with pediatricians and specialists to devise customized rehabilitation plans.

## Manufactured Capital contd...

### Services Offered

#### Nutrition Programs

Our comprehensive approach to children's health includes assessment of the nutritional needs of every child, upon their arrival at the hospital. In addition to monitoring weight, height, and BMI, we provide daily nutritional reviews and tailored dietary advice for patients admitted to our hospitals. Families are also educated on the nutritional requirements of their children, ensuring a holistic approach to healthcare.

### Specialties

#### Pediatric Cardiology

Our cardiology team holds expertise in diagnosing and addressing congenital heart defects, heart rhythm disorders and other heart-related concerns in children.

#### Pediatric Neurology

Proficient in managing and treating neurological disorders, our Pediatric Neurologists handle conditions like epilepsy, autism, cerebral palsy, and developmental disorders.

#### Pediatric Endocrinology

Our endocrinologists concentrate on hormonal imbalances, such as diabetes, thyroid disorders and growth complications, providing personalized care for effective management of these conditions.

#### Pediatric Gastroenterology

The pediatric gastroenterologists at Rainbow excel in treating gastrointestinal complications such as inflammatory bowel disease, celiac disease, and gastrointestinal reflux.

#### Pediatric Hematology and Oncology

Dedicated to diagnosing and treating blood disorders and cancers in children, our pediatric hematologists and oncologists offer advanced treatment and holistic care.

#### Pediatric Nephrology

Our Pediatric Nephrology department is dedicated to addressing kidney-related conditions in children. From common issues like nephrotic syndrome to rare congenital metabolic problems, our team of specialists is well-equipped to diagnose and treat a range of renal concerns.

#### Pediatric Orthopedics

The Orthopedics department specializes in musculoskeletal care, offering advanced diagnostic and treatment options for children with conditions such as fractures, ligament injuries, and spine disorders. The team is committed to providing a holistic approach to musculoskeletal disorders.

### We have Consultants for Each Area of Pediatric Sub-Specialties

- Pediatric Intensive Care
- Neonatal Intensive Care
- Pediatric Nephrology
- Pediatric Pulmonology
- Pediatric Neurology
- General Pediatrics
- Pediatric Gastroenterology and Liver Diseases
- Pediatric Orthopedics
- Pediatric Urology
- Pediatric Cardiology
- Pediatric Hematology and BMT
- Pediatric Kidney Transplant
- Pediatric Liver Transplant
- Pediatric ENT and Airway
- Maxillo Facial Surgery
- Pediatric Dermatology
- Pediatric Plastic Surgery
- Pediatric Ophthalmology
- Pediatric Endocrinology
- Pediatric Neurology
- Pediatric Surgery and Laparoscopy
- Child Psychiatry
- Children's Nutrition
- Developmental Pediatrics
- Speech and Language Therapy
- Occupational Therapy
- Physiotherapy
- Child Psychology
- Radiology
- Visual Rehabilitation and Special Education

### Capabilities

#### Advanced Infrastructure

Investments in our manufactured capital have enabled us to incorporate state-of-the-art technology and develop world-class infrastructure suitable for delivering latest diagnostic and treatment facilities for a diverse spectrum of pediatric conditions.

#### Expert Staff

We rely on a team of highly skilled and experienced multi-disciplinary team of pediatric doctors and caregivers to deliver exceptional care.

#### Patient-Centric Approach

Keeping in mind the unique needs of children and women, customized treatment plans are devised to ensure better health outcomes and higher patient satisfaction.

#### Family-Focused Environment

At Rainbow, we recognize the importance of the family in a child's healing process. Our facilities are, therefore, designed to provide a warm, welcoming environment for our little ones and their families.



## Manufactured Capital contd...

### PICU

Our PICUs are equipped with latest technology and equipment to provide advanced ventilation and organ support system to critically ill children.

#### Our PICUs feature

- 1 Latest-generation conventional ventilators from GE Carescape and Maquet
- 2 Advanced ventilation modes, such as high-frequency oscillation and inhaled Nitric oxide therapy
- 3 Extra Corporeal Membrane Oxygenation (ECMO) support for patients who do not respond to advanced ventilation
- 4 Organ support systems, including ECMO for heart and lung support, hemodialysis and peritoneal dialysis for kidney support, and Continuous Renal Replacement Therapy (CRRT) and plasmapheresis for multiple organ failure



235  
PICU beds

Our full-time pediatric sub-specialist consultants with specialization in Pediatric Intensive Care, Neonatal Intensive Care, Pediatric Nephrology, and Pediatric Pulmonology, among others are always available to cater to the patients' needs.

### NICU

We have one of the largest NICU network in India, with 340 beds across multiple locations. Our Level 4 NICUs at hubs and Level 3 NICUs at spoke hospitals are strategically located to provide the highest level of care to premature children and newborns requiring advanced medical care. Our NICUs are staffed by a team of highly qualified and experienced medical professionals, including consultants, fellows, and specialists with Post Neonatal Fellowship, CCT, DrNB, and DM Neonatology qualifications. Key features of our NICUs include:

- Exclusive Pre-term Incubators and Warmers
- Total Parenteral Nutrition (TPN) preparation area
- Therapeutic Hypothermia
- Bedside Radiology Services
- Nitric Oxide Therapy
- High-Frequency Oscillation Ventilation (HFOV)
- Developmental clinics for premature babies, offering comprehensive follow-up care
- In-house Retinopathy of Prematurity (ROP) and Brainstem Evoked Response Audiometry (BERA) services
- Expertise in Central Line Placement and Peritoneal Dialysis



340  
NICU beds

### Women Care

BirthRight by Rainbow Hospitals is dedicated to providing exceptional healthcare services to women and our mission is to cater to the health and well-being of women at every stage of life.

#### Services Offered

##### Preventive Care

Our preventive care services focus on maintaining overall health and well-being through routine health screenings, vaccination and nutritional guidance. Additionally, we offer cancer screenings, osteoporosis assessments to ensure early detection and intervention.

##### Primary Care

Our comprehensive primary care services address various women's health issues, from common concerns like urinary tract infections and hormonal imbalances to more complex conditions such as endometriosis and polycystic ovary syndrome. Our experienced practitioners tailor care plans to each woman's unique needs.

##### Gynecological Care

We provide a wide range of gynecological services including annual health check-ups, contraception counseling and management of gynecological disorders. Our skilled gynecologists are committed to delivering high-quality care to women of all ages.

Our gynecologic oncology team specializes in diagnosing and treating cancers that affect women's reproductive organs, providing comprehensive care and advanced treatment options.



## Manufactured Capital contd...



### Menopause Care

Our menopause care services address the unique needs of women transitioning through menopause, offering hormonal therapy, symptom management, and preventive health measures to optimize health during this phase of life.

### Obstetric Care

Our obstetric care services support women throughout their pregnancy journey, from pre-conception counseling to prenatal care, labor and delivery and postpartum care. Our dedicated team of obstetricians and midwives collaborate to ensure the best possible birthing experience for both mother and baby.

### Reproductive Medicine

Our reproductive medicine services focus on fertility evaluation, diagnosis, and treatment for couples experiencing difficulty in conceiving. Our team of fertility specialists utilizes advanced technology and evidence-based treatments to help patients start their families.

### Specialties

#### Urogynecology

Our Urogynecology specialists focus on diagnosing and treating pelvic floor disorders, including pelvic organ prolapse and urinary incontinence, helping women regain control and confidence.

### Maternal-Fetal Medicine

Our maternal-fetal medicine specialists provide expert care for high-risk pregnancies, ensuring the best possible outcomes for both mother and baby.

### Reproductive Endocrinology

Our reproductive endocrinologists specialize in hormonal disorders that affect fertility and offer personalized care for women experiencing challenges in conceiving children.

### Minimally Invasive Gynecologic Surgery

Our team of gynecologic surgeons is skilled to perform minimally invasive procedures, resulting in reduced pain, shorter recovery times and fewer complications.

### Ensuring Excellent Care

To deliver the highest standard of prenatal and fetal care, we have adopted state-of-the-art high-definition fetal scans and ultrasounds, nuchal translucency screenings for early detection of chromosomal abnormalities, and non-stress tests to monitor the health condition of the mother and the fetus. Our Targeted Imaging for Fetal Anomalies (TIFFA Scan) allows for detailed evaluation of fetal anatomy, while chromosome screening identifies potential genetic disorders. Advanced fetal therapies, such as intra-uterine transfusions and laser interstitial ablations, further enhance our capabilities in providing optimal care.

### Managing High-Risk Pregnancies

Managing high-risk pregnancies and complications is a crucial aspect of our services. We adhere

to detailed clinical protocols for intensive and specialized care, supported by a comprehensive team of neonatologists, obstetric anesthetists, critical care physicians, and nurses. Our expertise extends to managing amniotic fluid embolism, postpartum hemorrhage, placental abruption, placenta previa, and severe pre-eclampsia.

### Postnatal Care and Support

We provide pelvic floor rehabilitation and early ambulation services along with education for postpartum care to ensure efficient wound and suture site maintenance. Our breastfeeding support classes, workshops, and lactation consultants offer guidance and assistance to new mothers.

### Additional Services

We also offer a wide array of additional services and offerings, including:

- Childbirth Preparation Classes
- Pre-Pregnancy Health Check-Ups
- Breast Care Services, Minimally Invasive Surgeries and Menopausal Treatment
- Nutrition Counseling, Diabetology Services, and Urogynecology Treatment
- Treatment of Polycystic Ovary Syndrome and Sexually Transmitted Diseases
- Enhanced Cervical Cancer screening through Pap Smear and HPV DNA Testing

# 14,797

Deliveries in FY23



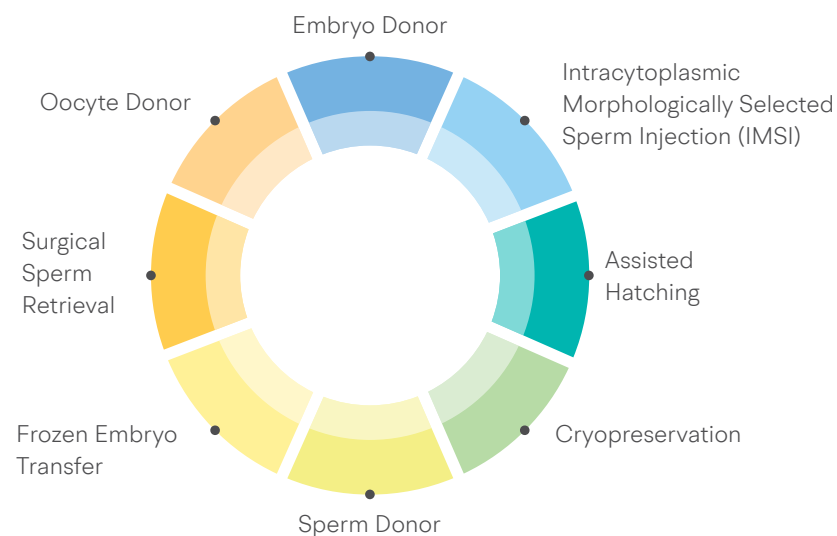
## Manufactured Capital contd...

### Fertility Care



We offer a variety of fertility treatments tailored to the unique needs of each patient. These treatments include Intrauterine Insemination (IUI), In Vitro Fertilization (IVF), Ovulation Induction, and Intracytoplasmic Sperm Injection (ICSI). IUI is a simple, non-invasive procedure often recommended as a first-line treatment for mild male factor infertility or unexplained infertility. IVF, a more complex assisted reproductive technology, is commonly used for various fertility issues such as blocked or damaged fallopian tubes, male factor infertility, and unexplained infertility. Ovulation Induction and ICSI are also available, catering to women with irregular or absent ovulation and couples with severe male factor infertility, respectively.

In addition to the standard fertility treatments, we provide advanced procedures such as:



These innovative techniques further enhance the chances of conception and help to address more complex fertility issues. For instance, IMSI allows for the selection of high-quality sperm, while Assisted Hatching facilitates embryo implantation in the uterus. Cryopreservation enables couples to preserve their eggs, sperm, or embryos for future use, and donor treatments provide alternative options for those unable to conceive using their own genetic material.

At Rainbow, the focus is not only on the latest fertility treatments but, also on the overall well-being of the patients. A dedicated team of professionals provides emotional support and guidance throughout the entire journey, ensuring that patients feel cared for and are informed at every step. With their commitment to individualized care, advanced treatment options, and a warm, empathetic approach, we have established ourselves as a trusted and respected name in the field of fertility care, helping couples navigate the complexities associated with assisted reproduction and realize their dreams of parenthood.

We recognize that each couple facing infertility has unique needs and challenges. Our mission is to provide customized treatment that address the various causes of female infertility, ensuring the highest chances of success for each patient.

Our journey with patients begins with a structured assessment that includes a detailed medical history, general health workup, hormonal blood tests, and ultrasound scans. This thorough evaluation not only assesses fertility health but, also ensures that the patient's overall health is optimized for a successful pregnancy.

A multi-disciplinary team of specialists, including endoscopic specialists, high-risk obstetricians, fetal medicine specialists, endocrinologists, general physicians, geneticists, and dieticians work together to provide holistic treatment to each patient. This collaborative approach allows us to address complex medical issues and deliver the best possible outcomes to patients seeking fertility treatments.

#### Treatments Offered by BirthRight Fertility

Our comprehensive range of fertility treatments are at par with international facilities and includes:

- Ovulation Induction
- Intrauterine Insemination (IUI) with self and third-party Gametes
- In Vitro Fertilization (IVF) spectrum, including ICSI, IMSI, advanced sperm selection techniques, Sperm DNA damage test, Assisted Laser Hatching, Blastocyst culture, and Preimplantation Genetic Testing (PGT-A/M/SR)
- Third-party gamete treatments.

The fertility consultant, along with the andrologist and embryologist, creates

an individualized treatment plan for each couple, ensuring the highest chances of success.

#### Going the Extra Mile

We understand that the journey to parenthood can be emotional and challenging. To support couples throughout their treatment journey, we offer a variety of services

- Detailed pre-treatment and post-treatment counseling
- Clinical, financial, and embryology counseling services
- 24-hour helpline for patient queries
- Regular review meetings with staff to discuss results and improve patient outcomes
- Effective management of any complication that may arise

#### Quality

BirthRight Fertility at Kondapur is the first standalone infertility facility in India to receive JCI accreditation, we are committed to maintaining the highest standards of quality and safety in our fertility care services. This commitment is demonstrated through

- Regular monthly and quarterly audits in clinical, lab, and administrative settings
- Periodic staff training to ensure up-to-date knowledge and skill development
- Established Key Performance Indicators (KPIs) to monitor unit performance
- Stringent quality assurance and quality control protocols.



## Manufactured Capital contd...

### Installation of Oxygen Generator

Oxygen generators installation play a critical role in hospitals facilities, providing a reliable and efficient source of medical-grade oxygen. We have got below key benefits of using oxygen generators:

#### Continuous Oxygen Supply

The Oxygen generators ensure a constant and uninterrupted supply of medical-grade oxygen to patients in need. This is particularly crucial in emergency situations or when there is high demand for oxygen.

#### Cost Efficiency

This system is more cost-effective in the long run compared to relying on traditional oxygen cylinders or liquid oxygen supplies. Once installed, oxygen generators eliminate the need for regular oxygen deliveries and the associated costs, such as transportation and rental fees.

#### Enhanced Safety

Implementation of the new Oxygen generator allows us a safer alternative to handling and storing large quantities of compressed oxygen cylinders. They eliminate the risks associated with handling heavy cylinders, potential leaks, and the hazards of handling flammable gases.

#### Increased Reliability

Installed Oxygen generators offer a reliable source of oxygen within the hospital premises. This reduces the dependence on external suppliers and the potential for supply disruptions due to logistical issues or emergencies.

#### Energy Efficiency

Installed oxygen generators are designed to be energy-efficient, utilizing advanced technologies and control systems to optimize oxygen production while minimizing energy consumption. This can lead to cost savings and environmental benefits by reducing energy waste.

#### Improved Patient Care

With a reliable and readily available source of oxygen, healthcare professionals can provide timely and appropriate oxygen therapy to patients.

### Rainbow Children's Heart Institute

Rainbow Children's Heart Institute (RCHI) is a specialized cardiac center devoted to providing comprehensive treatment for children with congenital as well as other heart disorders. RCHI is driven by a team of exceptional cardiac professionals who are dedicated to offering the best possible care for pediatric heart patients.

Our expert pediatric cardiologists are committed to delivering comprehensive care to children suffering from serious heart conditions. The state-of-the-art Advanced Congenital Cardiovascular Care Unit, alongside the Pediatric and Neonatal Intensive Care Units, are fully equipped to ensure consistent and focused attention for both inpatients and outpatients.



110

Beds

2,905

Fetal echocardiography scans

610

Cardiac surgeries conducted

12,574

Pediatric outpatient visits

763

Cardiac catheterization procedures conducted



# Intellectual

## Capital



To create an empowering healthcare ecosystem that is committed to propagate a sustainable care portfolio, we leverage our professional expertise, use innovative technology and emphasize on research and development to unlock new frontiers of quality care.

Along with implementing the most advanced techniques of clinical care, we remain determined to use a multi-disciplinary approach focused on managing complex diseases.



### Digital Transformation Journey

In FY23, we embarked on an ambitious digital transformation journey, focusing on streamlining operations and enhancing patient experience.

#### For our Customers

##### Voice Bot

In a bid to streamline appointment bookings and optimize resource management, we collaborated with a leading consulting firm to develop a cutting-edge voice bot. Upon deployment the bot will offer customers greater autonomy in scheduling appointments and other customer service.

##### WhatsApp Chatbot

To bolster customer experience and improve efficiency, we are in the process of testing a WhatsApp chatbot, which will not only alleviate pressure on the contact center but

also ensure a seamless customer journey. Additionally, this is a step to replace traditional SMS to facilitate the seamless delivery of crucial information to patients.

##### Voice Assistant for Appointments

We are proactively working to use advanced voice assistants like Amazon's Alexa and Google Assistant to help patients effortlessly schedule appointments through voice commands.

##### Improvement of Website and Mobile App

To enrich patient experience, we are focused on streamlining our website and mobile app. It is not only designed to ensure proper navigation of digital resources but, also enables personalized access to information.

#### Asset Management and Network Monitoring Tools

Implementation of asset management and network monitoring tools will allow effective tracking and management of IT resources. These tools will provide insights into the performance and health of the network, enabling proactive identification and resolution of potential issues.

#### BI Dashboards

Business Intelligence (BI) dashboards are essential tools for achieving operational excellence within Rainbow as they offer a visual representation of vital data points, metrics, and KPIs. These dashboards facilitate well-informed, data-driven decisions, leading to improved performance and efficiency.

### For our Operations

#### Shift to AWS Cloud

We are upgrading our HIS system and migrating to AWS cloud to boost efficiency and reliability. To ensure the confidentiality and safety of patient data, we are leveraging AWS cloud services to enhance our security and privacy features.

#### Freshservice Ticketing Tool

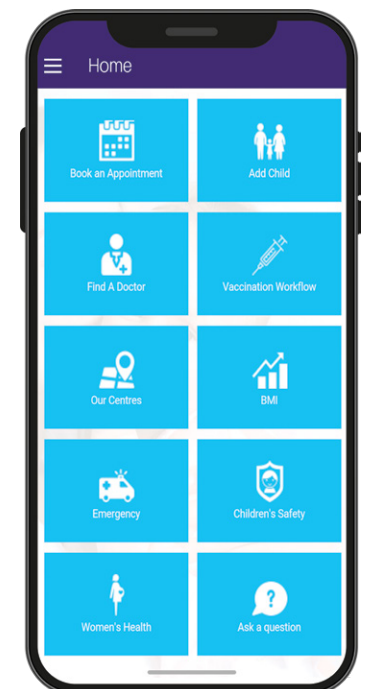
We are introducing the Freshservice ticketing system to streamline IT service requests and resolve issues on time. This will lead to faster incident response times and improve communication and collaboration among IT support staff.

#### Data Analytics using Tableau

Tableau provides advanced data visualization to support data-driven decision-making. It will enable us to recognize trends and patterns that will help to improve inpatient care and operational efficiency.

#### Restricted Browsing Access

We are enforcing browsing access restrictions based on department/function to create a secure and focused work environment that minimizes distractions and security threats. Customized access for each department will ensure the availability of necessary resources to employees, while reducing exposure to harmful content.





## Intellectual Capital contd...

### Features of BI Dashboards

#### Proactive problem-solving

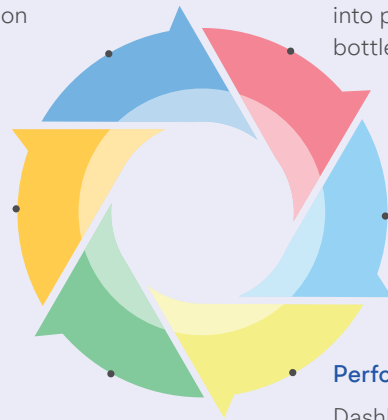
Dashboards help detect issues early on, promoting effective risk mitigation and problem resolution.

#### Real-time monitoring

Dashboards enable immediate insights into performance, helping to identify bottlenecks and reduce downtime.

#### Process optimization

Data analysis identifies inefficiencies, enabling workflow optimization and waste reduction.



#### Informed decision-making

Consolidated data on dashboards supports strategic decision-making and boosts efficiency.

#### Enhanced collaboration

Centralized data sharing improves communication and alignment across teams and departments.

#### Performance tracking

Dashboards help track progress, identify improvement areas, and support growth strategies.

### Specialities

The exceptional expertise and dedication of our medical professionals have helped us to adopt an innovative approach in the relentless pursuit of medical excellence. It has translated into remarkable achievements in perinatal care.

#### Saving a Pre-term Baby with a Permanent Pacemaker

A 29-week pre-term baby, born with an extremely low birth weight of 900 grams, was brought to Vijayawada Hospital in Andhra Pradesh. Prenatal echocardiography revealed the baby had a complete heart block. Just two days after birth, the baby underwent a temporary pacing wire surgery, followed by the insertion of a permanent pacemaker at 2.5 months of age. This complex surgery was the first-of-its-kind in the state, and the baby is now doing well and thriving, owing to the expertise of the medical team at Vijayawada Hospital.

#### Managing Urinary Leak in a 7-Year-Old Girl from Uganda

A 7 year old girl from Uganda had been suffering from continuous urinary dribbling since birth. Despite undergoing surgery in Uganda, the problem persisted. The girl was brought to Rainbow, where Pediatric urologists conducted a thorough endoscopic and radiological evaluation. To their surprise, they discovered the girl had three kidney units. The skilled team at Rainbow operated on the girl, making appropriate reconnections of the draining tubes from the three kidneys, which stopped the dribbling. The girl made a full recovery, and for the first time in her life, she was off diapers. She has now returned to Uganda and is attending school normally.

#### EXIT Procedure Performed at Chennai's Hub Hospital



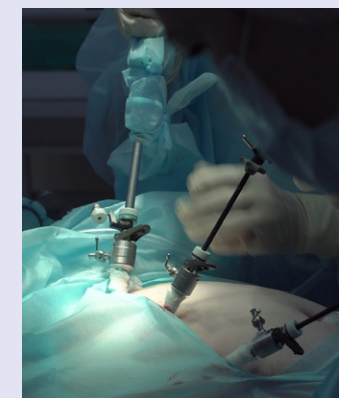
Chennai's hub hospital successfully performed their first EXIT (Ex Utero Intrapartum Treatment) procedure, a specialized surgical delivery procedure for babies with airway compression. The complex procedure required the baby to be operated during delivery, before clamping the umbilical cord. A team of doctors, including obstetricians, fetal medicine specialists, ENT surgeons, neonatologists, and anesthetists, collaborated to ensure the successful outcome of this intricate procedure.

#### Madhukar Rainbow Children's Hospital Successfully Treated a Child with Congenital Medical Problem



Madhukar Rainbow Children's Hospital in New Delhi performed a complex and rare operation to remove a bronchogenic cyst from the chest of a two-month-old baby. The baby had difficulty in breathing, its hands and feet turned bluish, and had low oxygen levels. A CT scan confirmed the presence of the cyst, which was causing compression in the windpipe and severe breathing problems. The hospital's multi-disciplinary pediatric team promptly diagnosed and treated the congenital condition, resulting in a successful outcome.

#### Laparoscopic Surgery to Remove a 2kg Fibroid



A woman with a fibroid weighing 2kg was successfully treated through laparoscopic surgery at our hospital in Hebbal, Bengaluru. Due to the size of the fibroid, the woman's uterus had enlarged to the size of a watermelon. Although open surgery is typically performed for large fibroids, the skilled doctors at our hospital were able to remove the fibroid through minimal incision and performed keyhole surgery, offering a faster recovery and less invasive treatment option for the patient.

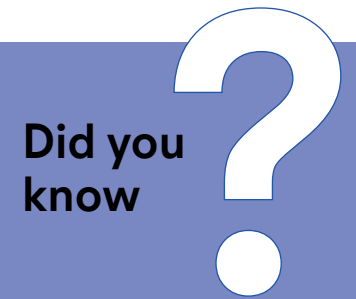
### DNB Program

As a renowned organization, Rainbow not only excels in providing high-quality healthcare services but also holds a distinguished position as a DNB-approved examination and training center. Specializing in pediatrics, neonatology, pediatric intensive care, pediatric sub-specialities, obstetrics, and gynecology, Rainbow offers comprehensive training opportunities for medical professionals.

Upon completing their DNB training at Rainbow, trainees are smoothly integrated into the Rainbow Clinical team, allowing a seamless transition

to ensure a consistent and effective approach to patient care.

Moreover, we are committed to fostering an exceptional learning environment that emphasizes research and knowledge dissemination. Our experts have published 100+ research papers in national as well as international medical journals, showcasing the value and impact of Rainbow's contribution to the medical community.



Did you know

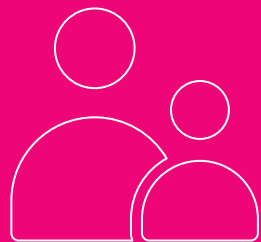
Dr. Nageswara Rao Koneti, Director at RCHI received a patent for device named KONAR-MF, which is used to close holes in heart of children. This device is now used in over 60+ countries around the world

200+

Trainee doctors pursuing DNB, postgraduate and other fellowship programs in Rainbow network

# Human

## Capital



Our human capital has been a critical lever in our growth story. Comprising of expert medical and non-medical talent, our team has institutionalized medical excellence and patient-centric care over the years and is always on the lookout to proactively raise the bar.

In our pursuit to continuously manifest our vision to 'provide high standards of care for the mother, fetus, newborn and children so that none of them is deprived of a tertiary care facility', we remain committed to on-going people engagement and capability development.



### Work Culture

Our culture is the bedrock on which we have been able to build the formidable 'Brand Rainbow'. An extension to our vision, we have always prided ourselves on our living our values of 'care, commitment and compassion' in every interaction. Over the years, we have evolved into a group of passionate people who come together to deliver excellence, confident that their colleagues are there for them in this journey of nurturing and saving lives.

#### Did you know?



We have been recognized as a, Great Place to Work, for four consecutive times in a row, excelling at five key dimensions of High Trust and High Performance Culture

- Credibility, Respect, Fairness, Pride and Camaraderie. This showcases our commitment towards employee satisfaction and the ability to nurture a healthy working environment.

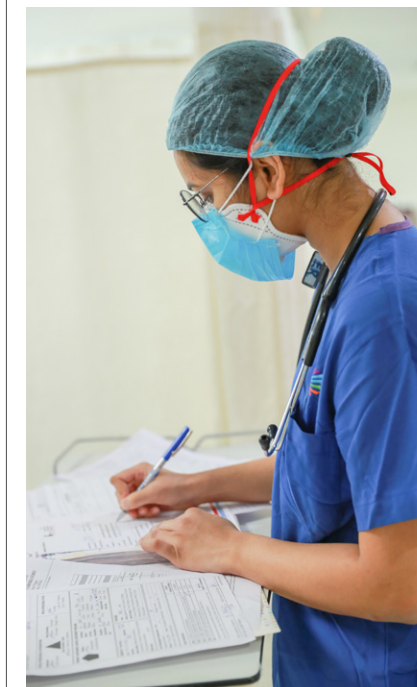
### Training and Development

Our training curriculum is continuously evolving to incorporate vital aspects of patient care, service orientation and the development of a collaborative culture. This approach equips our medical professionals with the necessary skills and knowledge to deliver exceptional care to our customers.

To further enhance the performance of our medical professionals, we provide continuous feedback and support. It allows us to retain talent, enhance the quality of patient care and improve the morale of medical professionals.

#### Nurturing Talent

We provide a comprehensive selection of specialized programs and fellowships, designed to foster the professional development and advancement of healthcare practitioners.



Diverse range of specialized programs and fellowships

- DNB-Pediatrics
- DNB-Obstetrics and Gynecology
- FNB-Pediatric Hemato-Oncology
- FNB-Pediatric Gastroenterology
- FNB-Pediatric Anesthesia
- DrNB-Neonatology
- DrNB-Pediatric Intensive Care
- DrNB-Pediatric Surgery
- DrNB-Pediatric Neurology
- DrNB-Pediatric Cardiology
- Fellowship in Neonatology-NNF and IAP
- Fellowship in Pediatric Intensive Care-IAP
- Fellowship in Pediatric Anesthesia
- Fellowship in Fetal Medicine
- Fellowship in Obstetrics Medicine
- Fellowship in Reproductive Medicine
- Fellowship in Laparoscopy-Institutional
- Nursing Fellowship in Neonatology-NNF
- Nursing Fellowship in Pediatric Intensive Care

Constant refining of our training programs and comprehensive support for our medical professionals have helped us to sustain the highest standards of healthcare delivery and ensures employee as well as patient satisfaction.

## Human Capital contd...

### Senior Management

Our senior management remains actively involved in upholding our values, steering the organization towards new frontiers and building an institution that is formidable from within. With a primary focus on patient-centric care, coupled with excellent corporate governance practices, we continue to strengthen the foundation of our organization.

The senior clinical team is composed of renowned professionals in pediatric medicine who possess international training and experience, solid clinical expertise, and the ability to develop medical protocols. They also establish standards for governance, quality assurance, and control systems, and possess valuable management experience.

The senior management comprises of seasoned professionals from various industries like Healthcare, Technology, Hospitality and others, which enables us to leverage the power of diverse perspectives in executive decision-making and formalizing the strategic direction of the organization.



### Doctor Engagement Model

Rainbow Medicare has developed a doctor engagement model that focuses on providing seamless healthcare delivery, high patient satisfaction, and a competitive edge in the market. The model is built around full-time, retainer-based core specialists who work exclusively at our hospitals, ensuring round-the-clock availability, particularly for children's emergency, neonatal, and pediatric intensive care services.



### Key Benefits of our Doctor Engagement Model



#### Retainer/Support in the Beginning Years

- Competitive compensation and rewards
- Opportunities to grow within Rainbow network
- Multi-disciplinary approach fostering a comprehensive clinical environment and better work-life balance



#### Exceptional Capabilities

- 3,581 Permanent Employees
- Over 730+ full-time doctors
- Many doctors with qualifications from the UK, USA, Canada, and Australia
- Modern infrastructure and clinical backup to provide quality care



#### Recognition and Training Programs

- Recognized as an MRCPCH Examination Centre
- Recognized as a training center by the National Board of Examinations
- Leading training program in India approved by the National Board of Examinations



#### Goals of the Doctor Engagement Model

- Increasing the availability of medical talent
- High retention and loyalty among doctors
- Commitment to quality services

Newly hired doctors are offered retainer contracts for two to three years. This approach has led to full-time doctor retention at our hospitals. Moreover, the availability of full-time doctors allows our patients to receive the best possible care at all times.

### Employee Safety

We are committed to the wellbeing of our employees and we conduct training programs for our teams on regular basis to maintain safe and healthy workplace. We provide safety kits including PPE kits and other necessary equipment designed to prevent contamination of our employees. Most of our hospitals are NABH accredited.

Our Fertility unit at Kondapur is the first JCI certified Fertility center in India. We ensure compliance to all local regulations.



### Recognition

We recognize exceptional performance and achievements of our employees through organized events and spot recognitions. These recognitions are often for our people who live our values, go over and above the call of their duty or support colleagues in times of need. We also celebrate milestones of our long-serving employees.



### Diversity and Inclusion

Effectively harnessing the power of diversity is a core Human Resources Agenda at Rainbow. In fact, as an organization when discussing our diversity agenda, to ensure that the conversation is not limited to diversity because in our view, diverse groups contribute to the best of their ability and maximize their potential only when supported by an inclusive environment and enabled by equity-oriented talent management.

In terms of gender, we are a female-dominated workforce, we have multiple generations working together in this organization, and our non-clinical hiring is focusing a lot more on professionals from industries beyond healthcare — this makes us a vibrant melting pot of different ideas, perspectives and ways of working. In these differences, lies our strength to envision and set gold standards of excellence.

Our commitment to our DEI agenda is further supported by policies and governance. We have implemented a board diversity policy, demonstrating our commitment to creating a balanced leadership team. This policy ensures equal opportunities for individuals from different backgrounds, genders, and experiences to serve on our board and contribute their unique insights to our strategic direction.

61%

Female employees in workforce

# Social and Relationship Capital

## Capital



Our success is largely pivoted on our patient-centric approach.

It empowers us to fulfill our commitment towards personalized care and meet the unique requirements of our valued patrons. We, therefore, aspire to foster stronger relationships with patients, their families, and the communities we serve.



### Empowering Patients

Our patients are the most important stakeholders for Rainbow. To ensure quality care, we constantly engage with our patients and look forward to devise ways that help to provide the finest medical care along with a rewarding experience.

### Patient-Centric Facilities

To ensure quality care, our multi-disciplinary team conducts daily rounds of hospitals to constantly monitor the condition of patients. Besides, floor co-ordinators visit patients to take service feedback and resolve complaints, if any. To ensure the safety of patients, we have installed anti-skid floors, call bells for emergencies and grab bars. We have also implemented advanced fire safety systems such as sprinklers, smoke detectors along with our regular fire hydrant system.

Our patient-centric approach also allows us to devise personalized treatment plans that take into account the unique needs of each patient. It not only improves the treatment outcomes but, also ensures the highest quality of healthcare.

We also have a structured feedback management system that allows us to regularly monitor patient requirements, address their concerns and incorporate suggestions for improvement. Besides, to facilitate a proper grievance redressal mechanism, we urge patients to get in touch with PCS managers and floor co-ordinators. It enables us to swiftly resolve issues, build reliability and ensure patient satisfaction.

### Focus on Preventive Care and Awareness

We are dedicated to developing a healthy community by prioritizing preventive care and education. Our initiatives are directed towards creating a well-informed and thriving community.

#### School health programs

Conducting regular health check-ups for early detection and prevention of health issues among students.

#### Maternal education

Providing relevant and adequate information about breastfeeding to all new mothers, emphasizing the importance of proper techniques of feeding and its benefits for both the mother and child.

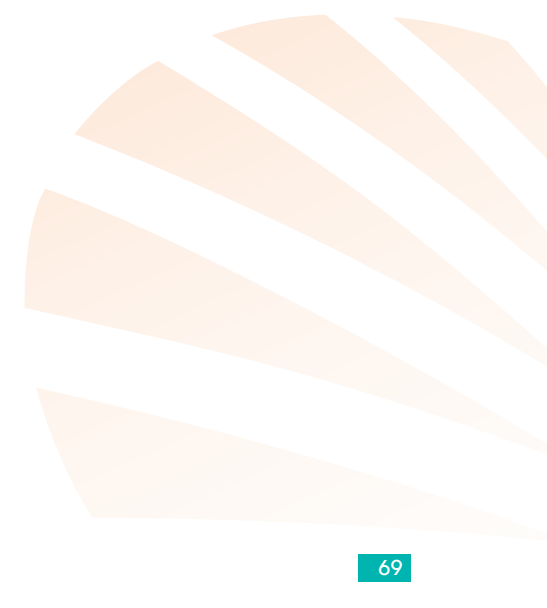


#### Support to new mothers

Offering antenatal education to expectant mothers, focusing on best practices for a safe pregnancy and delivery, along with guidance on prenatal care and postnatal support.

### Special Needs

We understand the unique challenges faced by patients with Autism, Cerebral Palsy, and Developmental Delays. Our dedicated professionals provide tailored treatment, rehabilitation and care services, specific to a child's condition. We strive to create an inclusive environment, foster strong relationships with families and offer our unwavering support to children with special needs.



## Social and Relationship Capital contd...

### Engaging with Communities

In pursuit of creating a healthier society, we are deeply committed to engaging with communities where we operate. Our focus is on supporting healthcare initiatives and promoting positive practices, to foster an ecosystem that minimizes health issues and allows individuals to thrive. Through our strategic collaborations and initiatives, we aim to strengthen relationships within the community, provide the necessary support and resources to empower people to lead healthier and more fulfilling lives. This collaborative approach underscores our dedication to ensure the well-being of communities and our continuous efforts to enhance the quality of life.

#### Community Outreach Programs

##### Health Awareness

65

Programs conducted

#### Pure Little Hearts Foundation

The Pure Little Hearts Foundation is a non-profit organization dedicated to providing clinical assistance and support to children affected by Congenital Heart Defects (CHD). By focusing on improving awareness about the medical condition, the foundation has significantly impacted the community's understanding and management of the health condition.

INR 24.3 Mn

Spent on CSR activities

One of the primary goals of the foundation is to increase public knowledge about congenital heart defects through education campaigns and outreach programs. As a result, the foundation has helped to reduce stigma and fostered understanding and support for those impacted by these conditions. The foundation has been instrumental in advocating legislation to pursue insurance companies in covering the cost of treatment and medication for congenital

heart defects. This has alleviated a considerable financial burden for many families.

Moreover, the foundation has helped to increase funding for research, paving the way for improved treatments and outcomes for children living with complex heart conditions

160+  
Beneficiaries

### Strengthening Relationship with Business Partners

We engage and maintain relationships with our business partners in the value chain. Here are some strategies that help foster strong and productive relationships:

#### Effective Communication

Established open lines of communication with suppliers, vendors, and business partners.

Regularly share relevant information, provide updates on projects, and address any concerns promptly.

Utilize various communication channels such as email, phone calls, meetings, and collaboration tools to maintain effective communication.

#### Relationship Building

We keep priority on building personal connections and rapport with partners. Attend industry events, conferences, and trade shows to meet them in person. Foster a friendly and collaborative atmosphere by organizing

social events or gatherings that encourage networking and relationship building.

#### Clear Expectations and Contracts

We ensure that business partners have a clear understanding of expectations, deliverables, timelines, and quality standards. Establish detailed contracts that outline terms and conditions, pricing structures, and dispute resolution mechanisms.

#### Collaboration and Cooperation

We encourage collaboration and cooperation with business partners. Involve them in the decision-making process, seek their input and expertise, and value their suggestions. Foster a culture of mutual trust and respect to encourage innovation and shared problem-solving.



#### Performance Measurement and Feedback

We have set performance metrics and regularly evaluate our partners' performance against these metrics. Provide constructive feedback to help them improve their processes and address any issues. Similarly, be open to receiving feedback from partners and take their suggestions into consideration for enhancing operations.

#### Continuous Improvement

We foster a mindset of continuous improvement and encourage our partners to do the same. We share best practices, industry trends, and insights that can benefit both. Additionally, we collaborate on joint projects or initiatives that aim to optimize operations, reduce costs, or enhance the quality of products or services. We have rationalized our suppliers and consolidated

vendors in order to lower the number of parties we procure from, to reduce the overall transaction and strengthen the supply agreements. Instead of spreading out the spend across a large number of vendors across region, we partnered with limited business partners who shall function as a strategic supply chain transformation partner for sourcing supplies to Rainbow.



Rainbow Children's Hospital supported Telangana Government for Microbiological Monitoring of Air at Government Hospitals across the state by providing 100 air petri sampling systems worth INR 11.6 Mn, as a part of CSR initiative. Studies have proven that post-operative infection constitutes a third of all infections and it is also estimated that a 13-fold reduction in airborne bacteria in OTs can be achieved by these air petri samplers.

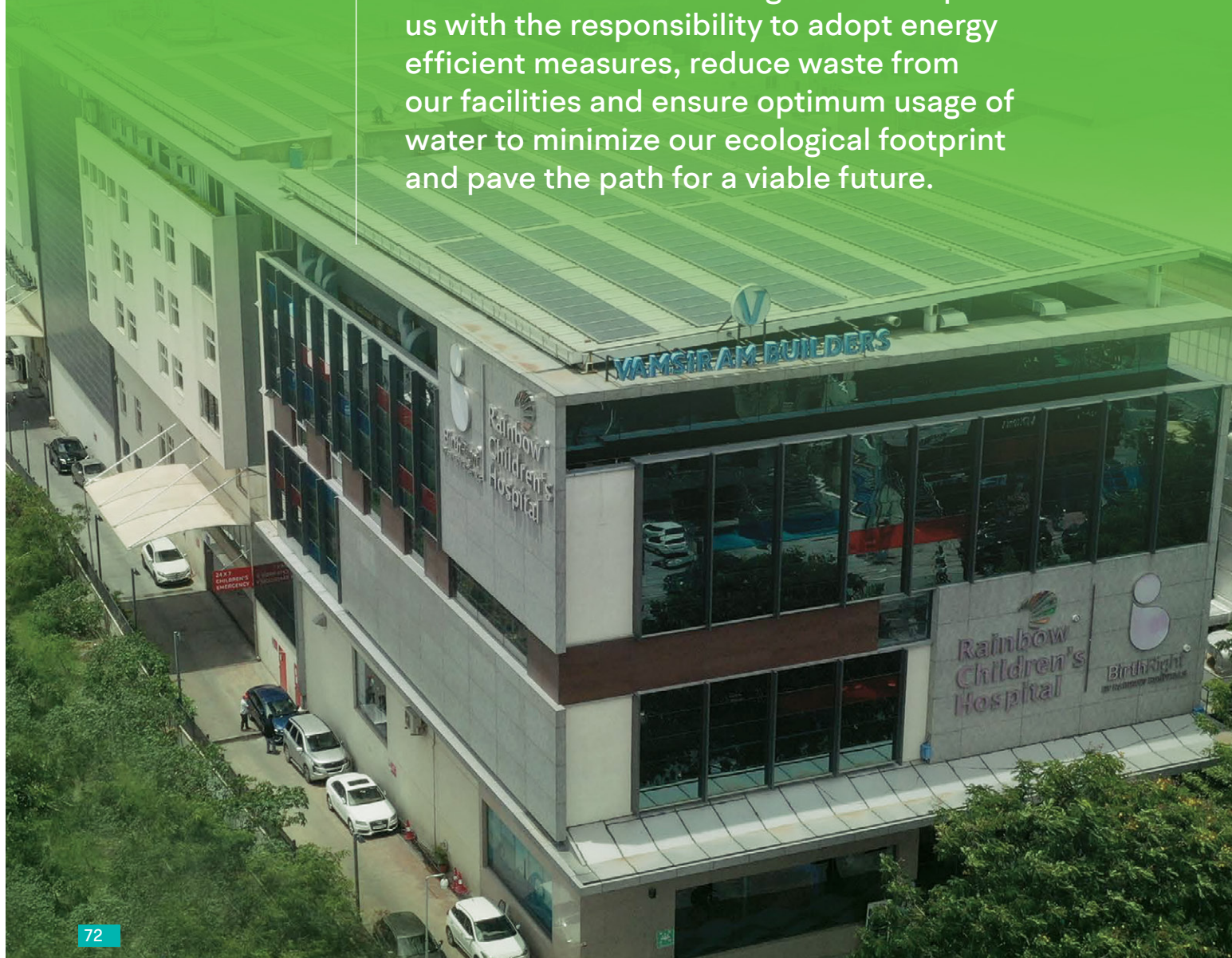
# Natural

## Capital



**Our commitment to care does not thrive in isolation.**

We believe in nurturing a sustainable business while remaining completely aware of our environmental obligations. It reposes us with the responsibility to adopt energy efficient measures, reduce waste from our facilities and ensure optimum usage of water to minimize our ecological footprint and pave the path for a viable future.



**34,40,977 Units**

Energy saved through energy conservative methods which is equivalent of 18.3 % total energy conservation

**INR 34 Million**

Indirect financial savings with energy conservation strategies

**98,83,400 Liters**

Total water saved

**314 Tons**

Carbon emission reduction using renewable energy

**3,47,000 Units**

Total solar power generated

### Energy and Emissions

We recognize the pressing need to address climate challenges around the world and are committed to reducing our carbon footprint through the adoption of environment-friendly initiatives. Our operations, therefore, lay strong emphasis on environmental sustainability.

To ensure energy efficiency and minimize emissions, we have installed solar rooftops, solar water heaters, and energy-saving heat pumps at all of our locations. It has considerably reduced our reliance on conventional energy sources and we are effectively meeting our energy requirements.

#### Solar Water Heaters

Across Rainbow, we have solar water heaters with average capacity of 25 KW at each unit, which led to remarkable energy savings of 6,75,000 units of energy in a year. With this, we are getting benefits in both monetary terms and carbon footprint reduction.

**30 kWp**

Addition of solar capacity at Rosewalk

**4,104 MT**

Reduction of net carbon equivalent achieved by energy savings and usage of renewable energies

**INR 6 Mn**

(approximately)  
Saved through installation of solar water heaters

**85 kWp**

Addition of solar capacity at Sholinganallur – with this we have yielded 48,581 units in FY23

**573 MT**

Carbon emissions reduced

## Natural Capital contd...

### Water Management

We are committed to reduce water wastage at our facilities and continue to implement a wide range of water conservation practices. It enables us to utilize water responsibly and efficiently, without compromising the high standards of hygiene and cleanliness that are vital to our healthcare services.

To achieve our water conservation goals, we have incorporated water-saving measures and provisions that promote responsible water usage. These initiatives focus on fostering water-saving habits among our staff and educating them about the importance of responsible water usage for daily tasks.

#### Water Conservation Methods

When compared to the previous year, a Rainbow units conserved water by limiting water wastage and recycling waste water.

By fixing of aerators, we have controlled water wastage



Fixing of leakages

At most of the green field units, we have recycling provisions



46 Mn Lt

Water recycled

9.9 Mn Lt

Water conserved

### Waste Management

To lessen our environmental impact, we have undertaken several initiatives aimed at reducing waste and promoting sustainable practices. We have minimized the use of plastic, encourage the use of recycled paper, sell shredded paper along with recycled paper products and reduced paper consumption by promoting electronic tablet usage for both inpatient and outpatient services.

We have implemented stringent measures to ensure the safe

handling and usage of hazardous materials within our operations. A comprehensive plan for managing spills has also been devised. By collaborating with authorized dealers approved by the Pollution Control Board, we efficiently dispose general waste, electronic waste and waste oil.

Our waste management approach is further supported by the adoption of policies that provide a structured framework for enhancing efficiency

and environmental sustainability. It covers processes for equipment replacement, identification of unwanted materials and disposal procedures. We, therefore, remain completely focused on reducing waste and promoting the 3R (reduce, recycle, and reuse) practices.

1.3 MT

Plastic recycled

### Biochemical

As a part of the healthcare industry, we generate a substantial amount of biomedical waste. To ensure its responsible disposal, we have entered into a contract with a state government-approved biomedical waste handler that operates a recycling facility located outside densely populated areas.

To guarantee the quality and safety of waste disposal, we conduct bi-annual audits by visiting the waste management plants, ensuring compliance with the highest standards of environmental regulations. Our diligent approach to biomedical waste management aligns with our commitment to environmental sustainability and enables us to manage waste safely.

282.98 MT

Bio-waste disposed safely

#### Waste Disposal Process

The 4-color waste disposal method helps to identify, categorize, and dispose of waste based on its properties. This approach

emphasizes two main aspects: segregation during waste generation and mutilation.

The disposal process for different waste categories, according to their color, is as follows:

General waste	Infective waste	Plastic waste	Medical waste
The disposal vehicle features colored sections corresponding to the waste type. General waste is placed in the civic body section.	Before disposing of infectious waste, it must be disinfected. It is then placed in a separate section of the disposal vehicle.	Plastic waste is cut and mutilated before being placed in its designated section inside the disposal vehicle.	Medical waste is disinfected before disposal and placed in a separate section of the vehicle.
The waste is then transported to the recycling plant of a registered waste management service provider to disintegrate, incinerate and ultimately send it to landfills.			

### Biodiversity

Since we are in healthcare services we do not have extensive biodiversity in our premises but we have small quantity of plants and saplings to promote green belt in working area. We have also built green buildings adopted green building norms and practices. For the same we achieved green building certifications namely World Bank/IFC i.e EDGE certification, for resource optimization, energy savings and water savings. Three of Rainbow's buildings got green building certifications, namely Rainbow -Banjara Hills (Hyderabad), Guindy (Chennai), and Marathahalli (Bengaluru).



# Corporate Information

## Board of Directors

**Dr. Ramesh Kancharla**  
Chairman & Managing Director

**Dr. Dinesh Kumar Chirla**  
Whole-time Director

**Mr. Aluri Srinivasa Rao**  
Independent Director

**Dr. Anil Dhawan**  
Independent Director

**Mr. Santanu Mukherjee**  
Independent Director

**Ms. Sundari R. Pisupati**  
Independent Director

## Chief Financial Officer

**Mr. R Gowrisankar**

## Company Secretary & Compliance Officer

**Mr. Ashish Kapil**

## Statutory Auditors

**M/s. B S R & Associates LLP**  
Chartered Accountants

## Secretarial Auditor

**M/s. Ravi & Subramanyam**  
Company Secretaries

## Internal Auditors

**M/s. S.V. Rao Associates**  
Chartered Accountants

## Registered Office

8-2-120/103/1, Survey No.  
403, Road No. 2, Banjara Hills,  
Hyderabad-500034, Telangana.

## Corporate Office

8-2-19/1/A, Daulet Arcade,  
Karvy Lane, Road No.11, Banjara  
Hills, Hyderabad-500034,  
Telangana.

**Website:** [www.rainbowhospitals.in](http://www.rainbowhospitals.in)

## Registrar and Share Transfer Agent

M/s. Kfin Technologies Limited



# Management Discussion and Analysis

## Indian economic overview

India continued to be the fastest growing major economy in the world in FY 2022-23, despite global headwinds. During the year, the rebound of post-pandemic private consumption, growing manufacturing activity and a resurgent service sector reflected the resilience of the economy. The Indian Government’s focus on infrastructure investments also helped drive economic growth and employment generation.

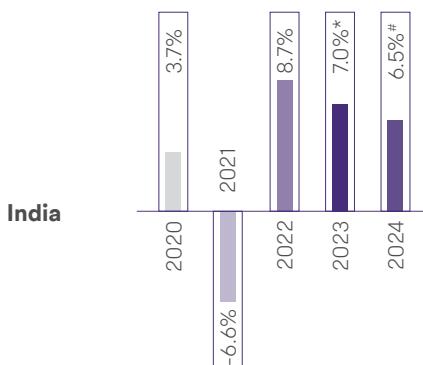
Inflation, triggered by volatile commodity prices, remains a downside risk, as do supply-side limitations, a widening current account deficit, and geopolitical volatility. However, the proactive policy stance of the Government of India and the RBI is expected to bring inflation under control in the foreseeable future. India’s economy is on track to achieve 7% GDP growth in FY 2022-23.<sup>1</sup> High frequency indicators such as GST collections, railway and air traffic, electronic toll collections and the volume of E-way bills generated indicate robust economic recovery.

The country’s continued growth momentum is poised to make it an attractive destination for investments. The IMF has also reported that India and China are expected to contribute over 50% to global growth in CY23.

India is expected to remain the fastest-growing among G-20 nations in the coming years. India's presidency of the G20 Summit in 2023 has significantly boosted its international standing.

“  
**India and China are expected to contribute over 50% to global growth in CY23.**

Source- National Statistical Office



\*RBI Second Advanced Estimates  
 #Projected

<sup>1</sup>National Statistical Office

## Industry overview

### Indian healthcare industry

Owing to the country’s overall economic development and growing population, the Healthcare industry has emerged as one of the largest contributors to the Indian economy, both in terms of revenue generation and employment opportunities. The Indian Health Care sector is expected to grow to INR 8,620 billion by FY26 with a CAGR of 12%.

The domestic healthcare industry is witnessing growth due to several key factors, such as an increase in the elderly population, rising awareness among people, higher incidences of lifestyle diseases, a broadening of health insurance coverage and accelerated adoption of digital technologies. The Indian Government is implementing long-term and substantial changes to enhance the healthcare industry. In addition to this, the Government is also rolling out numerous favourable policies to promote Foreign Direct Investment (FDI) in this sector.

Apart from obstacles, the pandemic has presented India with many opportunities by creating several avenues for development in India. The crisis has enhanced the prospects for Indian start-ups to expedite the advancement of inexpensive, adaptable and expeditious solutions in the healthcare sector, especially through various digital platforms.

Over time, the healthcare sector in India has undergone a notable transformation, transitioning from an informal setup to a more structured and corporatised framework. This evolution has led to substantial growth and remarkable advancements in the diagnosis, treatment, and management of various diseases, facilitated by the utilisation of advanced medical technologies. Moreover, the sector has witnessed a reduction in the cost of life-saving drugs and medical devices, due to the progress made by the pharmaceutical industry. The establishment of world-class specialty hospitals in Tier 1 and Tier 2 cities, combined with a large pool of highly skilled and well-trained medical professionals, has also played a pivotal role in the sector’s remarkable expansion and development.

The expansion of public healthcare facilities in India has encountered difficulties in adequately addressing the healthcare needs of the country’s significant population. The task of providing healthcare services in remote areas has been particularly complex. As a result, the private sector has played a prominent role in the healthcare landscape, capitalising on the untapped potential that exists within the public sector and leveraging its own robust foundation to fill the gaps in healthcare provision.

The private healthcare sector initially emerged with a limited number of standalone centres primarily located in metropolitan cities, serving as pioneers of quality healthcare throughout the country. Encouraged by positive patient responses and recognising the scarcity of infrastructure across the nation, these centres expanded their presence to encompass larger urban areas. Moreover, the private sector swiftly advanced to provide tertiary and quaternary care services, adopting state-of-the-art medical equipment and procedures, and embracing innovative models of service delivery.

These hospitals gradually transformed into centres of Excellence, known for their remarkable clinical outcomes, and began attracting international patients. This successful model inspired other significant industry players to make substantial investments in infrastructure, technology, and human resources, thereby replicating and further elevating the standards of care across the healthcare sector.

The Indian healthcare industry is predominantly led by private service providers who have effectively utilised innovative approaches to address operational challenges. These healthcare institutions offer exceptional facilities, engage highly skilled professionals with global recognition, harness advanced technologies in medical treatments, and adhere to stringent quality standards. As a result, the private sector has secured a significant market share, accounting for approximately 60-70% of the country's total healthcare market.<sup>2</sup>

Presently, the healthcare sector in India presents a compelling amalgamation of opportunities and challenges. The notable disparity between the 'required' and 'existing' healthcare infrastructure has spurred substantial investments in assets such as hospitals and related facilities. The Indian healthcare industry offers corporations a distinctive prospect for innovation, differentiation, and financial gains, making it an increasingly favoured sector for strategic and financial investments.

The Indian market within the realm of the global healthcare sector demonstrates considerable untapped potential, which becomes notably apparent when comparing the healthcare industries across different nations. Within this context, it becomes evident that the Indian market presents a substantial opportunity for both growth and advancement. By effectively harnessing this untapped potential, the healthcare sector in India can make significant strides towards addressing the healthcare requirements of its population and making noteworthy contributions to the global healthcare landscape.

### Digital healthcare market

The pandemic has compelled Indians to adopt digital transformation and reconsider prevailing healthcare trends. A significant proportion of patients (approximately 60%)

and physicians (around 65%) now prefer digital platforms to in-person consultations. The widespread availability of smartphones and internet services, combined with enhanced government impetus, has facilitated the expansion of the digital healthcare market. As of 2021, the value of the digital healthcare market in India stood at INR 524.97 billion. It is anticipated to grow at a CAGR of 28.50% during the 2022-2027 period and reach a value of INR 2,528.69 billion by 2027.<sup>3</sup>

The digital fitness and well-being sector is a major contributor to the overall healthcare market in India. Moreover, the huge monthly expenditure on health and fitness activities by Indian millennials demonstrates the growing interest in health and wellness among the younger demographic.

India ranks second among developing nations in mobile health adoption, driven by rising patient awareness, increased demand for information access, and an emphasis on treatment and diagnosis process transparency. The sector is experiencing growth due to the promotion of value-based healthcare services in India, aimed at providing patients with optimal outcomes at the lowest possible cost.

### Health insurance providers' market penetration bolstering the healthcare sector

The size of the health insurance market in India reached USD 120.1 billion in 2022. It is projected to grow at a CAGR of 10.64% during the period 2023-2028 and is expected to reach USD 219.1 billion by the end of 2028.<sup>4</sup> Recently, there has been a spike in the demand for healthcare insurance among the general population due to escalating medical costs. This, along with the rising number of elderly individuals, is an important factor contributing to the favourable market outlook for healthcare insurance in India.

The healthcare industry in India has been strongly influenced by the market penetration of health insurance companies. For a large number of people who previously faced financial constraints, health insurance has made it easier for them to access high-quality healthcare services. As a result, this has stimulated the demand for healthcare services and enabled healthcare providers to broaden their scope of services.

This surge in healthcare demand has, in turn, led to a commensurate upsurge in the number of healthcare facilities such as hospitals, clinics and diagnostic centres in India. Health insurance providers have additionally partnered with healthcare providers, thereby contributing to better healthcare infrastructure development in the nation.

The advent of new participants in the health insurance sector has spurred competition, resulting in reduced premium rates and improved insurance products for

<sup>2</sup><https://www.thehindubusinessline.com/specials/pulse/get-healed-in-india/article66583161.ece>

<sup>3</sup><https://www.researchandmarkets.com/reports/5723420/digital-healthcare-market-in-india-2022-2027>

<sup>4</sup><https://www.imarcgroup.com/india-health-insurance-market>

consumers. As a result, health insurance has become more affordable and accessible to a larger population, leading to heightened demand for healthcare services.

**Transformation of the healthcare sector**

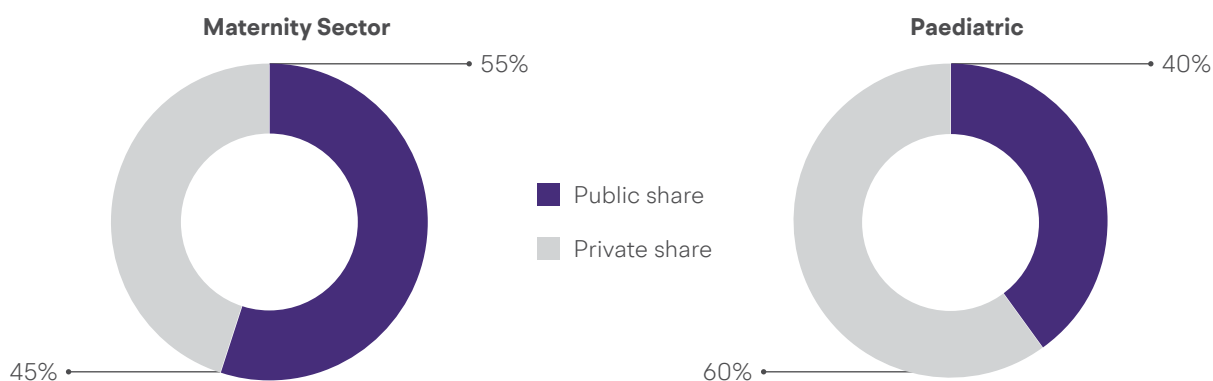
The healthcare sector in India has undergone considerable transformation in recent decades as a result of the widespread adoption of technology, a trend that has been further accelerated by the global pandemic. Notable examples of this transformation include the use of smartwatches to track vital signs and detect potential medical concerns, the use of robots to conduct medical procedures via 5G networks, as well as the development

of a government app that has facilitated the vaccination of over 2 billion individuals during the pandemic.

In recent years, emerging technologies have played a pivotal role in the development of advanced, cost-effective treatments. Specifically, artificial intelligence (AI), data analytics and the Internet of Medical Things (IoMT) have rapidly evolved from being basic devices that monitor essential physiological indicators such as heart rate and blood oxygen levels. These technologies have advanced to include smartwatches that can perform complex scans, such as electrocardiograms (ECGs), as well as e-textiles that can monitor blood pressure and predict the likelihood of heart attacks.<sup>5</sup>

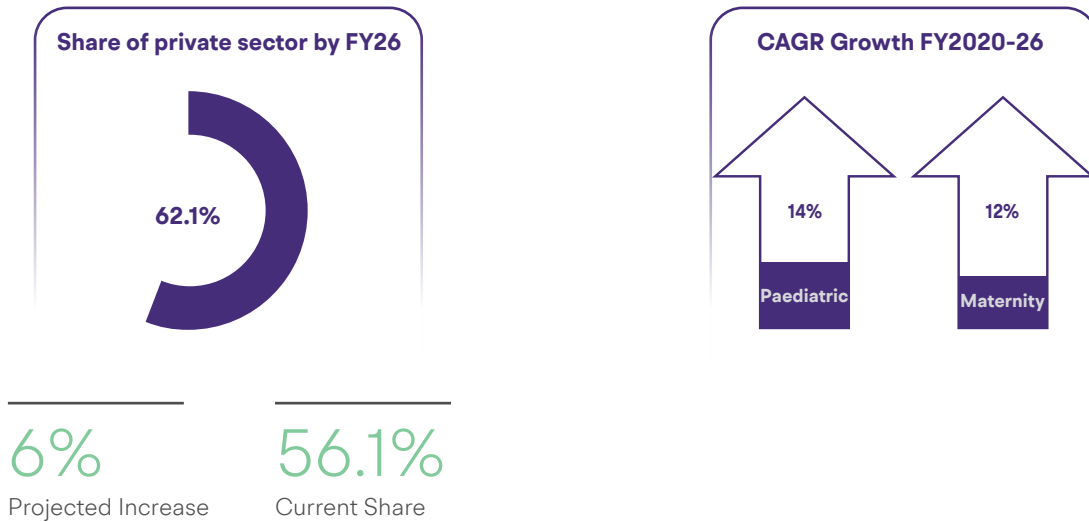
**India's maternity and paediatric care industry**

The expansion of private and public healthcare facilities, as well as increased knowledge about childcare and early identification of diseases, are expected to drive growth in the maternity and paediatric care market in India. In FY2020, the combined market share of paediatric and maternity care in hospitals was approximately 33% of the total hospital market, amounting to INR 1,390 billion. Private maternity care held a 45% share of the total maternity market, and it is projected to expand at a compound annual growth rate (CAGR) of 12% between FY2020-26, reaching a market size of INR 330 billion. Similarly, the private paediatric care market constituted 60% of the overall paediatric market and is predicted to grow at a CAGR of 14% during FY2020-26, eventually achieving a market size of INR 1,340 billion. (Source- CRISIL Research).



	Indian maternity & paediatric market			
	Private		Public	
	Maternity	Paediatric	Maternity	Paediatric
Current market size (in INR Billion)	170	610	210	400
Estimated CAGR FY20-FY26	12.0%	14.0%	4%	11%
Estimated market size by FY26 (in INR Billion)	330	1340	260	760
Current % of maternity & paediatric market	12.2%	43.9%	15.1%	28.8%
% of maternity & paediatric market by FY26	12.3%	49.8%	9.7%	28.3%

<sup>5</sup><https://www.businesstoday.in/magazine/health-care/story/indias-healthcare-sector-heres-how-a-massive-transformation-is-underway-369006-2023-02-05>



**Delayed pregnancy leading to higher maternity healthcare demand in India**

The female population of India in the reproductive age group of 18-49 years was estimated to be 240 million in FY20. Yet, a number of socioeconomic reasons have contributed to an increase in the average age of pregnancy in the country. According to CRISIL Research, the age group of 25-29 years accounted for 32% of births in FY2010-15, up from 28% in FY2000-05. Moving forward, the age groups 25-29 years and 30-34 years are predicted to contribute a greater proportion of live births, accounting for 37% and 19% of live births in FY2020-25, and 40% and 23% of live births in FY2025-30, respectively. This trend towards delayed pregnancy can cause increased complications, which may result in a higher demand for maternity healthcare in India.

(Source- CRISIL Research)

**Perinatal healthcare and rising C-section deliveries in India**

India has the highest global incidence of pre-term births, according to a report by the World Health Organisation (WHO). This condition of pre-term birth is closely associated with increased rates of neonatal mortality and long-term health problems. Another significant factor contributing to the growth of perinatal healthcare is the increasing number of deliveries via C-section. In India, around 15% of the overall increase in C-section deliveries can be attributed to the advancing age of mothers. Over time, there has been a substantial surge in the total C-section rate, with primary C-sections accounting for the majority of this rise.

(Source- ICICI Direct Research)

Recently, India has made significant progress in improving the health of mothers and children by implementing targeted initiatives under the Reproductive, Maternal, New-born,

Child, Adolescent Health Plus Nutrition (RMNCAH+N) plan. According to data from the Sample Registration System (SRS), the country has successfully achieved a significant milestone by reducing the Maternal Mortality Ratio (MMR) to less than 100 per one lakh live births in the year 2020. In addition, eight states have already met the Sustainable Development Goal (SDG) target of lowering the MMR to less than 70 per one lakh live births, an aim that was originally set to be achieved by 2030.

(Source- Economic Survey 2022-23)

**Government initiatives**

The Government has endeavoured to collaborate with pertinent sectors and stakeholders under the National Health Mission, to advance towards accomplishing comprehensive healthcare coverage and administering superior quality medical services to all at a reasonable expense.

**“ Union Budget 2022-2023**

**The Ministry of Health and Family Welfare (MoHFW) received around INR 86,200 Cr from the Government of India, a 16.5% increase over the previous year.**

(Source- India budget, Economic survey 2022-23)

**Major developments in FY23**

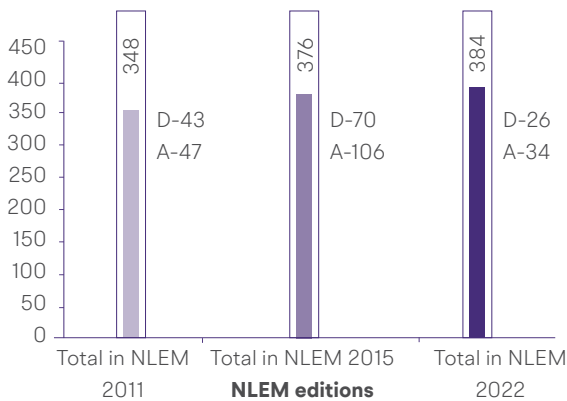
**Pradhan Mantri TB Mukht Bharat Abhiyaan to end TB by 2025**

The Pradhan Mantri TB Mukht Bharat Abhiyaan is an initiative aimed at uniting all community members to offer assistance to those undergoing treatment for tuberculosis. The ultimate objective of this programme is to expedite India's efforts towards eliminating tuberculosis.

**National List of Essential Medicines Revision**

The Union Health Ministry has recently launched the new National List of Essential Medicines (NLEM) which encompasses 384 drugs. This list comprises 34 newly added drugs, while 26 drugs from the previous list have been excluded. The medicines included in this list are made available to consumers at prices that are below the price ceiling fixed by the National Pharmaceutical Pricing Authority (NPPA). This initiative is expected to encourage the usage of cost-effective and high-quality medicines, thereby contributing to a reduction in out-of-pocket expenses on healthcare.

**Medicines in NLEM 2011, 2015 and 2022**



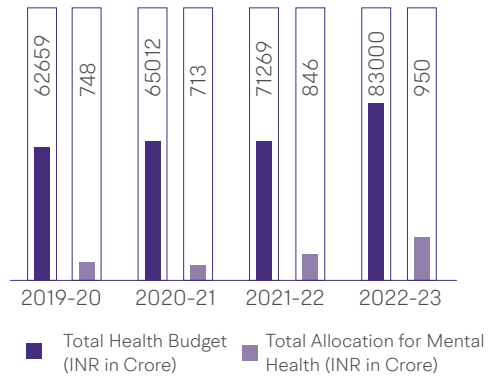
(Source- <https://pib.gov.in/PressReleasePage.aspx?PRID=1858931>)

**National Tele Mental Health Programme (Tele MANAS)**

The National Tele Mental Health Programme is a scheme designed to enhance the accessibility of quality mental health counselling and care services in India. The programme offers a range of services that are administered by 130 mental health professionals, 173 DMHP personnel and 580 Tele-MANAS counsellors. Currently, the Tele-MANAS services are available in 20 different languages. This initiative is expected to facilitate better mental healthcare services and enhance the overall mental well-being of the people.

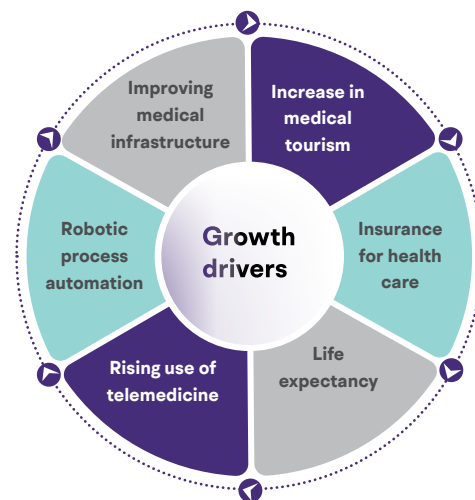
For the FY2022-23, the Government has allotted a sum of INR 120.98 crore towards the implementation of the National Tele-Mental Health Programme (NTMHP).

**Budget allocation for Mental health services**



(Source-<https://pib.gov.in/PressReleasePage.aspx?PRID=1896958>)

“100% FDI in the healthcare industry has been approved through the automatic route for investments in the development of hospitals, healthcare facilities and the manufacture of medical products.<sup>6</sup>”



**Increase in medical tourism**

India has emerged as a popular destination for medical tourism in recent years due to its affordable yet high-quality healthcare facilities, skilled medical professionals, and traditional systems of medicine like Ayurveda and Yoga. According to the Medical Tourism Index, FY21, released by the Medical Tourism Association, India is currently ranked tenth out of the world's top 46 medical tourism destinations. The Indian government has also taken initiatives to encourage medical and wellness tourism in the country, including the development of a National Strategy and Roadmap for Medical and Wellness Tourism.

<sup>6</sup> Foreign Direct Investment, India

The confidence in India's healthcare system has increased due to the government's effective management of the COVID crisis and its proactive measures to prepare for future challenges. This development is expected to greatly benefit the Medical Value Tourism (MVT) sector, which is projected to reach a value of \$13 billion by 2022.<sup>7</sup> Moreover, the global market for Medical Value Travel (MVT) is anticipated to witness substantial growth, reaching \$53.51 billion by 2028, with a compound annual growth rate (CAGR) of 21.1%.

The MVT sector in India is strengthened by a network of 40 healthcare facilities accredited by the Joint Commission International (JCI) and 1400 hospitals accredited by the National Accreditation Board for Hospitals & Healthcare Providers (NABH), ensuring the delivery of high-quality care. MVT currently contributes approximately 10% to the revenue of major hospital chains, and this figure is expected to rise up to 15% within the next few years. However, it is important to address the broader healthcare infrastructure to support this growth.<sup>8</sup>

In line with efforts to enhance Medical Value Tourism, the government has undertaken the 'Heal in India' initiative, which aims to streamline and bolster the sector. As part of this initiative, a user-friendly 'One Step' portal has been introduced to provide credible information and convenience to foreign patients. The portal offers a range of services, including seamless airport coordination, easy access to patient documents, and prompt resolution of inquiries. Additionally, the government has introduced medical visas, also known as 'Ayush Visa,' to facilitate the entry of foreign patients seeking medical treatment in India. These proactive measures are anticipated to attract a greater number of foreign patients, contributing to the growth of MVT in the country.

### Insurance for health care

Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY) scheme represents a significant step towards the attainment of universal health coverage in India. The government of India provides health insurance coverage to nearly 50 crore poor and vulnerable people through this initiative. This ambitious scheme is considered to be the largest health insurance programme in the world and its objective is to mitigate the out-of-pocket healthcare expenses of its target beneficiaries. The scheme provides health insurance coverage of up to INR 5 lakh annually for secondary and tertiary care hospitalisation. A range of medical procedures and treatments, including surgeries, diagnostics, and medical consultations, are covered under this scheme.<sup>9</sup>

### Life expectancy

In recent years, India has witnessed a gradual increase in life expectancy, which is attributable to a range of factors, including improved healthcare infrastructure, access to quality medical treatment, and enhanced public

health initiatives. As people live longer lives, the need for healthcare services rises, offering prospects for expansion in the healthcare business. With a larger population of elderly individuals, there is a greater need for geriatric care, rehabilitation services, and long-term care facilities. This has spurred the development of specialised healthcare services and facilities that cater to the needs of the elderly.

### Rising use of telemedicine

The emergence of telemedicine, in conjunction with government programmes such as e-health, as well as tax exemptions and incentives, is moving the Indian healthcare business forward. The expansion of telemedicine has also given opportunity for healthcare practitioners and technology businesses to build novel solutions that address patients' changing requirements. This includes the development of mobile health applications, remote monitoring devices, and virtual reality technologies, among others.

Telemedicine tends to improve the efficiency and accessibility of healthcare services by enabling medical professionals to reach more patients in a shorter time frame. This can help to reduce waiting times and improve patient outcomes, particularly in cases where timely medical intervention is critical.

### Robotic process automation

The emergence of Robotic process automation (RPA) presents significant opportunities for growth and innovation in the Indian healthcare industry. By improving the efficiency, accuracy, and cost-effectiveness of healthcare operations, RPA has the potential to drive improvements in patient outcomes and financial performance, while freeing up human resources to focus on more complex tasks that require human expertise.

The adoption of RPA in the Indian healthcare industry is still in its early stages, but there is growing interest and investment in the technology. Major healthcare providers in India are exploring the use of RPA to streamline their operations and improve patient outcomes.

### Improving medical infrastructure

The Indian government has taken several steps in order to improve the medical infrastructure in the country. The government has launched the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), which aims to support the development of medical infrastructure, including the construction of new hospitals and the upgrading of existing facilities. Additionally, the government has launched the National Rural Health Mission (NRHM), which aims to improve healthcare infrastructure and services in rural areas. Private healthcare providers and investors also play a key role in improving medical infrastructure in India. Many private healthcare providers are investing in the construction of new hospitals and clinics, as well as the deployment of advanced medical technologies and equipment.

<sup>7</sup> Economic Survey 2022-23

<sup>8</sup> <https://www.thehindubusinessline.com/specials/pulse/get-healed-in-india/article66583161.ece>

<sup>9</sup> Economic survey 2022-23

### Company overview

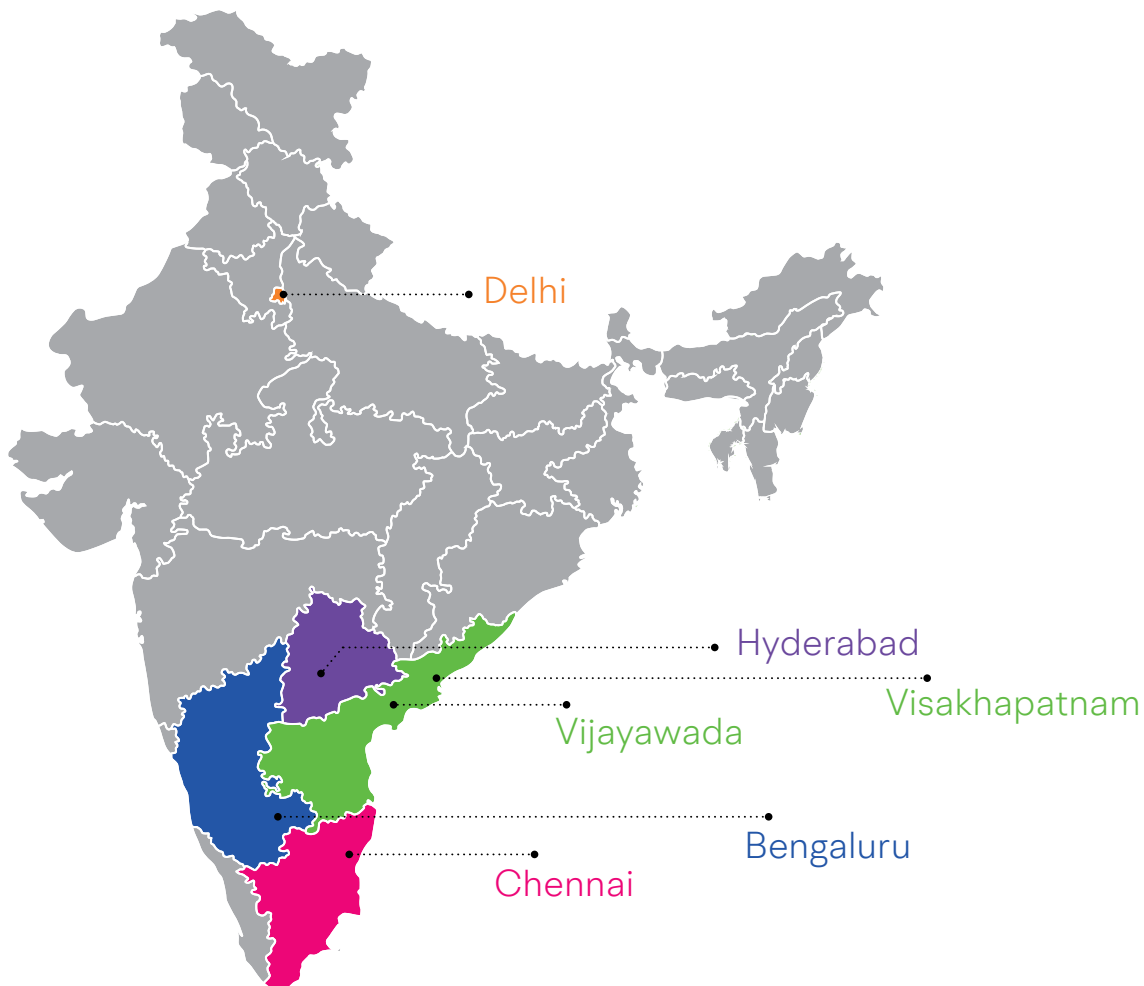
Rainbow network comprises of 16 hospitals and 3 clinics in 6 cities, with a total bed capacity of 1,655 beds. Our Pediatric services under “Rainbow Children’s Hospital” includes newborn and pediatric intensive care, pediatric multi-specialty services, pediatric quaternary care (including organ transplantation); whereas our women care services under “Birthright by Rainbow” offers perinatal care services which includes normal and complex obstetric care, multi-disciplinary fetal care, perinatal genetic and fertility care along with gynecology services.

Rainbow Children’s Hospital built on strong fundamentals of multidisciplinary approach with a full-time consultant led clinical service along with 24\*7 commitment in a child centric environment. The Company follows a hub-and-spoke operating model where the hub hospital provides comprehensive outpatient, inpatient care, with a focus on tertiary and quaternary services while the spokes provide emergency care in pediatrics and obstetrics, large outpatient services and comprehensive obstetrics, pediatric and level 3 NICU services. This model is successfully operational at Hyderabad and is gaining traction in Bengaluru. The endeavour is to replicate this approach in Chennai and across the National Capital Region. Subsequently Rainbow intends to expand into tier-2 cities of Southern India.

Rainbow embraces a unique doctor engagement model, where doctors work exclusively on a full-time, retainer basis. The doctors work in teams and have 24\*7 commitment, which is particularly important for children’s emergency, neonatal, pediatric intensive care services and to support pediatric retrieval services. The Company also operates the country’s largest pediatric DNB training programme in private healthcare, offering post graduate residential DNB and fellowship programme.

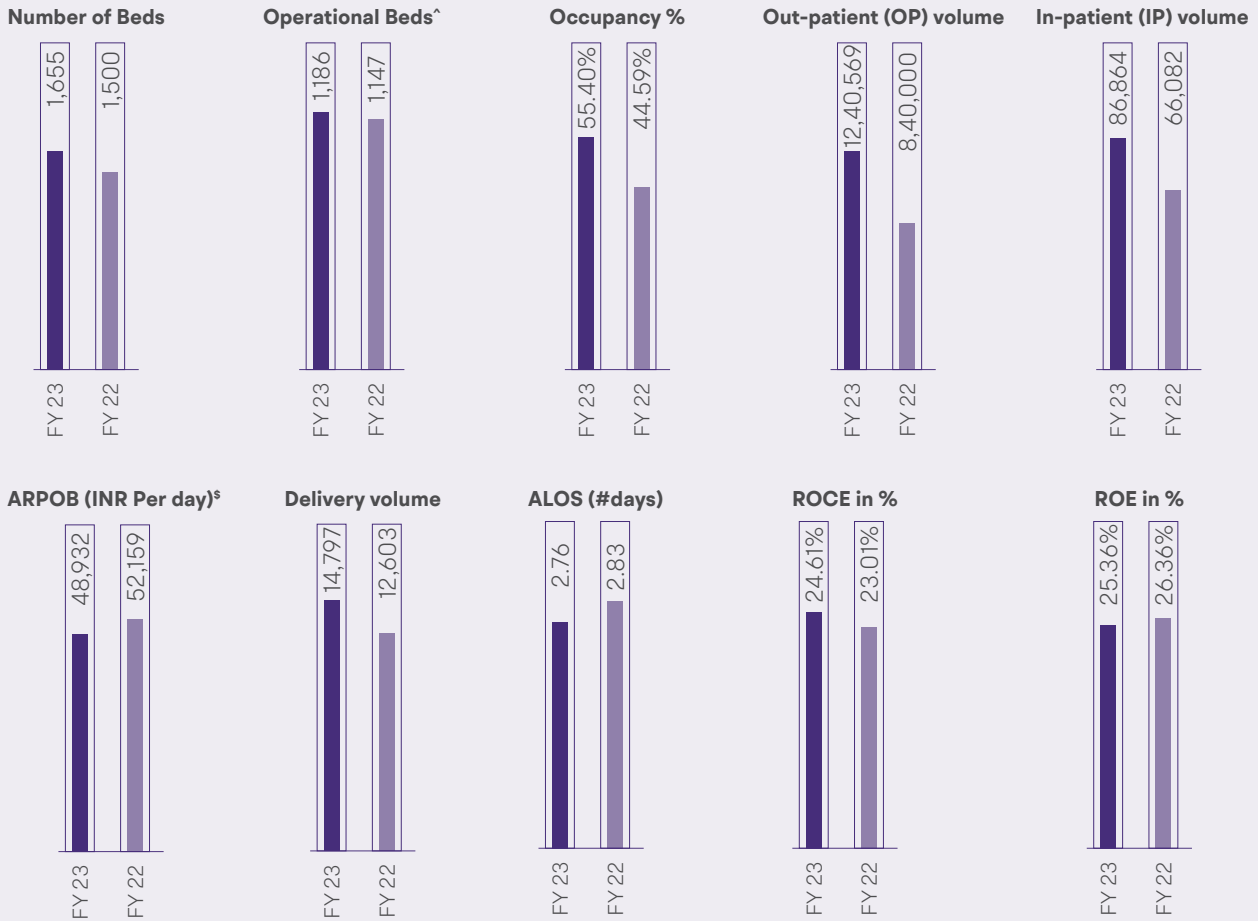


### Locations



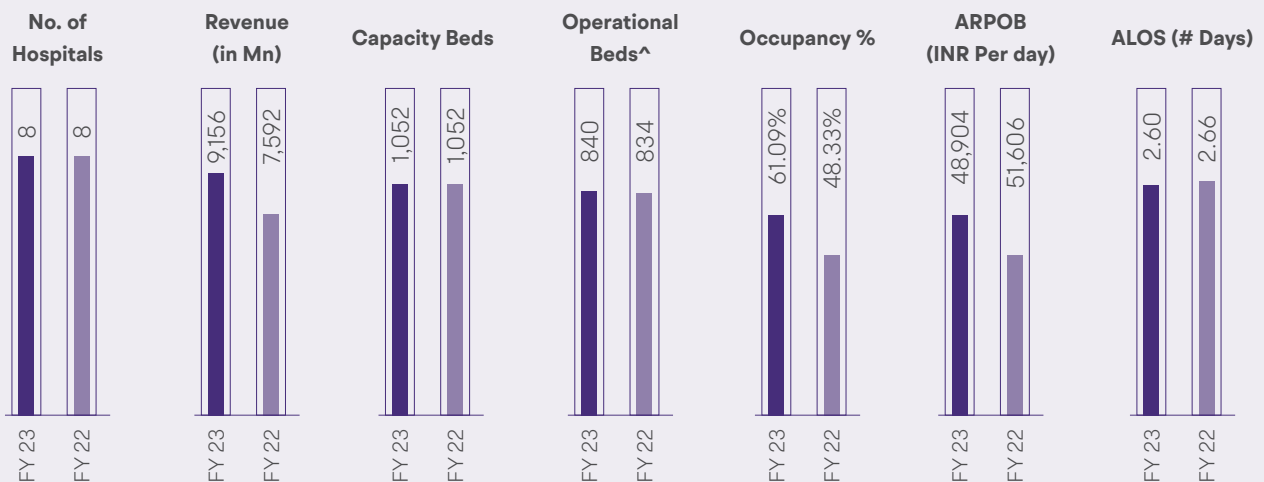
### Operational highlights

The company delivered robust operational and financial performance during the financial year FY23.



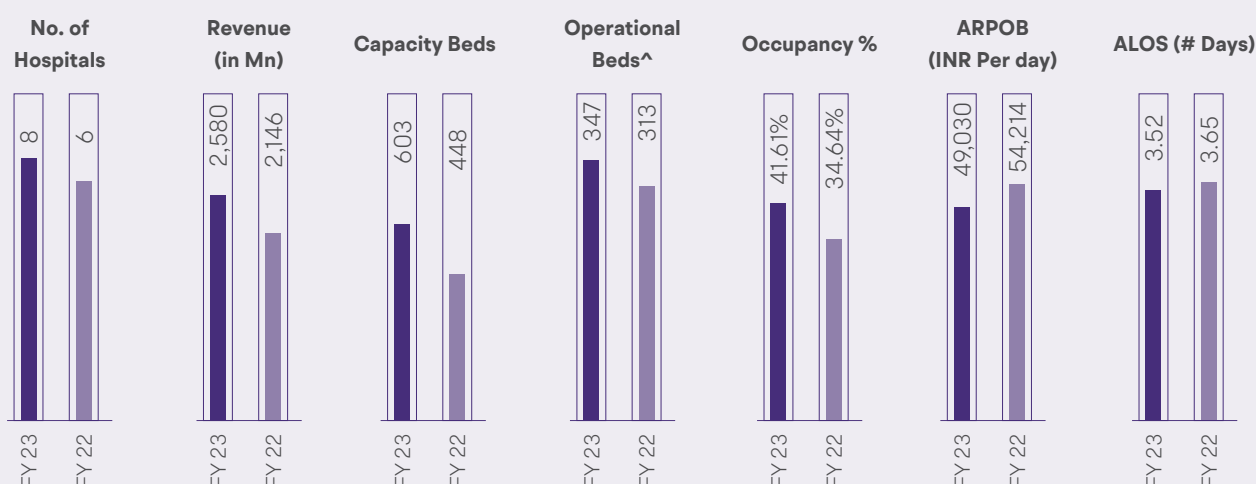
<sup>§</sup> COVID Vaccine in FY21-22 was 960 Mn. Covid vaccine revenue impact on ARPOB in FY21-22 was INR. 5,142

### Matured Hospitals\* (>5 Years)





### New Hospitals<sup>§</sup> (<5 Years)



<sup>^</sup> Financial District hospital commenced operations on 1<sup>st</sup> March, 2023 with 87 operational beds, OMR Hospital commenced operations on 1<sup>st</sup> Sep, 2022 with 45 operational beds and 8 beds were added to Rainbow Marathahalli, Bengaluru on 1<sup>st</sup> Dec, 2022. Weighted average operational beds for the period are considered for occupancy calculations

### Review of operations

The Company delivered robust operational and financial performance during the current financial year, led by high patient footfalls and profitability across hospitals in every geography. Strong momentum was witnessed for all key operating metrics like occupancy, outpatient, inpatient and delivery volumes across hospitals.

In the current year, the Company has successfully inaugurated a new hospital with 100 beds in the Financial District of Hyderabad, as well as a 55-bed hospital in Sholinganallur (OMR), Chennai. These establishments have received positive response and have been operating in line with the Company's expectations.

The construction and development of new spoke hospitals are also underway. Specifically, projects for an approximately 60-bed hospital in Central Hyderabad, an additional block adjacent to Rainbow Hydernagar in Hyderabad with approximately 50 beds, and an 80-bed hospital in Anna Nagar, Chennai are progressing satisfactorily. The Company anticipates that these hospitals will commence their operations during the latter half of the current financial year.

Furthermore, the project work for a spoke hospital in Bangalore and a regional spoke hospital in Rajahmundry is also progressing well and is expected to be completed in the next 18 months.

In FY23, the Company entered into a lease agreement for two significant projects:

- A brownfield spoke hospital with approximately 80 beds was acquired in Sarjapur, Bengaluru. This strategically

located hospital will significantly contribute to the expansion of the Rainbow network within the city. Its operation is expected to commence during the last quarter of the current financial year.

- The development of an additional block at Rainbow LB Nagar, Hyderabad has been initiated. This expansion project encompasses an outpatient department and an IVF facility, aimed at improving patient facilities and accommodating future growth at the spoke hospital.

The Company participated in an e-auction held by HSVP (Haryana Shehri Vikas Pradhikaran) and successfully secured two land parcels. The first land parcel measures approximately 9,391 square meters (2.32 acres) in sector 44 of Gurugram, while the second parcel measures approximately 4,987.10 square meters (1.23 acres) in sector 56 of Gurugram.

As part of the Company's expansion plans, the Company intend to construct a greenfield hub hospital in sector 44 with around 300 beds. This hospital will offer comprehensive outpatient and inpatient care, with a special emphasis on tertiary and quaternary services. It will serve as a referral centre for multidisciplinary paediatric and perinatal care, catering to Gurugram and the surrounding northern states. Additionally, a greenfield spoke hospital with approximately 100 beds will be built in sector 56, focusing on 24/7 emergency care, extensive outpatient services, and comprehensive obstetrics, paediatric inpatient, and level 3 NICU services.

## Financial highlights

All numbers in INR mn	FY 23	FY 22	YoY Growth	% age of revenue	
				FY 23	FY 22
<b>Income</b>					
Revenue from operations	11,736	9,738	20.52%		
Other income	308	189	62.99%		
<b>Total Income</b>	<b>12,044</b>	<b>9,927</b>	<b>21.33%</b>		
<b>Expenses</b>					
Medical consumables and pharmacy items consumed	1,583	1,947	(18.72%)	13.49%	20.00%
Employee benefits expenses	1,441	1,161	24.11%	12.28%	11.92%
Finance Cost	551	532	3.64%	4.70%	5.46%
Depreciation and amortisation expense	903	833	8.41%	7.69%	8.55%
Professional fee to doctors	2,723	2,038	33.64%	23.20%	20.93%
Other expenses	2,026	1,543	31.25%	17.26%	15.85%
<b>Total expenses</b>	<b>9,226</b>	<b>8,053</b>	<b>14.57%</b>	<b>78.61%</b>	<b>82.71%</b>
<b>EBITDA</b>	<b>3,964</b>	<b>3,049</b>	<b>30.01%</b>	<b>33.78%</b>	<b>31.31%</b>
<b>Profit Before Tax (PBT)</b>	<b>2,818</b>	<b>1,873</b>	<b>50.41%</b>	<b>24.01%</b>	<b>19.24%</b>
Tax expense					
(a) Current tax	841	576	45.94%	7.16%	5.92%
(b) Deferred tax expense/(credit)	(147)	(89)	64.21%	(1.25%)	(0.92%)
Total tax expense	694	487	42.59%	5.91%	5.00%
<b>Profit for the period/year</b>	<b>2,124</b>	<b>1,387</b>	<b>53.15</b>	<b>18.10%</b>	<b>14.24%</b>

## Revenues

The revenues for FY23 stood at INR 11,736 million, which is a growth of 20.5% compared to INR 9,738 million in FY22. Revenue growth in FY23 excluding vaccination revenue was at 33.7% (Vaccination revenue in FY22 was INR 960 million which was negligible in FY23). This increase is primarily attributable to increase in inpatient volumes by 31% (resulting in increase in occupancy from 44.59% to 55.4% in FY23) and outpatient volumes by 48% in FY23 compared to FY22.

Significant Factors contributing to the growth in revenues are stated in table below-

		FY 23	FY 22	YoY Change
In-patient (IP) volume	#	86,864	66,082	31%
Out-patient (OP) volume	#	12,40,569	840,000	48%
Delivery volume	#	14,797	12,603	17%
ARPOB	INR per day*	48,932	52,159	(5%)
ALOS	# days	2.76	2.83	(2%)
Occupancy	%	55.4%	44.59%	

\*Impact of INR -5,142 on ARPOB in FY22 on account of COVID Vaccine of INR 960 Mn. Excluding this, ARPOB growth is 5.3% in FY23

## EBITDA

The EBITDA for FY23 was INR 3,964 million, which is a growth of 30.1% compared to INR 3,049 million in FY22 driven by strong growth in revenues, lowering material costs and maintaining an optimised cost structure.

## PAT

The PAT for FY23 was INR 2,124 million, which is a growth of 53.15% compared to INR 1,387 million in FY22.

## Other income

It primarily consists of interest income, dividend and other income which increased 62.99% from INR 189.37 million to

INR 308.65 million. The increase is contributed by interest income of INR 179 million on the back of increase in fixed deposit balances & interest rate increases.

## EXPENSES

The Company's total expenses increased by INR 1,173 million or by 14.6% from INR 8,053 million in FY22 to INR 9,226 million in FY23. Increase in total expenses is majorly due to increase in employee benefits by INR 280 million, professional fees to doctors by INR 685 million and other expenses by INR 483 million for contract wages, power & fuel, repairs & maintenance, business promotion & advertisement and legal & professional fees.

### Medical consumables and pharmacy items

Purchase of medical consumables and pharmaceutical items represents procurement of medical consumables, pharmaceuticals and other items for the provision of healthcare services and related GST, customs duty (for imported medicines), other government taxes and freight charges. These items costed INR 1,583 million in FY23 and INR 1,947 million in FY22 representing 13.5% and 20% of revenues respectively. The decrease is attributable to decrease in COVID-19 vaccination revenues (with a high cost proportion of vaccine costs). COVID-19 vaccination cost amounted to 38% of total pharmaceuticals and medical consumables cost for FY22, which was negligible in FY23.

We will continue to drive our cost transformation program focused on procurement excellence that will

- rationalise drugs and consumables cost through consolidation of suppliers, standardising formulary & its adoption across units,
- bring in efficiencies in capex process and
- optimise indirect spend.

Simultaneously, efforts to drive revenues via more focused sales and marketing efforts towards large payor mix segments, an increasing focus on medical tourism and pricing reviews across medical offerings and facilities would also be emphasised upon.

On the operational excellence front, we started centralised procurement of stores requirements, implementing best in industry practices for Inventory management such as 5S, Six Sigma, Lean principles, SCM Process Re-engineering and technology transformation to reduce the TAT, maintain minimal inventory levels and reduce logistics costs.

We also started online bidding & E-auction platform process for increasing the transparency & efficiency in vendor bids to maximise the cost /Margin.

### Employee benefits expense

Salaries and benefits expenses of INR 1,441 million in FY23 increased by 24.1% compared to INR 1,161 million in FY22. The increase in employee benefits expenses was driven by increases in the average salary of the employees on account of the increments and the increase in the number of employees compared to FY22. Employee benefits expense as a percentage of the hospital's total revenue increased marginally from 11.9% in FY22 to 12.3% in FY23.

### Finance costs

Finance cost comprise primarily interest on lease liabilities under Ind AS 116 and interest on NCDs at 9.5% which was fully repaid in June 22. The financial costs increased to INR 551 million in FY23, compared to INR 532 million in FY22. The increase in interest cost was due interest expense on new lease liabilities created during the year for upcoming hospitals.

### Depreciation and amortization

Depreciation and amortization included depreciation on PPE, amortization on intangibles and Depreciation of right-of-use assets. The depreciation and amortization expense increased to INR 903 million from INR 833 million due to increase in depreciation on new units opened in FY23 and due to amortization of right to use assets.

### Professional fees to doctors

Professional fees to doctors increased due to growth in business to INR 2,723 million in FY23 as against INR 2,038 million in FY22. As a percentage of operating revenue professional fees increased from 20.9% of operating revenue during FY22 to 23.2% in FY23 on account of the increased OPD business in FY23 and reduction of business from vaccination from FY22 which had negligible fee share to doctor. The professional fees are paid on a fixed and variable basis and are dependent on the volume of business at the hospitals (as the professional fee is calculated based on the volume of patients attended to by the relevant doctor).

### Other expenses

Other expenses grew by 31.3% to INR 2,026 million in FY23 from INR 1,543 million in FY22.

Factors that contributed to increase in other expenses include administrative and repairs & maintenance expenses of the hospitals and its equipment, business promotion & advertisement, allowance for expected credit loss, CSR expenses, legal & professional fees & contract wages etc.

### Income tax expense

Income tax expense increased to INR 694 million in FY23 from INR 487 million in FY22 with an effective tax rate of 24.6% in FY23.

**Capital expenditure**

Gross block increased by INR 1,209 million to INR 7,525 million as of 31 March 2023 and the increase primarily represents new units added in FY23 of Shollinganallur & Financial District and other medical equipment. Capital work in progress of INR 208 million which includes spend towards our upcoming units at Anna Nagar, Chennai and at Central Hyderabad.



## Key financial ratios

Overall improvement in operating results led to better key financial ratios as tabulated below.

	Unit	FY 23	FY 22	Change %	Reason
<b>Liquidity ratios</b>					
Current Ratio	#	3.35	2.62	27.86%	This ratio has increased from 2.62 in March 2022 to 3.35 in March 2023 mainly due to increase in bank deposits and current investments.
Inventory Turnover Ratio	Days	9.43	15.63	(39.67%)	This ratio has decreased from 15.63 in March 2022 to 9.43 in March 2023 mainly due to mainly due to purchase of covid vaccines in previous year.
Trade Receivables/ Debtors Turnover Ratio	Days	23.77	23.08	2.98%	-
<b>Leverage ratios</b>					
Debt Equity Ratio	#	-	0.07	NIL	No Debt (As of 31st March 2023)
Debt Service Coverage Ratio	Times	3.58	4.46	(19.73)	
Interest Coverage Ratio	Times	490.81	68.5	616.51	
<b>Profitability ratios</b>					
Operating Profit Margin	%	33.78%	31.31%	7.89%	This ratio has increased in FY23 mainly due to increase in EBITDA which was on account of increase in revenue from operations.
Net profit margin	%	18.10%	14.24%	27.11%	This ratio has increased in FY23 mainly due to increase in Net profit after taxes which was on account of increase in revenue from operations.
Return on Equity Ratio/ Networth (ROE)	%	25.36%	26.36%	(3.79%)	-
Return on Capital Employed (ROCE)	%	24.61%	23.01%	6.95%	-

## Strengths

### Expertise in paediatric and perinatal care

The Company provides healthcare services in the critical areas of paediatric and perinatal care. Its expertise includes specialised medical disciplines, such as neurology, nephrology, oncology, cardiology and others. The Company's core strength lies in its remarkable capability to effectively collaborate across both paediatric and perinatal services, which sets it apart from its competitors and positions it as a prominent player within the healthcare industry.

### Embracing 24\*7 engagement

The Company offers specialised services in paediatric and perinatal care, emphasising a collaborative approach with a 24\*7 doctor engagement model. This model enables a cohesive and coordinated team effort to provide comprehensive care to patients.

### Child-friendly environment

Rainbow emphasises creating a welcoming and comforting atmosphere for children which is essential for offering

quality paediatric care. Additionally, the hospital's staff members are specially trained to interact with children, in a friendly and reassuring manner. The child-friendly atmosphere plays a pivotal role in mitigating the stress and anxiety that children may experience during their hospital visits, consequently enhancing treatment outcomes and elevating patient satisfaction. Moreover, it fosters a sense of confidence and reliance between the children, their families and the hospital staff, which is an integral component of efficient paediatric care delivery.

### Excellent brand positioning

Rainbow has established a distinguished reputation as a leading provider of paediatric healthcare services, renowned for its advanced medical care and specialised treatment options. This reputation attracts patients and referrals from healthcare professionals, augmenting the hospital's visibility and market share. Moreover, a robust brand positioning helps distinguish the hospital from its peers and fosters patient loyalty. By establishing a distinctive identity and image, the hospital can effectively communicate its values and mission to patients, creating an emotional connection that ensures patients' return for future healthcare needs.

Additionally, strong brand positioning assists in the recruitment and retention of top healthcare professionals. Rainbow's prominent brand positioning as a pioneer in paediatric healthcare draws highly skilled medical professionals who seek to work in a hospital renowned for its exceptional reputation. This makes sure that the hospitals continue to deliver the highest quality of care to their patients.

## Hub-and-spoke model

### Paediatrics and Obstetric care and emergency

Rainbow uses a hub-and-spoke approach, in which super-specialty doctors at the hub hospital may serve a greater geographic region by getting referrals from spoke hospitals for patients requiring tertiary and quaternary treatment.

Rainbow first established its hub-and-spoke approach in Hyderabad, with the Banjara Hills hospital functioning as the hub and four spoke hospitals located across the city. In Bangalore, the hub-and-spoke model is gaining traction, with the Marathahalli hospital serving as the hub and getting more complex referrals from its spoke hospitals.

## Weaknesses

### Capital-intensive industry

Prudent financial management and regular investment in equipment upgrades are crucial for the Company to maintain competitiveness within the healthcare industry. The rapid obsolescence of technology in hospitals necessitates frequent upgrades to provide the latest treatments and services. However, substantial investment in equipment acquisition and maintenance may create a strain on the Company's financial resources. Furthermore, the high costs associated with such equipment may result in elevated treatment costs for patients and may hinder the Company's ability to attract patients who cannot afford the expensive treatments.

### High burden of regulatory requirements

The Company is required to comply with a variety of regulations at the central, state and local levels. These regulations cover a wide range of areas, including patient care, privacy, safety, and record-keeping. Non-compliance with these regulations can lead to fines, legal action, and damage to the hospital's reputation. Additionally, the regulatory landscape in the healthcare industry is continuously changing, requiring the hospital to allocate resources to remain updated with new regulations and ensure compliance.

The high burden of regulatory requirements can have an impact on the hospital's ability to provide high-quality care to its patients. Complying with these regulations can

be a time-consuming process that diverts resources from patient care and can cause delays in providing essential services. Furthermore, certain regulations may restrict the hospital's ability to offer innovative treatments or services that could benefit its patients.

## Opportunities

### Underserved pediatric market

Despite the presence of approximately 250 children's hospitals in developed countries like the US, effective healthcare services for children remain scarce.

Cities with populations ranging from 40 lakhs to 50 lakhs in India, a country that is making tremendous development in many areas, are in desperate need of paediatric hospitals with a minimum of 200 beds to attend to the seriously ill and providing specialised treatment. This highlights a significant gap in the provision of high-quality paediatric healthcare services across the country. As a result, the underserved paediatric market presents a substantial opportunity for the Company to meet the growing demand for quality paediatric healthcare.

### International business

The healthcare business in India has considerable development potential, not just inside the country but also across the Indian subcontinent. To fully realise this potential, the Company must maintain a rigorous approach to creating and providing healthcare services, with a focus on both breadth and depth.

Multi-speciality hospitals in India have already begun to expand their reach beyond national borders. Looking ahead, there is immense potential for the paediatric segment of the Indian healthcare industry to attract international business in the years to come. As a result, it is crucial for the Company to prioritise the development of comprehensive, high-quality services that are capable of meeting the diverse needs of patients, both domestic and international.

## Threats

### Low bed occupancy rate

Several factors can impact the bed occupancy rates of Rainbow, many of which are beyond the control of the hospital. These include patient demographics, treatment complexity, length of hospital stays, doctor reputation, and regulatory changes. Failing to maintain or enhance bed occupancy rates despite considerable capital investments by the Business may have an adverse impact on the business and its operating performance.

### Intensive competition

Rainbow faces competition from entities that are either owned or operated by government bodies or private non-profit organisations. These competitors may avail tax

benefits and finance their capital expenditures through endowments and charitable contributions. Additionally, Rainbow may encounter new entrants in the market. In order to maintain and improve its competitive position, Rainbow has implemented various measures such as offering lucrative compensation to attract and retain quality medical professionals and providing quality services at competitive rates. However, such efforts may result in lower profitability for the Company. Failure to effectively compete with its rivals may adversely affect Rainbow's market share in the industry.

### Dependency on medical experts

The ability to attract, acquire, and retain medical experts in specialised disciplines such as paediatrics and obstetrics, particularly in areas related to corporate growth objectives, is critical to the success of business strategies and their implementation.

The recruitment and retention of medical professionals in these key specialties are of utmost importance, as their expertise and experience play a critical role in delivering quality patient care.

Moreover, the presence of these specialists can enhance the Company's reputation, leading to increased referrals and revenue growth. Nevertheless, India confronts enormous challenges in attracting experienced medical staff. Competitors can lure away skilled physicians, nurses, and technicians because there is a strong need for specialised doctors and skilled caregivers.

### CSR

The Company's approach to CSR is deeply rooted in its core values of promoting inclusive growth. CSR is recognised by the Company as an integral and strategic component of its business process, as well as a critical component of its commitment to sustainability.

The Company's CSR actions are consistent with its mission of harnessing the potential of people and natural capital to support social, economic, and environmental advancement. The primary objective of the Company's CSR policy is to establish guidelines for integrating CSR into its business process, which promotes sustainable development of society.

As a responsible corporate citizen, the Company strives to integrate its economic, environmental, and social objectives and utilise its resources effectively towards improving the quality of life and building the capacity of local communities, society, and various stakeholders.

### Human resource

The Company's human resource practices are aimed at promoting excellence in healthcare and attracting and

retaining the best talent in the industry. Its success is driven by its commitment to providing the best training programmes and career development opportunities for its employees. The National Board of Examinations has recognised the Company as an MRCPCH Examination Centre and training centre, with a leading training programme in India. The Company's multidisciplinary approach fosters a comprehensive clinical environment, enabling employees to learn and grow in the Rainbow network. The Company provides full-time physician retention support in the beginning years of employment, enriching career development and providing opportunities for growth. The number of permanent employees on the rolls of the Company as of March 31, 2023 is 3,581.

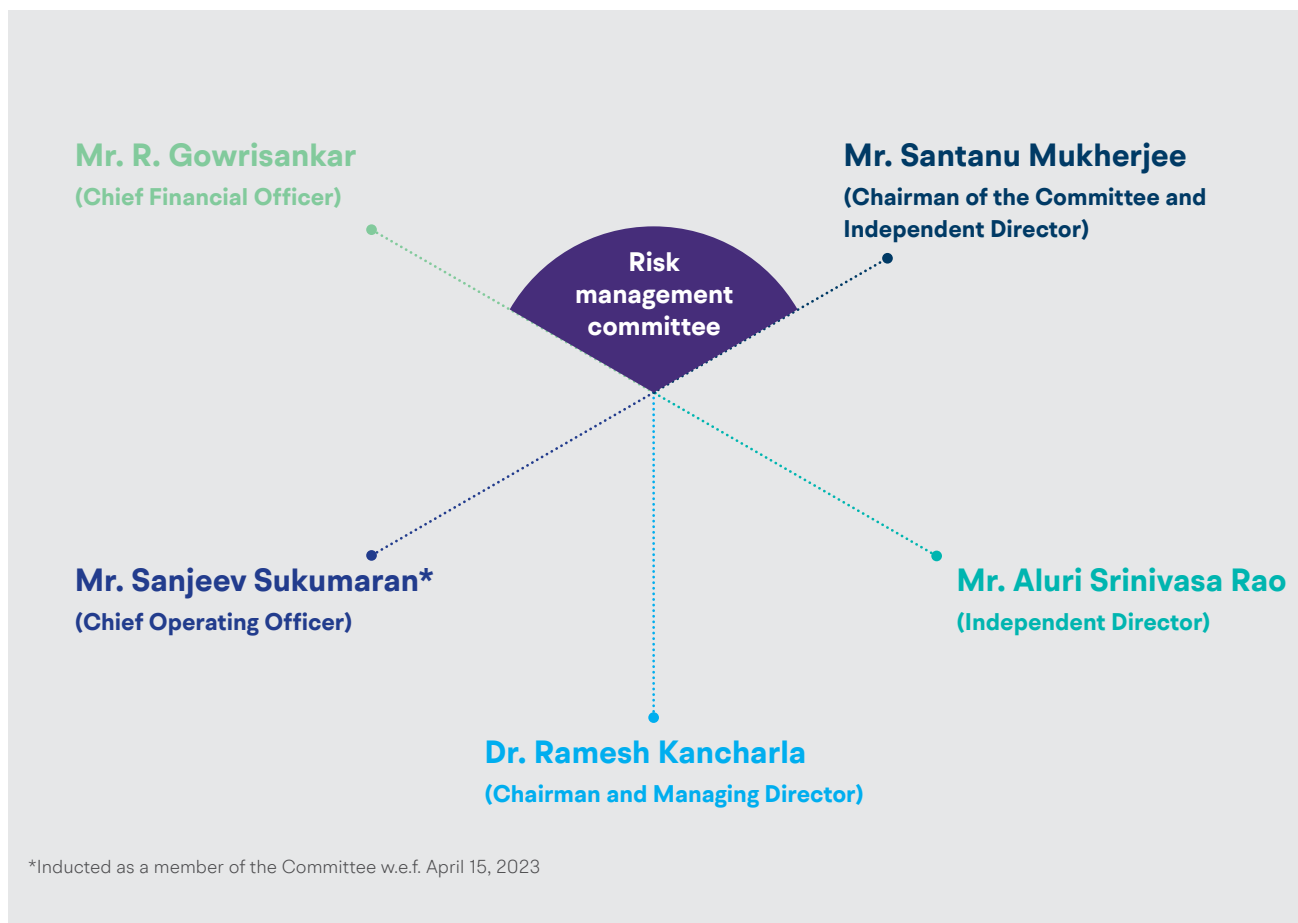
### Risk management

Rainbow has a comprehensive risk management system covering various aspects of the business, such as strategy, operations, financial reporting, and compliance. This is based on Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework.

The Risk Management Committee (RMC) of the board oversees and monitors the Risk Management exercise. Risk Management exercise is governed by a Risk Management Charter, which is approved by the RMC. Further, we have also developed a detailed Risk management process, which is reviewed and approved by RMC. The risk management and monitoring mechanisms that we have in place include process walkthroughs, concurrent auditing, and risk-based internal audit reviews, with a focus on identifying, rectifying, and monitoring the effectiveness of our internal process and any possible process gaps. Our assessment of risk is based on risk perception surveys, business environment scanning, and inputs from various internal and external stakeholders. As a part of the Risk Management exercise, the function heads prepare their comprehensive Risk Registers, which form the base documents for this exercise. Risks are given a scoring basis on the following three factors:

1. Probability of occurrence of risks
2. The severity of impact, on the occurrence of such risks
3. Detectability of such risks

Operational Leaders are responsible for highlighting new risks they come across, which are then updated in the risk register. Against each risk noted in the register, a detailed root cause, risk indicator list, and MIS monitoring mechanism are defined. A mitigation plan for the same is prepared and monitored through periodic reporting to the RMC. A monthly MIS on the risks identified in the register is prepared and presented to the management. The RMC members in the scheduled meetings take note of the status of risks and give necessary suggestions, which are actioned upon. Updates to the RMC are provided on a half-yearly basis.



### Internal control systems and their Adequacy

RMCL has a well-defined framework of internal controls commensurate to its operations' size and complexity. A dedicated Internal Audit team reports directly to the Audit Committee, comprising four independent directors overseeing the Internal Audit function. The scope, authority, and responsibility of the Internal Audit function are governed by the Internal Audit Charter, which is approved by the Audit Committee. For every financial year, the Internal Audit function develops a risk-based internal audit plan to assess control design and its operating effectiveness, which is reviewed and approved by the Audit Committee. The audit team reviews the scope defined and reports on the status of internal controls, quarterly to the Audit Committee. Before being placed to the committee, the functional heads review the internal audit reports, and corresponding action plans for each of the observations are provided with clearly defined timelines and a responsibility matrix. In its quarterly meetings, the audit committee reviews the report in detail and approves it. Further, a separate team of Auditors is deployed across all the group hospitals for concurrent review of daily transactions. A monthly review of the outcome of concurrent audit is conducted at the unit level, and a summary of the outcome is updated to management regularly. Additionally, the audit team also does annual testing of the Entity Level Controls (ELCs), and Internal Controls over Financial Reporting (ICoFR) controls laid down by the management, to provide assurance to the

committee on the status of internal controls. All the pending observations are tracked through a comprehensive Action Taken Report (ATR) format, which is presented to the audit committee along with the audit reports every quarter.

### Cautionary statement

The MDA section may contain forward-looking statements regarding future prospects. These statements involve various known and unknown risks and uncertainties, which may result in material differences between actual results and the forward-looking statements. In addition to changes in the macro-environment, the emergence of a global pandemic like COVID-19 can introduce unforeseen, unprecedented, unascertainable, and continuously evolving risks to the Company and its operating environment. The estimates and figures presented in the report are based on certain assumptions made by the Company, taking into account internal and external information that is currently available. However, the factors underlying these assumptions can change over time, leading to corresponding changes in the estimates on which they are based. It should be noted that forward-looking statements only reflect the Company's current intentions, beliefs, or expectations and only as of the date on which they were made. The Company is not obligated to revise or update any forward-looking statements in light of new information, future events, or other factors.



# Board's Report

## Dear Members,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report on the business and operations of your Company along with the audited financial statements (Consolidated as well as standalone) for the financial year ended March 31, 2023.

## FINANCIAL RESULTS

The Financial performance of your Company for the financial year ended March 31, 2023 is summarized below:

(in ₹ million)

Particulars	Year ended March 31, 2023 (Consolidated)	Year ended March 31, 2022 (Consolidated)	Year ended March 31, 2023 (Standalone)	Year ended March 31, 2022 (Standalone)
Total Income	12,044.39	9,926.95	11,452.19	9,454.14
Total Expenses	9,226.60	8,053.49	8,677.55	7,556.70
Profit/ (Loss) before Tax (PBT)	2,817.79	1,873.46	2,728.34	1,897.44
Profit/ (Loss) after Tax (PAT)	2,123.77	1,386.73	2,058.93	1,422.91

### 1. STATEMENT OF COMPANY'S AFFAIRS

The Company delivered robust operational and financial performance during the current financial year, led by high patient footfalls and profitability across hospitals in every geography. Strong momentum was witnessed for all key operating metrics like occupancy, outpatient, inpatient and delivery volumes across hospitals.

### 2. FINANCIAL PERFORMANCE

#### I. Consolidated Performance

During the year under review, the consolidated income of the Company increased to ₹ 12,044.39 million compared to ₹ 9,926.95 million in the previous year, registering a growth of 21.33%. The consolidated net profit after tax increased to ₹ 2,123.77 million compared to ₹ 1,386.73 million in the previous year, representing a growth of 53.15%.

#### II. Standalone Performance

During the year under review, the standalone income of the Company increased to ₹ 11,452.19 million compared to ₹ 9,454.14 million in the previous year, registering a growth of 21.13%. The standalone net profit after tax increased to ₹ 2,058.93 million compared to ₹ 1,422.91 million in the previous year, representing a growth of 44.70%.

### 3. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the Financial Year 2022-23, are prepared in compliance with applicable provisions of the Companies Act, 2013 ("the **Act**"), Indian Accounting

Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its Subsidiaries, as approved by their respective Board of Directors.

### 4. DIVIDEND

During the Financial Year, your Company declared and paid dividend as under:

Date of Declaration	Dividend Type	Dividend Per Share
September 15, 2022	Final Dividend	₹ 2/-

Your Directors are pleased to recommend dividend of ₹ 3/- per Equity Share of face value of ₹10/- each as Final Dividend for the Financial Year 2022-23, for approval by the shareholders at the ensuing Annual General Meeting ("**AGM**") of the Company.

The Dividend Distribution Policy of the Company is also available at the website of the Company at: [https://www.rainbowhospitals.in/investor-relations/reports/Dividend\\_Distribution\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/Dividend_Distribution_Policy.pdf).

### 5. TRANSFER TO RESERVES

During the year under review, no amount has been transferred to the General Reserve of the Company.

### 6. INITIAL PUBLIC OFFER

During the year under review, the Company successfully completed its Initial Public Offering ("**IPO**")

in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, wherein 51,67,679 Equity Shares were issued through a fresh issue and 2,40,00,900 Equity Shares were allotted through offer for sale. The IPO comprised of a fresh issue of ₹2,800 million and an offer for the sale of ₹13,008.49 million by the selling shareholders.

The public issue was opened on April 27, 2022 and closed on April 29, 2022 at an offer price of ₹542\*/- per Equity Share (including a share premium of ₹532/- per Equity Share). The Company's IPO received an overwhelming response and was oversubscribed by 12.43 times, reflecting a huge investor appetite for the issue. The Equity Shares were allotted on May 6, 2022 at an offer price of ₹542\*/- per Equity Share to the respective applicants under various categories. The Equity Shares of the Company were listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (collectively referred to as "Stock Exchanges") on May 10, 2022.

\*A discount of ₹20 per Equity Share was offered to the Eligible Employees bidding in the Employee Reservation Portion.

During the Financial Year 2022-23, the Company has utilised the IPO proceeds in accordance with objects of the offer as mentioned below:

(in ₹ million)				
S. No.	Particulars	Amount Allocated	Funds Utilized	Reasons for delay in utilisation of IPO Proceeds
1	Early redemption of Non-Convertible Debentures (NCDs) issued by our Company to CDC Emerging Markets Limited ("CDCEML"), one of our Group Companies, in full.	400.00	400.00	NA
2	Capital expenditure towards setting up of new hospitals and purchase of medical equipment for such new hospitals.	1,700.00	327.29	Delay in execution of one of the project has resulted in less spend of IPO money raised against the target provided in the prospectus of ₹ 1,065 million.
3	General corporate purposes	561.40	Nil	As the Company is utilising the funds generated from operations, the said proceeds were not utilised.
<b>Total</b>		<b>2,661.40</b>	<b>727.29</b>	

There was no deviation or variation in the utilization of proceeds of IPO from the objects of Offer stated in the Prospectus dated May 2, 2022. Further, the detailed Monitoring Agency Report for such utilization of IPO proceeds received by the Company from its Monitoring Agency i.e., HDFC Bank, on quarterly basis affirming no deviation or variation in utilisation of the issue proceeds from the objects stated in prospectus dated May 2, 2022 was submitted to Stock Exchanges in compliance with the aforesaid regulations.

## 7. LAND ACQUISITION

Subsequent to the year under review, the Board of Directors have approved the purchase of two parcels of land admeasuring 9,391 Sq Mtr (~ 2.32 acres) and 4,987.10 Sq Mtr (~ 1.23 acres), situated in Sector 44 and Sector 56 respectively, Gurugram, Haryana ("Land Parcels"), being offered to the Company for allotment on freehold basis for setting up two hospitals, by Haryana Shehri Vikas Pradhikaran ("HSVP"). As on the date of this Board's Report, the Company awaits for the allotment letter to be received from HSVP.

The proposed expansion will strengthen the company's existing footprint in the National Capital Region by setting up two hospitals with capacity of ~400 beds in Gurugram enabling it to cater to the growing healthcare needs of the residents of Gurugram and neighborhood. The addition of these two hospitals will provide increased access to specialized pediatric and perinatal care services in the geography.

## 8. CHANGES IN SHARE CAPITAL

### I. Changes in Authorized Share Capital

Pursuant to the Shareholders Resolution dated September 15, 2022 the Authorized Share Capital of your Company was changed from ₹ 1,50,00,00,000/- divided into (a) 13,90,55,616 Equity Shares of ₹ 10/- each (b) 11,46,771 - Series A 0.0001% Compulsorily Convertible Preference Shares of ₹ 48/- each, and (c) 11,33,309 Series B 0.0001% Compulsorily Convertible Preference Shares of ₹ 48/- each to ₹ 1,50,00,00,000/- divided into 15,00,00,000 Equity Shares of ₹ 10/- each by way of cancellation of unissued authorized preference share capital.

## II. Changes in Paid-up Share Capital

During the year under review, the paid-up share capital was changed in the following manner:

- a) Allotment of 22,80,080 Equity Shares on April 4, 2022 on account of conversion of (i) 11,46,771 0.0001% Series A Compulsorily Convertible Preference Shares of face value of ₹ 48/- each into 11,46,771 Equity Shares of ₹ 10/- each and (ii) 11,33,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of ₹ 48/- each into 11,33,309 Equity Shares of ₹ 10/- each, at a conversion ratio of 1:1 as per the terms of the Restated Shareholder's Agreement dated March 29, 2016 as amended thereafter, ranking pari passu with the existing Equity Shares.
- b) Allotment of 51,67,679 Equity Shares of ₹ 10/- under the IPO on May 6, 2022;

As a result of above, the paid-up share capital of the Company increased from ₹ 1,04,99,83,120/- divided into (a) 94,053,928 Equity Shares of ₹ 10/- each (b) 11,46,771 - Series A 0.0001% Compulsorily Convertible Preference Shares of ₹ 48/- each, and (c) 11,33,309 Series B 0.0001% Compulsorily Convertible Preference Shares of ₹ 48/- each to ₹ 1,01,50,16,870 divided into 10,15,01,687 Equity Shares of ₹ 10/- Each.

## 9. REDEMPTION OF NON-CONVERTIBLE DEBENTURES (NCDs)

During the year under review, on June 9, 2022, your Company has redeemed NCDs of ₹ 400 million issued to CDC Emerging Markets Limited, in full from the proceeds of IPO.

## 10. EMPLOYEES STOCK OPTION PLAN /SCHEME

During the year under review, there has been no change in the Rainbow Employee Stock Option Scheme 2021 ("ESOP Scheme 2021 or Scheme") as the scheme has not been implemented till yet.

Subsequent to the year under review, the Members of the Company had approved the "Rainbow Children's Medicare Limited – Employees Stock Unit Plan 2023" ("Stock Unit Plan 2023"/ "Plan") by passing the special resolution through Postal Ballot on May 6, 2023 for issue of stock units to eligible employees, which may result in an issuance of a maximum number of 4,00,000 Equity Shares i.e., 4,00,000 Stock Units. The Stock Unit Plan 2023 is administered by the Nomination and Remuneration Committee.

Disclosure as stipulated under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with regard to the ESOP Scheme 2021 and Stock Unit Plan 2023 is not applicable for the Financial year 2022-23.

## 11. SUBSIDIARIES

A report on the performance and financial position of each of the subsidiaries and their contribution to the overall performance of the company for the financial year ended March 31, 2023 in prescribed Form AOC -1 as per the Companies Act, 2013 is set out in **Annexure- 1** and forms an integral part of this Annual Report.

The annual financial statements of the subsidiaries shall also be made available to the Members of the Company/ Subsidiary Companies seeking such information at any point of time. The annual Financial Statements of the subsidiaries are available under investors section on the website of the Company at <https://www.rainbowhospitals.in/investors-relations/subsidiary-financials>

The Company has formulated a policy for determining material subsidiaries. The said policy is also available on the website of the Company at: <https://www.rainbowhospitals.in/investorrelations/reports/policy/Policy%20for%20determining%20Material%20Subsidiary.pdf>

During the year under review, no Company has become or ceased to a subsidiary, joint venture or associate of the Company.

## 12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

No material changes and commitments, other than disclosed as part of this report, affecting the financial position of the Company have occurred between March 31, 2023 and as on the date of the report.

## 13. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit as prescribed under Chapter V of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## 14. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and annexed herewith as **Annexure- 2** to this Report.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Further, the Report is being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, any shareholder interested in obtaining a copy thereof may write to the Company Secretary of the Company at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in).

## 15. AUDIT COMMITTEE

The composition of Audit Committee has been detailed in the Corporate Governance Report, forming part of this Annual Report.

All recommendations made by the Audit Committee have been accepted by the Board of Directors.

## 16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### I. Directors

#### Retirement by rotation and subsequent re-appointment

Dr. Dinesh Kumar Chirla (DIN: 01395841), Whole-time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers himself for re-appointment. Appropriate resolution for his re-appointment is being placed for the approval of the Members of the Company at this AGM.

A brief profile of Dr. Dinesh Kumar Chirla and other related information is detailed in the Notice convening the 25<sup>th</sup> AGM of your Company.

#### Re-appointment of Independent Director

The Board of Directors in their meeting held on May 14, 2023, basis on the recommendation of the Nomination and Remuneration Committee and performance evaluation, approved the re-appointment of Dr. Anil Dhawan as an Independent Director for a second term of 5(five) consecutive years commencing from August 30, 2023 to August 29, 2028, subject to approval of the shareholders at the 25<sup>th</sup> Annual General Meeting.

Appropriate resolution for his re-appointment is being placed for the approval of the Members of the Company at the 25<sup>th</sup> AGM.

A brief profile of Dr. Anil Dhawan and other related information is detailed in the Notice convening the 25<sup>th</sup> AGM of your Company.

During the year under review, there is no change in the composition of Board of Directors of your Company.

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI Listing Regulations. The Independent Directors have affirmed compliance to the Code of Conduct for Independent Directors as prescribed in Schedule IV to the Act.

In the opinion of the Board, Independent Directors fulfil the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI Listing Regulations and are independent from Management. The Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) in their respective fields. The Independent Directors have also confirmed that they have registered their names in the Independent Directors' databank with the Indian Institute of Corporate Affairs.

None of the Directors of the Company are disqualified as per the provisions of Section 164 of the Act. The Directors of the Company have made necessary disclosures under Section 184 and other relevant provisions of the Act.

### II. Key Managerial Personnel

In accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the Key Managerial Personnel of the Company as on March 31, 2023.

1. Dr. Ramesh Kancharla - Chairman and Managing Director;
2. Dr. Dinesh Kumar Chirla - Whole Time Director;
3. Mr. R Gowrisankar - Chief Financial Officer; and
4. Mr. Ashish Kapil - Company Secretary and Compliance Officer.

During the year under review, there is no change in the key managerial personnel of your Company.

Subsequent to the year under review, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, at their meeting

held on April 15, 2023 appointed Mr. Sanjeev Sukumaran as Group Chief Operating Officer (Key Managerial Personnel) of the Company in accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI Listing Regulations.

## 17. BOARD'S EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and Individual Directors pursuant to the provisions of Companies Act, 2013.

A structured questionnaire was prepared after taking into consideration the inputs received from Nomination and Remuneration Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. The performance evaluation of Non-Independent Directors, Board as a whole and the Chairman of the Company was evaluated in a separate meeting of Independent Directors taking into account the views of executive Directors and non-executive Directors.

The feedback and results of the questionnaire were collated and consolidated report was shared with the Board for improvements of its effectiveness. The Directors expressed their satisfaction with the evaluation process.

Further, the evaluation process confirms that the Board and its Committees continue to operate effectively and the performance of the Directors and Chairman is satisfactory.

## 18. REMUNERATION POLICY

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee of the Company, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

The salient features of the Policy are:

- i. It lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company;

- ii. To recommend to the Board the policy relating to the remuneration of the Directors, KMP and Senior Management/Other Employees of the Company; and
- iii. Reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board), determine and approve executive Directors' compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

During the year under review, there has been no change to the Policy.

The Nomination and Remuneration Policy of the Company is available on the website of the Company and can be accessed at the following web link: [https://www.rainbowhospitals.in/investor-relations/reports/policy/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/policy/Nomination_and_Remuneration_Policy.pdf)

## 19. NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board met Nine (9) times during the Financial Year 2022-23. The details of the meetings of the Board and Committees along with its composition and respective terms of reference thereof are given in the Corporate Governance Report, which forms an integral part of this Annual Report.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- I. In the preparation of the annual accounts for the Financial Year ended March 31, 2023, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- II. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2023 and of the profit of the Company for the Financial Year ended March 31, 2023;
- III. proper and sufficient care has been taken for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- IV. the annual accounts have been prepared on a 'going concern' basis;
- V. proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- VI. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 21. AUDITORS AND AUDITORS' REPORT

### I. Statutory Auditors

The shareholders in the 20<sup>th</sup> AGM, approved the appointment of M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024), as the Statutory Auditors, for a period of five (5) years i.e. from the conclusion of the 20<sup>th</sup> AGM held on July 19, 2018 till the conclusion of 25<sup>th</sup> AGM of the Company.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

The Auditors' Report for the Financial Year ended March 31, 2023, does not contain any qualification, reservation or adverse remark. Further the Auditors' Report being self-explanatory does not call for any further comments from the Board of Directors.

As the maximum "Statutory Tenure" of M/s. BSR & Associates LLP, Chartered Accountants, (Existing Statutory Auditors) to continue as auditors of the Company is about to end at the conclusion of forthcoming 25<sup>th</sup> Annual General Meeting (AGM), the Board of Director of the Company on the recommendation of Audit Committee, subject to approval of Shareholders of the Company, in their meeting held on May 14, 2023, appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W/E300004), as Statutory Auditors for a period of 5 (five) consecutive years commencing from the conclusion of the 25<sup>th</sup> Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting. The Board of Directors recommends the proposed appointment for the approval of Shareholders.

M/s. S.R. Batliboi & Associates LLP, have confirmed that they have not been disqualified to act as Statutory Auditors of the Company and that their appointment is within the maximum ceiling limit as prescribed under Section 141 of Companies Act, 2013/ relevant statute.

### II. Maintenance of Cost Records and Cost Auditors

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year. Accordingly such accounts and records were made and maintained for the financial year 2022-23.

The Board of Directors on the basis of recommendations from Audit Committee has appointed M/s. Lavanya & Associates, Sole Proprietorship firm (Firm Reg. No: 101257), represented by K.V.N. Lavanya, Sole Proprietor (Membership No: 31069), as Cost Auditors of the Company for the Financial Year 2023-24 at a fee of ₹ 2,00,000/- (Rupees Two Lakhs Only) plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the shareholders at the ensuing AGM.

The Cost Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

### III. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. Ravi & Subramanyam Company Secretaries ("**Secretarial Auditors**") to conduct the Secretarial Audit of your Company for the Financial Year 2022-23.

The Secretarial Audit Report for the Financial Year ended March 31, 2023 is annexed herewith as **Annexure- 3** and forms an integral part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Secretarial Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

## 22. ANNUAL RETURN

As required under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the Company's website at <https://www.rainbowhospitals.in/investor-relations/reports/Draft-Annual-Return-FY-2022-23.pdf>

## 23. RELATED PARTY TRANSACTIONS

In compliance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <https://www.rainbowhospitals.in/investor-relations/reports/policy/Policy%20on%20dealing%20with%20Related%20Party%20Transactions.pdf>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

All related party transaction entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transaction, was entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

## 24. LOANS AND INVESTMENTS

Details of Loans, Guarantees given and Investments made by the Company during Financial Year 2022-23 within the meaning of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Schedule V of the SEBI Listing Regulations, are set out in Note No. 2.2 and in Note No. 2.10 to the Standalone Financial Statements of the Company.

## 25. RISK MANAGEMENT

Your Company has a Risk Management Committee which monitors and reviews the risk management plan / process of your Company. The Company has adequate risk management procedures in place. The major risks are assessed through a systemic procedure of risk identification and classification. Risks are prioritised according to significance and likelihood.

The Risk Management Committee oversees the risk management processes with respect to all probable risks that the organization could face such as strategic, financial, liquidity, security including cyber security, regulatory, legal, reputational and other risks. The Committee ensures that there is a sound Risk Management Policy to address such risks. There are no elements of risk which in the opinion of the Board may threaten the existence of the Company.

The details of the Risk Management Committee are given in the Corporate Governance Report which forms integral part of this Annual Report.

## 26. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

In Compliance with the provisions of section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, the Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, illegal or unethical practices, unethical behaviour, actual or suspected fraud. Adequate safeguards are provided against victimization to those who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided.

The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is made against any person. The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website at [https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle\\_Blower\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle_Blower_Policy.pdf)

## 27. CORPORATE SOCIAL RESPONSIBILITY

The prime objective of our Corporate Social Responsibility policy is to hasten social, economic and environmental progress. We remain focused on generating systematic and sustainable improvement for local communities surrounding our Hospitals.

The Board of Directors of your Company has formulated and adopted a policy on Corporate Social Responsibility which can be accessed at: [https://www.rainbowhospitals.in/investor-relations/reports/policy/CSR\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/policy/CSR_Policy.pdf)

The annual report on corporate social responsibility activities containing composition of CSR committee and disclosure as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached and marked as **Annexure – 4** and forms part of this report.

## 28. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report of financial performance and results of operations of the Company, as required under the SEBI Listing Regulations is provided in a separate section and forms an integral part of this report. It inter-alia gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's business, risks and concerns and material developments during the financial year under review.

## 29. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report, as required under the SEBI Listing Regulations, describing the initiatives taken by the Company from environment, social and governance perspective is provided in a separate section and forms an integral part of this Report.

## 30. CORPORATE GOVERNANCE REPORT

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. Separate report on Corporate Governance, forms an integral part of this Annual Report.

A certificate from M/s. BS & Company Company Secretaries LLP, confirming compliance with the conditions of corporate governance is also attached to the Corporate Governance Report.

## 31. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee ("ICC") as specified under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company conducts sessions for employees to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

During the period under review, no complaint was received by the ICC.

## 32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is given below:

### A. Energy Conservation:

The Company has continued its efforts to reduce its energy consumption year on year.

Some of the key measures taken by the Company are as below:

### I. Energy conservation measures taken/ Utilizing alternate sources of energy:

- Building Management System (BMS) for efficient HVAC operations
- Usage of Energy efficient equipment at all levels.
- Upgrade/replacement of equipment like ACs, Lighting system etc
- Switching off ACs at unutilized areas and fixing AC temperatures at 23 degrees for nonclinical Areas;
- Insulations to AC units and supply line to avoid AC wastages
- Switching to LED light fixtures.
- Evaporative pre-cooling of air around the outdoor units.
- Solar Power pack installation initiative.
- Reduction in specific consumption for compressor by regular maintenance
- Reducing virtual energy consumption kVAh by repairing/installing capacitors.
- The outdoor units are serviced once in 15 days to keep them clean & maintain the heat exchange surfaces effective
- Efficient Chillers, DG sets, and Pumps have been installed for New Projects
- Variable Frequency Drives ("VFD") have been installed to conserve energy across Hospitals
- Installation of Motion sensors for auto switch off lighting system
- Installation of solar rooftops, solar water heaters and energy-saving heat pumps.



**II. Impact of Measures:**

The energy conservation measures taken from time to time by your Company have resulted in considerable reduction of energy and thereby reducing the cost.

**III. Capital Investment on Energy conservation Equipment:**

During the year under review, the Company has spent about ₹ 19.78 Million as capital investment on various energy conservation initiatives like Solar Heating System, LED Lights Fixtures, Motion Sensors, Variable Frequency Drives, Heat Pumps and Solar roof tops.

**B. Technology Absorption:****I. Technology Absorption, Adaptation & Innovation:****1) Efforts made towards technology absorption:**

- Implementation of QR based facility management application to Digitalize the everyday functions of Engineering and Maintenance team with an overall objective to bring quantitative and qualitative benefits.
- Variable Frequency Drives (VFDs) have been used in Chillers and critical AHUs.
- Recirculation of treated water to reduce water wastage
- Solar rooftops and Eco-Friendly STPs
- Aerators to reduce water wastage
- Registration of all new projects for Green Building accreditations.
- Implementation of salesforce as the Customer Relationship Management (CRM) application
- Implementation of Palo Alto as the firewall system

**2) Benefits derived as a result of the above efforts:**

The Company achieved Operational cost reduction, resource optimization, Energy sources sustainability, Carbon emission reductions and improving the life span of Assets etc.

**3) In case of imported technology (imported during the last three years reckoned from the beginning of the FY 2022-23):** None

**4) Expenditure incurred on Research and Development:**

No expenditure was incurred on Research and Development by the Company during the period under review.

**C. Foreign exchange earnings and outgo**

S. No.	Particulars	Amount (In ₹ Million)
1	Foreign Exchange Earnings	1.87
2	Foreign Exchange Outgo	55.28

**33. INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY**

Your Company has in place an adequate internal financial control framework with reference to financial and operating controls thereby ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information and such controls are operating effectively.

During Financial Year 2022-23, such controls were tested and no reportable material weakness in the design or operation was observed.

The Directors have in the Directors Responsibility Statement confirmed the same to this effect.

**34. DISCLOSURE RELATED TO INSOLVENCY AND BANKRUPTCY:**

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year is not applicable.

**35. NO DIFFERENCE IN VALUATION:**

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

### 36. SIGNIFICANT/ MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/ material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

### 37. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and shareholders (SS-2).

### 38. ACKNOWLEDGEMENT & APPRECIATION

Your Directors express their sincere appreciation for the assistance and co-operation received from the

Government authorities, financial institutions, banks, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the employees.

**For and on behalf of Board of Directors**

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

**Place:** Hyderabad  
**Date:** May 14, 2023

# ANNEXURE-1

## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures**

### Part "A": Subsidiaries

(All amounts in ₹ Million)

S. No.	Name of Subsidiary	Date on which subsidiary was acquired	Country of Incorporation	Reporting Currency	Closing exchange rate against Indian Rupee as on Mar 31, 2023	% of Holding	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments (in Subsidiaries)*	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(16)
1	Rainbow Children's Hospital Private Limited	29/11/2010	India	INR	1	100%	0.10	-0.05	0.10	0.05	0	0	0.13	0.03	0.09	-
2	Rainbow Speciality Hospitals Private Limited	30/11/2010	India	INR	1	78.81%	180	56.22	447.05	210.83	142.51	415.78	96.31	23.49	72.82	18
3	Rainbow Women & Children's Hospital Private Limited	13/12/2010	India	INR	1	100%	0.10	-0.15	0.14	0.19	0	0	0.69	0.17	0.52	-
4	Rosewalk Healthcare Private Limited	18/12/2018	India	INR	1	100%	360.47	-415.81	170.77	226.12	277.81	210.63	-27.12	0	-27.12	-
5	Rainbow Fertility Private Limited	05/08/2019	India	INR	1	100%	45.00	5.47	51.11	0.64	45.00	0	2.47	0.62	1.85	-
6	Rainbow C R O Private Limited	14/11/2019	India	INR	1	100%	0.10	0.19	0.45	0.16	0.10	0.59	0.56	0.14	0.42	-

\* Investments are net off impairment

The reporting period for all the subsidiaries is March 31, 2023.

### Part "B": Associates and Joint Ventures:

As on March 31, 2023 the Company has no Associates and Joint Ventures.

**For and on behalf of the Board of Directors of  
Rainbow Children's Medicare Limited**

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

**R. Gowrisankar**  
Chief Financial Officer

**Place:** Hyderabad  
**Date:** May 14, 2023

**Dr. Dinesh Kumar Chirla**  
Whole-Time Director  
DIN: 01395841

**Ashish Kapil**  
Company Secretary & Compliance Officer

# ANNEXURE-2

## Disclosures pertaining to remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2023.

### A. The ratio of the remuneration paid to each director during the year to the median remuneration of the employees of the Company for the Financial Year:

S. No.	Name of the Director	Category	Ratio of Remuneration to the median remuneration of the employees
1.	Dr. Ramesh Kancharla	Chairman & Managing Director	230
2.	Dr. Dinesh Kumar Chirla	Whole-time Director	139*
3.	Dr. Anil Dhawan	Independent Director	7
4.	Mr. Aluri Rao Srinivasa	Independent Director	7
5.	Ms. Sundari R. Pisupati	Independent Director	6
6.	Mr. Santanu Mukherjee	Independent Director	7

\* Includes Professional fee also

### B. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary, in the Financial Year:

S. No.	Name	Designation	% Increase in Remuneration in the Financial Year
1.	Dr. Ramesh Kancharla	Chairman & Managing Director	Nil**
2.	Dr. Dinesh Kumar Chirla	Whole-time Director	15.96
3.	Dr. Anil Dhawan	Independent Director	Nil
4.	Mr. Aluri Srinivasa Rao	Independent Director	Nil
5.	Ms. Sundari R. Pisupati	Independent Director	Nil
6.	Mr. Santanu Mukherjee	Independent Director	Nil
7.	Mr. R Gowrisankar	Chief Financial Officer	25
8.	Mr. Ashish Kapil	Company Secretary & Compliance Officer	10

\*\* Dr. Ramesh Kancharla received a total remuneration of INR 6,00,00,004/- in Financial Year 2022 and INR 6,75,73,984/- in Financial Year 2023. However, there is no increase in the remuneration of Dr. Ramesh Kancharla in the Financial Year 2023, the difference is on account of below reasons:

- In Financial Year 2022, Dr. Kancharla took a voluntary pay cut of INR 50,00,000/- ~ equivalent to one-month gross pay on account of Covid; and
- Dr. Kancharla received Leave Travel Allowance of INR 25,73,980/- in Financial Year 2023.

### C. Percentage increase in the median remuneration of employees in the Financial Year:

The average percentage increase in the median remuneration of employees in the Financial Year is 7.3%.

### D. Number of permanent employees on the rolls of the Company:

The number of permanent employees on the rolls of the Company as of March 31, 2023 is 3581.

### E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in the salaries of employees other than Managerial Personnel was 12.2%. The

above table contain the details of remuneration paid to the managerial personnel. The remuneration paid to managerial personnel is basis prevailing market trends, Company Performance and overall responsibility matrix and the same is in line with the resolutions approved by the Board of Directors and/or Shareholders.

### F. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby confirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of Board of Directors

Dr. Ramesh Kancharla  
Chairman and Managing Director  
DIN: 00212270

Place: Hyderabad  
Date: May 14, 2023

# ANNEXURE-3

## Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

To,  
The Members,  
**RAINBOW CHILDREN'S MEDICARE LIMITED**  
Hyderabad

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RAINBOW CHILDREN'S MEDICARE LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **March 31, 2023**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, ~~Overseas Direct Investment~~ and External Commercial borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, resolutions were carried through majority. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meetings held during the period under review.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the following are the major Events:

1. The Company has converted 11,46,771 0.0001% Series A Compulsorily Convertible Preference Shares of face value ₹ 48/- each into 11,46,771 Equity Shares of ₹ 10/- each and 11,33,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value ₹ 48/- each into 11,33,309 Equity Shares of ₹ 10/- each, at a conversion ratio of 1:1.
2. The Company has allotted 51,67,679 Equity Shares of face value ₹ 10/- each, pursuant to fresh issue of shares through Initial Public Offer.
3. The Company has obtained the listing status and is Listed on National Stock Exchange of India Limited and BSE Limited.
4. 7,29,209 Compulsorily Convertible Debentures held by the Company in M/s. Rosewalk Healthcare Private Limited, Wholly owned Subsidiary Company, were converted into 7,29,209 equity shares of face value ₹10/- each, at a conversion ratio of 1:1.
5. The Company has acquired an additional 3,10,00,000 equity shares of face value ₹ 10/- each amounting to INR. 31,00,00,000/- in M/s. Rosewalk Healthcare Private Limited, Wholly Owned Subsidiary Company on rights basis.
6. After the closure of Financial Year and before the date of this report the Company has approved the Rainbow Children's Medicare Limited - Employees Stock Unit Plan 2023 through Postal Ballot.

**For Ravi & Subramanyam Company Secretaries**

**K.V.S. Subramanyam**

**FCS No.: 5400**

**C P No.: 4815**

**PR.No: 1349/2021**

**UDIN: F005400E000301223**

**Place:** Hyderabad

**Date:** 14.05.2023

**Note:** This report is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

**Annexure**

To,  
The Members,  
**RAINBOW CHILDREN'S MEDICARE LIMITED**  
Hyderabad

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc..
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable laws
8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws, Labour Laws, General and other specific Laws as may be applicable to the Company, have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

**For Ravi & Subramanyam Company Secretaries**

**K.V.S. Subramanyam**

**FCS No.: 5400**

**C P No.: 4815**

**PR. NO: 1349/2021**

**UDIN: F005400E000301223**

**Place:** Hyderabad

**Date:** 14.05.2023

# ANNEXURE-4

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company:

The Company approach towards Corporate Social Responsibility ("CSR") is based upon its core values, which include fostering inclusive growth by sharing some of the wealth we create with the society at large. CSR has always been and shall always be an integral and strategic part of our business process. It is a vital constituent of our Company's commitment to sustainability. True to the spirit of our vision, we strive to utilize the potential of human and natural capital around us in a manner that facilitates social, economic and environmental progress. The Company aims to be a good corporate citizen by subscribing to the principles of integrating its economic, environmental and social objectives, and effectively utilizing its own

resources towards improving the quality of life and building capacities of the local communities, society at large and various Stakeholders.

In accordance with the Companies Act, 2013, your Company has committed 2% (Net Profit before Tax) annually towards CSR initiatives. The CSR Policy of your Company outlines the approach and direction given by the Board, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the CSR annual action plan. Our CSR Activities focus on promoting Health care, Education and Sports and Rural Development.

### 2. Composition of CSR Committee:

The CSR Committee comprises of following members as on March 31, 2023:

Sl. No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Anil Dhawan	Chairman (Independent Director)	1	1
2.	Dr. Ramesh Kancharla	Member (Chairman & Managing Director)	1	1
3.	Dr. Dinesh Kumar Chirla	Member (Whole-time Director)	1	Nil
4.	Ms. Sundari R. Pisupati	Member (Independent Director)	1	1
5.	Mr. Santanu Mukherjee	Member (Independent Director)	1	1

### 3. The web-link(s) where Composition of CSR Committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company are provided below:

Composition of the CSR Committee:	<a href="https://www.rainbowhospitals.in/investors-relations/board-&amp;-board-committees">https://www.rainbowhospitals.in/investors-relations/board-&amp;-board-committees</a>
CSR Policy:	<a href="https://www.rainbowhospitals.in/investor-relations/reports/policy/CSR_Policy.pdf">https://www.rainbowhospitals.in/investor-relations/reports/policy/CSR_Policy.pdf</a>
CSR Projects as approved by the Board:	<a href="https://www.rainbowhospitals.in/investor-relations/reports/CSR_Projects_approved_by_the_Board_FY_2022-23.pdf">https://www.rainbowhospitals.in/investor-relations/reports/CSR_Projects_approved_by_the_Board_FY_2022-23.pdf</a>

### 4. Provide the executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable.

5. (a) Average net profits of the Company as per sub-section (5) of section 135: ₹ 1,21,60,48,395/-

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 2,43,20,968/-

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil



(d) Amount required to be set off for the financial year, if any – Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. – ₹ 2,43,20,968/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 2,43,32,000/-

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 2,43,32,000/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
2,43,32,000	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(f) Excess amount for set-off, if any: Nil

Sl. No	Particular	Amount (In ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	2,43,20,968
(ii)	Total amount spent for the Financial Year	2,43,32,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	11,032
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	11,032*

\*The Company will not carry forward any excess amount spent during the Financial Year 2022-23.

## 7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount	Date of transfer.		
Nil								

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Yes  No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable.

**Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR Amount spent	Details of Company/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	6		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

*(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).*

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135. **Not Applicable****

**For Rainbow Children's Medicare Limited**

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

**Place:** Hyderabad  
**Date:** May 14, 2023

**Dr. Anil Dhawan**  
Chairman of CSR Committee  
DIN: 08191702

**Place:** London, UK  
**Date:** May 14, 2023

# Report on Corporate Governance

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is creation and enhancing long term sustainable value for the stakeholders through ethically driven business process. It implies governances with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last.

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practice. The Company also places great emphasis on values such as empowerment and integrity of its employees, safety of the employees and communities surrounding its Hospitals, transparency in decision making process, fair and ethical dealings with all and accountability to all the stakeholders. The Company doesn't practice Corporate Governance as an act of compliance but with the spirit of governance.

We believe that our Company has gone beyond adherence to regulatory framework. Our corporate

structure, business, operations, disclosure practices and systems have been strictly aligned to our corporate governance principles. We believe our system driven performance and performance-oriented systems protect the interests of all our stakeholders.

## II. BOARD OF DIRECTORS

Our Board composition comprises of experts in various domains such as corporate governance, Healthcare Industry, legal and compliances, finance and accounts. Our Board has an appropriate mix of Executive and Independent Director(s) to maintain its independence, and separate its functions of governance and management.

As on March 31, 2023, the Board of Directors of your Company comprised of 6 directors out of which 2 are Executive and 4 are Independent Directors.

The names and categories of Directors on the Board during the Financial Year 2022-23, their attendance at Board Meetings held during the Financial Year 2022-23 and at the last Annual General Meeting and the number of Directorship and Committees Chairmanship/ Membership held by them as on March 31, 2023 are given hereunder:

Name of Director	Category#	Attendance Particulars			No. of other Directorships and Committee Memberships/ Chairmanships			Name of the Listed Companies where Company's Director is also a Director	
		Board Meetings		Last AGM held on 15.09.2022	Other Directorships*	Committee Memberships**	Committee Chairmanships**	Name of Listed Company	Category of Directorship
		Entitled	Attended						
Dr. Ramesh Kancharla (DIN: 00212270)	Chairman & PED	9	9	Yes	6	1	-	-	-
Dr. Dinesh Kumar Chirla (DIN: 01395841)	PED	9	9	Yes	6	-	-	-	-
Dr. Anil Dhawan (DIN: 08191702)	IDNE	9	9	Yes	-	-	-	-	-
Mr. Aluri Srinivasa Rao (DIN: 00147058)	IDNE	9	8	No	4	-	-	-	-
Ms. Sundari R. Pisupati (DIN: 01908852)	IDNE	9	8	Yes	2	2	-	-	-
Mr. Santanu Mukherjee (DIN: 07716452)	IDNE	9	9	Yes	8	5	2	1. Suven Life Sciences Limited 2. Bandhan Bank Limited	IDNE IDNE

Name of Director	Category#	Attendance Particulars			No. of other Directorships and Committee Memberships/ Chairmanships			Name of the Listed Companies where Company's Director is also a Director	
		Board Meetings		Last AGM held on 15.09.2022	Other Directorships*	Committee Memberships**	Committee Chairmanships**	Name of Listed Company	Category of Directorship
		Entitled	Attended						
								3. Sumedha Fiscal Services Limited	IDNE
								4. Aurobindo Pharma Ltd	IDNE

#PED - Promoter Executive Director, IDNE - Independent Non-Executive Director.

#### Notes:

- \*Excludes foreign companies and companies under Section 8 of the Companies Act, 2013 ("Act").
- \*\*For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of other Indian Public Companies have only been considered.

#### Number of Board Meetings

During the Financial Year 2022-23, Nine (9) meetings of the Board of Directors were held and the maximum time gap between two consecutive meetings did not exceed one hundred and twenty (120) days.

S. No	Date(s) on which meeting(s) were held
1	April 4, 2022
2	April 9, 2022
3	April 19, 2022
4	May 2, 2022
5	May 27, 2022
6	August 8, 2022
7	November 3, 2022
8	February 9, 2023
9	March 18, 2023

None of our Directors are related to each other.

The number of directorships, chairmanships and committee memberships of each director is in compliance with the relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

#### Shareholding of Non-Executive Directors of the Company as on March 31, 2023

As on March 31, 2023, none of the Non-Executive Directors of the Company were holding any shares or convertible instruments in the Company.

#### Familiarisation Programme for the Independent Directors

The Company conducts Familiarization Programme for Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities. They have full opportunity to interact with Senior Management Personnel and are provided all documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part.

The details of familiarisation programmes imparted to the Independent Directors of the Company has been disclosed on the website of the Company and can be accessed through the following link at:

<https://www.rainbowhospitals.in/investor-relations/reports/Familiarisation-Programme-for-Independent-Directors-for-FY-2022-23.pdf>

**Core skills/ expertise/ competencies of Board of Directors**

In context of your Company's business and sector, the Board of Directors have identified the following:

- i. Core skills/ expertise/ competencies for it to function effectively
- ii. Directors who possess such core skills/ expertise/ competencies

S. No	Skills/Expertise/ Competencies	Brief Descriptions
1	Leadership Experience	Strong management and leadership experience in leading well-governed large organization in the areas of business development, strategic planning and mergers & acquisitions and have visionary with strategic goal for the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/efforts in appropriate direction and thought to be a leader and a role model in good governance and ethical conduct of business, while encouraging the organisation to maximise stakeholders value having hands on experience of leading an entity at the highest level.
2	Industry knowledge and experience	Depth knowledge in businesses in the Healthcare Industry.
3	Information Technology	Information Technology expertise with knowledge of current and emerging technologies.
4	Governance including legal compliance	Experience in developing and implementing good corporate governance practices, maintaining accountability of Board and its management, managing stakeholders interest and responsibility towards customers, employees, suppliers, regulatory bodies etc. to support the Company's legal compliance systems and governance policies/ practices.
5	Expertise/ Experience in Finance & Accounts/ Audit/ Risk Management areas	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro- economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.

**Given below is a list of core skills, expertise and competencies of the individual Directors**

Name of Director(s)	Skills/ Expertise/ Competencies				
	Leadership Experience	Industry knowledge and experience	Information Technology	Governance including legal compliance	Expertise/ Experience in Finance & Accounts / Audit/ Risk Management areas
Dr. Ramesh Kancharla	√	√	√	√	√
Dr. Dinesh Kumar Chirla	√	√	√	√	√
Dr. Anil Dhawan	√	√	√	√	√
Mr. Aluri Srinivasa Rao	√	√	√	√	√
Ms. Sundari R. Pisupati	√	---	√	√	√
Mr. Santanu Mukherjee	√	---	√	√	√

**Confirmation of Independence**

All the Independent Directors of the Company have given declaration/ disclosures under section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfil the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Further, the Board after taking these declaration/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Company's Management.

### III. AUDIT COMMITTEE:

Your Company has duly constituted Audit Committee and its composition meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

All members of the Committee are financially literate and have accounting or related financial management expertise.

During the Financial Year 2022-23, the Audit Committee met 5 (Five) times on April 9, 2022, May 27, 2022, August 8, 2022, November 3, 2022 and February 8, 2023.

The composition of the Audit Committee and the attendance details of the members are given below:-

Names of Members	*Category	Position	No. of meetings attended
Mr. Santanu Mukherjee	IDNE	Chairman	5
Dr. Anil Dhawan	IDNE	Member	5
Mr. Aluri Srinivasa Rao	IDNE	Member	4
Ms. Sundari R. Pisupati	IDNE	Member	4

\*IDNE – Independent Non-Executive Director.

Mr. Ashish Kapil, Company Secretary & Compliance Officer of the Company is the Secretary of the Committee.

In addition to the members of Audit Committee, these meetings are also attended by Chairman & Managing Director, Whole-Time Director, Chief Financial Officer, Internal Auditors, Concurrent Auditors and Statutory Auditors and other executives considered necessary for providing inputs to the Committee.

#### Terms of reference

The brief terms of reference, inter-alia, includes the following:

- (i) The Audit Committee shall have powers, which should include the following:
  - (a) To investigate any activity within its terms of reference;
  - (b) To seek information from any employee of the Company;
  - (c) To obtain outside legal or other professional advice;
  - (d) To secure attendance of outsiders with relevant expertise if it considers necessary; and
  - (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
  - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information

to ensure that the financial statement is correct, sufficient and credible;

- (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- (d) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions; and

- (vii) Qualifications / modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
- (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (k) Scrutiny of inter-corporate loans and investments;
- (l) Undertaking or supervising valuation of undertakings or assets of the company, wherever it is necessary;
- (m) Evaluation of internal financial controls and risk management systems;
- (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (p) Discussion with internal auditors of any significant findings and follow up thereon;
- (q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (u) Reviewing the functioning of the whistle blower mechanism;
- (v) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- (w) Carrying out any other functions as provided under the provisions of the Companies Act, 2013 the SEBI Listing Regulations and other applicable laws;
- (x) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
- (y) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- (aa) Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

**(bb)** To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders and;

**(cc)** Carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.”

**(iii)** The Audit Committee shall mandatorily review the following information:

**(a)** Management’s discussion and analysis of financial condition and results of operations;

**(b)** Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

**(c)** Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

**(d)** Internal audit reports relating to internal control weaknesses;

**(e)** The appointment, removal and terms of remuneration of the chief internal auditor;

**(f)** Statement of deviations:

**i.** quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

**ii.** annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

**(g)** To review the financial statements, in particular, the investments made by any unlisted subsidiary; and

**(h)** Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### IV. NOMINATION & REMUNERATION COMMITTEE

Your Company has a duly constituted Nomination and Remuneration Committee and its composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

During the Financial Year 2022-23, the Committee met 4 (Four) times on May 27, 2022, August 8, 2022, February 8, 2022 and March 18, 2023.

The composition of the Nomination and Remuneration Committee and the attendance details of the members as on March 31, 2023 are given below:-

Names of Members	*Category	Position	No. of meetings attended
Mr. Aluri Srinivasa Rao	IDNE	Chairman	4
Dr. Anil Dhawan	IDNE	Member	4
Ms. Sundari R. Pisupati	IDNE	Member	4
Mr. Santanu Mukherjee	IDNE	Member	4

\*IDNE - Independent Non-Executive Director;

Mr. Ashish Kapil, Company Secretary & Compliance Officer of the Company is the Secretary of the Committee.

#### Terms of Reference

The terms of reference of the Nomination & Remuneration Committee, inter alia, includes the following:

**(a)** Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

**(i)** the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

**(ii)** relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

**(iii)** remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting



the short and long term performance objectives appropriate to the working of the Company and its goals.

- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.
- (g) Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (k) Administering the employee stock option scheme/ plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
- i. Determining the eligibility of employees to participate under the ESOP Scheme;
  - ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
  - iii. Date of grant;
  - iv. Determining the exercise price of the option under the ESOP Scheme;
  - v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - x. The grant, vest and exercise of option in case of employees who are on long leave;
  - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - xii. The procedure for cashless exercise of options;
  - xiii. Forfeiture/ cancellation of options granted;
  - xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
    - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
    - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (l) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") and any agreements defining the rights and obligations of the Company and

eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

- (m) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable;
- (n) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee; and
- (o) Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations or other applicable laws or by any other regulatory authority.

#### Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations the Board has carried out the annual evaluation of (i) its own performance; (ii) Individual Directors Performance (Including Independent Directors) and (iii) Performance of all committees of the Board, for the Financial Year 2022-23.

A structured questionnaire was prepared after taking into consideration the inputs received from Nomination

& Remuneration Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of Non-Independent Directors, Board as a whole and the Chairman of the Board was evaluated in a separate meeting of Independent Directors.

The feedback and results of the questionnaire were collated and consolidated report was shared with the Board for improvements of its effectiveness. The Directors expressed their satisfaction with the evaluation process.

Further, the evaluation process confirms that the Board and its Committees continue to operate effectively and the performance of the Directors and Chairman is satisfactory.

#### V. STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Company has a duly constituted Stakeholders Relationship Committee and its composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

During the Financial Year 2022-23, the Committee met 1 (one) time on November 3, 2022.

The composition of the Stakeholders Relationship Committee and the attendance details of the members are given below:

Names of Members	*Category	Position	No. of meetings attended
Ms. Sundari R. Pisupati	IDNE	Chairperson	-
Dr. Ramesh Kancharla	Chairman & PED	Member	1
Dr. Anil Dhawan	IDNE	Member	1
Mr. Aluri Srinivasa Rao	IDNE	Member	1

\*IDNE - Independent Non-Executive Director; PED - Promoter Executive Director.

Mr. Ashish Kapil, Company Secretary & Compliance Officer of the Company is the Secretary of the Committee.

#### Terms of Reference

The terms of reference of the Stakeholders Relationship Committee, inter alia, includes the following:

- (a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting

of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

- (b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;
- (g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority;
- (h) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
- (i) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
- (j) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company; and

(k) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### Compliance Officer

Mr. Ashish Kapil, Company Secretary is the Compliance Officer of the Company. His contact details are as follows:

#### Rainbow Children's Medicare Limited

8-2-19/1/A, Daulat Arcade, Karvy Lane,  
Road No.11, Banjara Hills,

Hyderabad - 500034, Telangana.

Telephone No: +91 40 49692244

E-mail: [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in)

The details of shareholders' complaints received and resolved during the Financial Year ended March 31, 2023 are given in the table below:

Particulars	No of Investor Complaints
Number of Shareholders' complaints outstanding as at April 1, 2022	0
Number of shareholders' complaints received during the Financial Year	1,040*
Number of shareholders' complaints resolved to the satisfaction of shareholders during the Financial Year	1,040
Number of pending shareholders' complaints as at March 31, 2023	0

\*Majority of the complaints were related to IPO application money refund.

## VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company has a duly constituted Corporate Social Responsibility Committee and its composition meets the requirements of Section 135 of the Companies Act, 2013.

During the Financial Year 2022-23, the Committee met 1 (One) time on August 8, 2022.

The composition of the Corporate Social Responsibility Committee and the attendance details of the members as on March 31, 2023 are given below:-

Names of Members	*Category	Position	No. of meetings attended
Dr. Anil Dhawan	IDNE	Chairman	1
Dr. Ramesh Kancharla	Chairman & PED	Member	1
Dr. Dinesh Kumar Chirla	PED	Member	-
Ms. Sundari R. Pisupati	IDNE	Member	1
Mr. Santanu Mukherjee	IDNE	Member	1

\*IDNE - Independent Non-Executive Director; PED - Promoter Executive Director.

Mr. Ashish Kapil, Company Secretary & Compliance Officer of the Company is the Secretary of the Committee.

#### Terms of Reference:-

The terms of reference of the Corporate Social Responsibility Committee, inter alia, includes the following:

(a) To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board, The annual action plan shall include following:

- (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
- (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the Company.

(b) Recommending the amount of expenditure to be incurred, which should be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;

- (c) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (d) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (g) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act;
- (h) To take note of the progress made by implementing agency (if any) appointed for the corporate social responsibility of the Company; and
- (i) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

## VII. RISK MANAGEMENT COMMITTEE

Your Company has duly constituted a Risk Management Committee and its composition meets the requirements of Regulation 21 of the Listing Regulations.

During the Financial Year 2022-23, the Committee has met 4 (Four) times on May 27, 2022, November 3, 2022, February 8, 2023 and March 18, 2023.

The composition of the Risk Management Committee and the attendance details of the Members as on March 31, 2023 are given below:

Names of Members	*Category	Position	No. of meetings attended
Mr. Santanu Mukherjee	IDNE	Chairman	4
Dr. Ramesh Kancharla	Chairman & PED	Member	4
Mr. Aluri Srinivasa Rao	IDNE	Member	4
Mr. R Gowrisankar	CFO	Member	4
Mr. Mahesh Madduri <sup>1</sup>	HOS	Member	4
Mr. Sanjeev Sukumaran <sup>2</sup>	Group COO	Member	NA

\*IDNE - Independent Non-Executive Director; PED - Promoter Executive Director; HOS - Head of Strategy; CFO - Chief Financial Officer; Group COO - Group Chief Operating Officer.

<sup>1</sup> Ceased to be a member of the Committee w.e.f. April 15, 2023

<sup>2</sup> Inducted as member of the Committee w.e.f. April 15, 2023

Mr. Ashish Kapil, Company Secretary & Compliance Officer of the Company is the Secretary of the Committee.

#### Terms of Reference:-

The terms of reference of the Risk Management Committee, includes the following:

- (a) To periodically review the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (b) To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes;
- (c) The policy shall include:
  1. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the committee;
  2. Measures for risk mitigation including systems and processes for internal control of identified risks;
  3. Business continuity plan.
- (d) To approve the process for risk identification and mitigation;
- (e) To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
- (f) To monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
- (g) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (h) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (i) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
- (j) To consider the effectiveness of decision making process in crisis and emergency situations;
- (k) To balance risks and opportunities;
- (l) To generally, assist the Board in the execution of its responsibility for the governance of risk;
- (m) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (n) To consider the appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;
- (o) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- (p) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- (q) To attend to such other matters and functions as may be prescribed by the Board from time to time; and
- (r) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### VIII. REMUNERATION OF DIRECTORS:

The table below gives details of Remuneration of Directors for the Financial Year ended March 31, 2023.

Name of Director	Salary/ Allowance & Perquisites	Performance Linked Incentive	Commission***	Professional Fees	Contribution towards Provident Fund	Sitting Fees	Severance Fee	Service Contract	Notice Period	Total
Dr. Ramesh Kancharla	6,75,73,984*	-	-	-	-	-	-	3 Years	None, unless otherwise agreed by Board of Directors	6,75,73,984
Dr. Dinesh Kumar Chirla**	12,00,000	-	-	3,97,97,582	-	-	-	3 Years	None, unless otherwise agreed by Board of Directors	4,09,97,582
Dr. Anil Dhawan	-	-	10,00,000	-	-	10,50,000	-	-	-	20,50,000
Mr. Aluri Srinivasa Rao	-	-	10,00,000	-	-	11,00,000	-	-	-	21,00,000

Name of Director	Salary/ Allowance & Perquisites	Performance Linked Incentive	Commission***	Professional Fees	Contribution towards Provident Fund	Sitting Fees	Severance Fee	Service Contract	Notice Period	Total
Ms. Sundari R. Pisupati	-	-	10,00,000	-	-	9,00,000	-	-	-	19,00,000
Mr. Santanu Mukherjee	-	-	10,00,000	-	-	12,00,000	-	-	-	22,00,000

\*Includes Leave Travel allowance of ₹25,73,980.

\*\*Dr. Dinesh Kumar Chirla received ₹12,00,000 as Leave Travel allowance and ₹3,97,97,582 as a professional fee in the capacity of Doctor.

\*\*\*Commission relates to the Financial Year ended March 31, 2023, which was approved by the Board on May 14, 2023 and was paid during Financial Year 2023-24.

### Criteria for making payments to Non-Executive Directors

Non-Executive Directors of the Company are paid sitting fees for attending Board/ Committee meetings and Commission within the limits prescribed under Companies Act, 2013.

The Nomination and Remuneration Policy of the Company, inter alia, disclosing detailed criteria of making payments to Non-Executive Directors of the Company is placed on Company's website and can be accessed at:

[https://www.rainbowhospitals.in/investor-relations/reports/policy/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/policy/Nomination_and_Remuneration_Policy.pdf)

There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year except the Commission and Sitting Fees paid to them as detailed above.

## IX. GENERAL BODY MEETINGS

Details of Annual General Meetings held during the last three years, are as under:

Financial Year	Date and Time	Venue	No. of Special Resolutions set out at the AGM
2021-22	September 15, 2022 at 11:30 A.M	Meeting convened through Video Conferencing/ Other Audio Visual Means.	Cancellation of unissued shares of one class (Preference Shares) and increase in shares of other class (Equity Shares) in the Authorized Capital of the Company and consequent amendment of Memorandum of Association of the Company.
2020-21	August 11, 2021 at 11:00 A.M	8-2-619/1/A, Road No.11, Daulet Arcade, Banjara Hills, Hyderabad- 500034, Telangana.	<ol style="list-style-type: none"> <li>1. Re- Appointment of Dr. Ramesh Kancharla (DIN: 00212270) as the Chairman &amp; Managing Director of the Company to hold office for a period of 5 (five) years.</li> <li>2. Re- Appointment of Dr. Dinesh Kumar Chirla (DIN: 01395841) as the Whole Time Director of the Company to hold office for a period of 5 (five) years.</li> <li>3. Granting loans and/or give guarantee and/or make investments in the subsidiaries.</li> <li>4. Consider and accord the power to the board of directors of the company to borrow funds under section 180(1) (c) of the Companies Act, 2013. To meet the working capital requirements and meeting any Project capex of the company.</li> <li>5. Advance any loan or to give any guarantee or provide any security to the subsidiaries of the company under section 185 of Companies Act, 2013.</li> </ol>
2019-20	August 3, 2020 at 11:00 A.M	8-2-619/1/A, Road No.11, Daulet Arcade, Banjara Hills, Hyderabad- 500034, Telangana.	None

**POSTAL BALLOT**

During the year under review, no business has been transacted through postal ballot as well as on the date of this report no business is proposed to be transacted through postal ballot.

Subsequent to the year under review, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), the Members of the Company had passed Special resolution through postal ballot via remote e-voting facility on May 6, 2023, approving the "Rainbow Children's Medicare Limited – Employees Stock Unit Plan 2023".

S. No	Particulars	Response
1	Date of Postal Ballot	March 18, 2023
2	Cut-off Date of register of members for dispatch of notice	March 31, 2023
3	Voting Period	April 7, 2023 at 9:00 AM to May 6, 2023 at 5:00 PM
4	Date of Passing resolution	May 6, 2023
5	Date of declaration of result	May 6, 2023

The Board had appointed Mr. Ankit Singhi (CP No. 16274) failing him Mr. Nitesh Latwal (CP No. 16276), Practicing Company Secretaries and Partners of M/s PI & Associates, Company Secretaries, as Scrutinizer to scrutinise the remote e-voting process in a fair and transparent manner.

The details of voting pattern in respect of the Special Resolutions passed through postal Ballot is as under:

Category	Mode of voting	No. of shares held	No. of Votes polled	% of Votes Polled on outstanding shares	No. of Votes in favour	No. of votes in against	% of Votes in favour on votes polled	% of votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	5,05,77,596	5,05,77,596	100	5,05,77,596	0	100	0
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	<b>Total</b>		<b>5,05,77,596</b>	<b>5,05,77,596</b>	<b>100</b>	<b>5,05,77,596</b>	<b>0</b>	<b>100</b>
Public Institutions	E-Voting	3,57,25,144	2,66,86,291	74.6989	2,11,65,887	55,20,404	79.3137	20.6863
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	<b>Total</b>		<b>3,57,25,144</b>	<b>2,66,86,291</b>	<b>74.6989</b>	<b>2,11,65,887</b>	<b>55,20,404</b>	<b>79.3137</b>
Public-Non Institutions	E-Voting	1,51,98,947	54,80,543	36.0587	54,74,052	6,491	99.8816	0.1184
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	<b>Total</b>		<b>1,51,98,947</b>	<b>54,80,543</b>	<b>36.0587</b>	<b>54,74,052</b>	<b>6,491</b>	<b>99.8816</b>
<b>Total</b>		<b>10,15,01,687</b>	<b>8,27,44,430</b>	<b>81.5203</b>	<b>7,72,17,535</b>	<b>55,26,895</b>	<b>93.3205</b>	<b>6.6795</b>

None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution through postal ballot.

**Procedure for Postal Ballot:**

Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014, ("Rules") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company provided e-voting facility to its shareholders to cast their votes electronically through e-voting platform by NSDL. The Company completed dispatch of Postal Ballot Notice dated March 18, 2023 on April 6, 2023 to all the members whose names appeared in the Register of Members / List of Beneficial Owners maintained by the Company/Depositories respectively as at close of business hours on Friday, March 31, 2023, (the "Cut-off date") and whose e-mail addresses were registered with the Company / Depositories. The e-Voting commenced at 9:00 A.M. (IST) on Friday, April 7, 2023 and ended on Saturday, May 6, 2023 at 5:00 P.M. (IST). The Company also published a notice in Newspapers regarding completion of dispatch of postal ballot notice. The scrutinizer submitted the report after completion of the scrutiny and the results of voting by postal ballot were then announced. The voting results were communicated to the Stock Exchanges besides being displayed on the website of the Company, i.e. [www.rainbowhospitals.in](http://www.rainbowhospitals.in) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

**X. MEANS OF COMMUNICATION**

The quarterly/ half-yearly/ annual financial results of the Company are intimated to the Stock Exchanges immediately after the Board Meeting at which they are approved. The results along with press releases/ presentations made by the Company to Analysts/ Investors are also posted on the website of the Company viz. <https://www.rainbowhospitals.in/investors-relations/quarterly-results>.

The Company's website also displays all official news releases. The results of the Company are also published in English and Telugu language newspapers normally in Financial Express/ Business Standard/ Surya/ Eenadu.

The Company organizes investor conference calls to discuss its financial results every quarter, where investor queries were answered by the Executive Management of the Company. The audio video recording and

transcripts of the conference calls were posted on our website and on website of the Stock Exchanges.

All price sensitive information and matters that are material to shareholders were disclosed to the Stock Exchanges, where the securities of the Company are listed.

**XI. GENERAL SHAREHOLDER INFORMATION**

**(a) Corporate Identification Number:**  
L85110TG1998PLC029914

**(b) Annual General Meeting:**

The 25th Annual General Meeting of the Company is scheduled to be held as under:-

Date and Time: June 29, 2023 at 11:30 A.M. (IST)

Venue: The Company is conducting meeting through VC/ OAVM. For details please refer to the Notice of this AGM.

**(c) Financial Year:**

The Company follows Financial Year from April 1 to March 31. The Current Financial Year of the Company is April 1, 2022 to March 31, 2023.

**(d) Final Dividend Payment:** On or before July 28, 2023.

**(e) Listing on Stock Exchanges:**

The Equity Shares of the Company were got listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (collectively referred to as "Stock Exchanges") on May 10, 2022.

Name of Stock Exchange	Security Code/ Symbol	Address
BSE Limited	543524	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.
National Stock Exchange of India Limited	RAINBOW	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Annual Listing fees for the Financial Year 2022-23 & 2023-24 have been paid to both the Stock Exchanges.



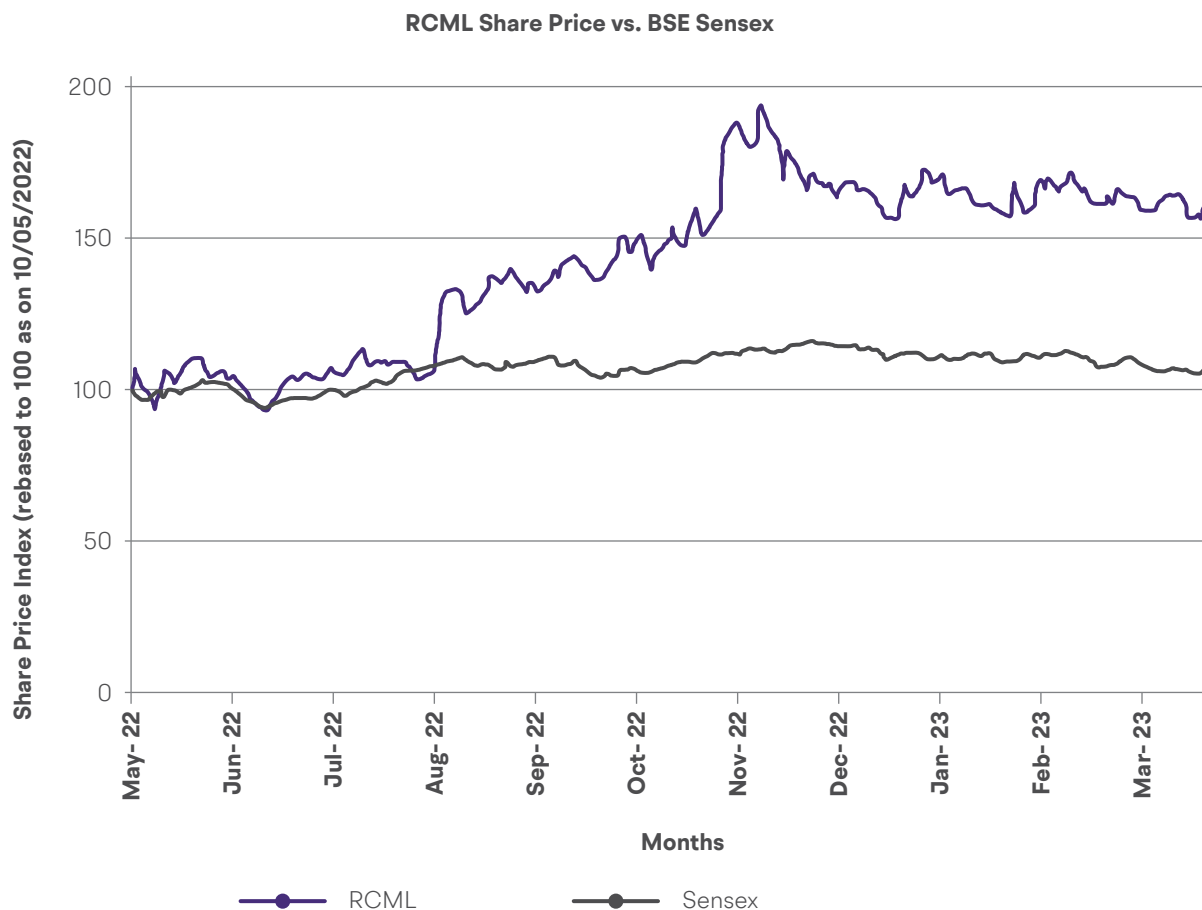
**(f) Market Price Data & Share price performance for the period between May 10, 2022 to March 31, 2023\*:**

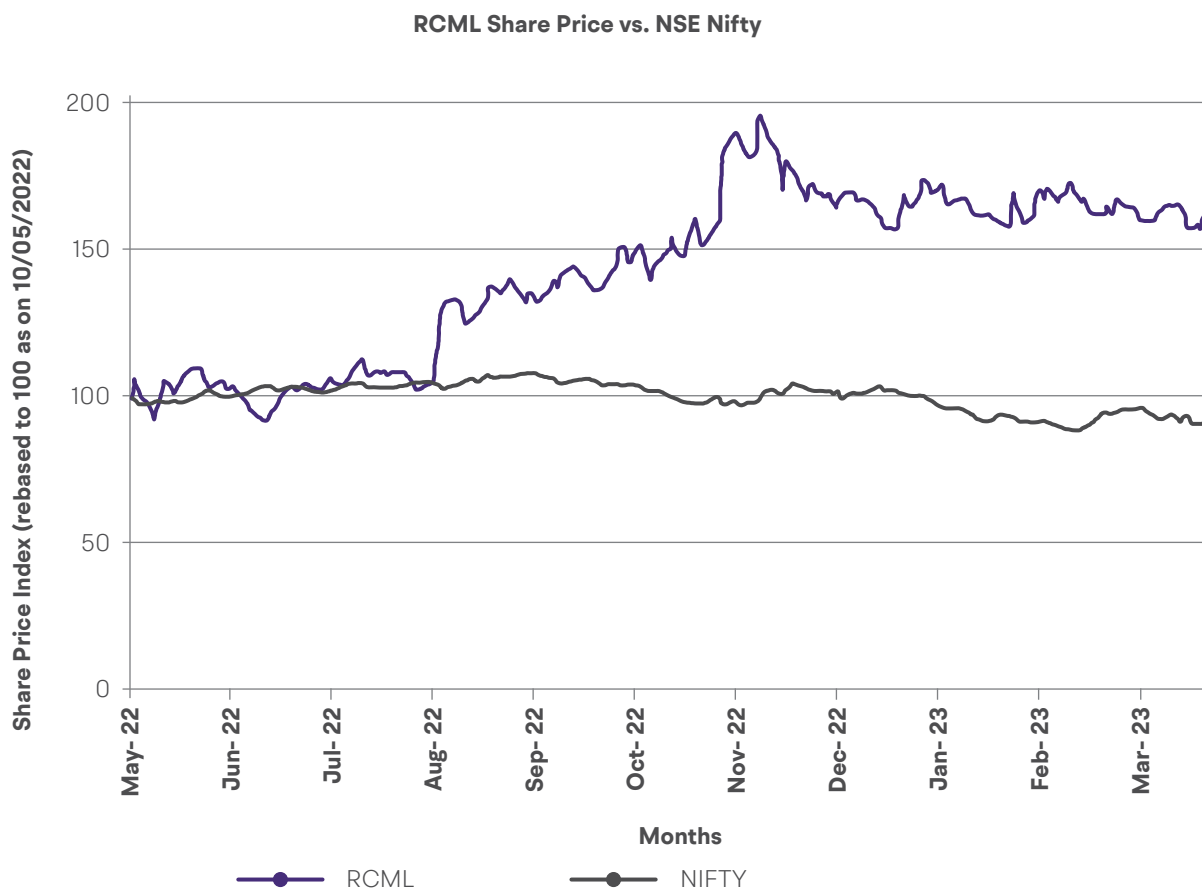
The monthly High & Low Share price during each month (from May 10, 2022 to March 31, 2023)\* of last Financial Year is as below:

Month	BSE Limited		National Stock Exchange (NSE)	
	High	Low	High	Low
May-22	519.35	410.00	517.90	410.00
Jun-22	501.40	413.20	501.65	413.45
Jul-22	511.55	462.35	511.90	460.00
Aug-22	634.90	457.45	634.95	457.15
Sep-22	671.75	590.65	672.00	590.70
Oct-22	730.00	618.75	730.80	619.65
Nov-22	884.90	675.85	886.45	681.55
Dec-22	780.00	682.20	780.00	688.90
Jan-23	792.90	696.15	793.95	695.70
Feb-23	782.95	706.00	784.00	707.60
Mar-23	756.45	682.00	757.05	697.00

\*Equity Shares of the Company were got listed on the NSE and BSE on May 10, 2022.

**(g) Company’s equity share price comparison with BSE Sensex and NSE Nifty\*:**





\*Company equity shares got listed on NSE and BSE w.e.f. May 10, 2022

**(h) Suspension of Trading:**

During year under review, no order related to suspension of trading was passed.

- (i) Registrar and Share Transfer Agent:** Kfin Technologies Limited  
 Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District,  
 Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana.  
**Contact Number:** +91 4067162222  
**Email-id:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
**Website:** [www.kfintech.com](http://www.kfintech.com)

**(j) Share Transfer System:**

As mandated by SEBI, securities of listed companies can only be transferred in dematerialized form. In view of the same, the entire share capital of the Company is in dematerialised form. The shares can be transferred by shareholders through their Depository Participants.

**(k) Distribution of shareholding as on March 31, 2023:**

**i. Distribution of Equity Shareholding**

Slab	Shareholders		No. of Shares	
	Number	% to total	Shares	% to total
1 - 5000	75,301	99.59	61,29,949	6.04
5001 – 10,000	96	0.13	7,29,396	0.72
10,001 – 20,000	70	0.09	10,57,101	1.04
20,001 – 30,000	41	0.05	10,53,471	1.04

Slab	Shareholders		No. of Shares	
	Number	% to total	Shares	% to total
30,001 - 40,000	8	0.01	2,61,259	0.26
40,001 - 50,000	8	0.01	3,69,333	0.36
50,001 - 1,00,000	18	0.02	12,39,687	1.22
1,00,001 - above	69	0.09	9,06,61,491	89.32
<b>Total</b>	<b>75,611</b>	<b>100.00</b>	<b>10,15,01,687</b>	<b>100.00</b>

## ii. Categories of Equity Shareholders as on March 31, 2023

S. No.	Category	No of Shares held	% of Share holding
1	Promoter and Promoter Group	5,05,77,596	49.83
2	Mutual Fund/Alternate Investment Funds	1,35,19,808	13.32
3	Insurance Companies/NBFC	20,91,674	2.06
4	Foreign Portfolio Investors	2,01,14,240	19.82
5	Resident Individuals (including Trusts & HUF)	1,36,79,650	13.48
6	Bodies Corporate	9,45,040	0.93
7	Non - Resident Indians	5,66,845	0.56
8	Clearing Members	6,834	0.01
	<b>Total</b>	<b>10,15,01,687</b>	<b>100</b>

### (l) Dematerialisation of Shares and Liquidity

As on March 31, 2023, the entire equity share capital of your Company is held in dematerialised form with NSDL and CDSL under International Securities Identification Number (ISIN) – INE961O01016. The equity shares of the Company are actively traded at BSE & NSE.

### (m) Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments

No GDRs/ ADRs/Warrants has been issued by the Company or Convertible Instruments has been issued by the Company.

### (n) Commodity price risk or foreign risk and hedging activities

The Company does not have commodity price risk nor does the Company engage in hedging activities.

### (o) Plant Locations

The Company does not have any manufacturing or processing plants.

### (p) Address for Correspondence

Registered Office	Corporate Office
Rainbow Children's Medicare Limited 8-2-120/103/1, Survey No. 403, Road No. 2, Banjara Hills, Hyderabad- 500034, Telangana. <b>Ph:</b> 040-22334455 <b>E-mail:</b> <a href="mailto:comanysecretary@rainbowhospitals.in">comanysecretary@rainbowhospitals.in</a>	Rainbow Children's Medicare Limited 8-2-19/1/A, Daulet Arcade, Karvy Lane, Road No. 11, Banjara Hills, Hyderabad – 500034, Telangana. <b>Ph:</b> 040- 49692244 <b>E-mail:</b> <a href="mailto:comanysecretary@rainbowhospitals.in">comanysecretary@rainbowhospitals.in</a>

Your Company has also designated [investorrelations@rainbowhospitals.in](mailto:investorrelations@rainbowhospitals.in) as an exclusive email ID for Analysts and Institutional Investors and [comanysecretary@rainbowhospitals.in](mailto:comanysecretary@rainbowhospitals.in) an exclusive email ID for the Investors for the purpose of registering their complaints and the same has been displayed on Company's website also.

**(q) List of Credit Ratings:**

Subsequent to the year under review, the Company has been assigned a long-term credit rating of [ICRA] AA- (Positive), by ICRA Limited. The outlook on the long-term rating is 'Positive'

**XII. DISCLOSURES****(a) Related Party Transactions (RPTs)**

The Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. Transactions with related parties are being disclosed in Note 2.33 to the Standalone Financial Statements of the Company forming part of the Annual Report and are transacted after obtaining applicable approval(s), wherever required.

The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is disclosed on website of the Company and can be accessed through the following link:

<https://www.rainbowhospitals.in/investor-relations/reports/policy/Policy%20on%20dealing%20with%20Related%20Party%20Transactions.pdf>

**(b) Loans and Advances in the nature of Loans to Firms/ Companies in which Directors are interested by Name and Amount.**

The details of loans and advances in the nature of loans to firms/ companies in which Directors are interested, being disclosed in Note 2.10 to the Standalone Financial Statements of the Company forming part of the Annual Report.

**(c) Non-Compliances by the Company**

During the last three years and during the Financial Year 2022-23, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for non compliance of any matter related to capital markets.

**(d) Vigil Mechanism and Whistle Blower Policy**

In Compliance with the provisions of section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct,

financial irregularities, illegal or unethical practices, unethical behaviour, actual or suspected fraud. Adequate safeguards are provided against victimization to those who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided. During the year under review, no employee was denied access to the Audit Committee.

The policy on Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company and can be accessed through the following link: [https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle\\_Blower\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle_Blower_Policy.pdf)

**(e) Subsidiary Companies**

Your Company does not have any material subsidiary company in terms of Regulation 16(c) of the Listing Regulation. The Board of Directors of the Company formulated a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company and can be accessed through the following link:

<https://www.rainbowhospitals.in/investor-relations/reports/policy/Policy%20for%20determining%20Material%20Subsidiary.pdf>

**(f) Practicing CS Certification**

A certificate from a Company Secretary in Practice that as on March 31, 2023, none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority is annexed to this Report as **Annexure - 1**.

**(g) Recommendation of Committee(s) of the Board of Directors**

During the year, all recommendations of Committees of Board of Directors, were accepted by the Board.

**(h) Statutory Auditor Fee**

The total fee paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor for all the services during the Financial Year 2022-23 is ₹ 6.96 Million.

**(i) Disclosure under the sexual harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013**

In compliance of the sexual harassment of women at Workplace (prevention, prohibition and

redressal) Act, 2013 and rules made thereunder, the Company has in place a policy to prevent and deal with sexual harassment at workplace.

During the period under review, no Complaints were received under the sexual harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013.

**(j) Detail of compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub - regulation (2) of Regulation 46 of Listing Regulations.**

The Company is in compliance with the applicable corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of the Listing Regulations as well as the disclosure requirements as enumerated under Schedule V of the Listing regulations.

**(k) Disclosures with respect to demat suspense account/ unclaimed suspense account.**

There are no shares which are lying in demat suspense account/ unclaimed suspense account as on March 31, 2023.

**(l) Insider Trading**

In terms of the SEBI (Prohibition of Insider Trading) Regulations 2015 ("PIT Regulations"), the Company has a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company. Further, in terms of the PIT Regulations, the Company has in place a Code of Practices and Procedures of Fair Disclosures of Unpublished Price Sensitive Information.

**(m) Board Procedures**

The Board meets at least once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company.

The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board has access to any

information within your Company which includes the information as specified in Schedule II of the Listing Regulations.

**(n) Independent Directors' Meeting**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a meeting of the Independent Directors of the Company was held on February 8, 2023 without the presence of Non-Independent Directors and Company's Management, where in all Independent Directors were present in person.

The Company Secretary was an invitee to the said meeting and acted as a facilitator to the Independent Directors.

**(o) Mandatory requirements**

To the extent applicable, during the year under review the Company has complied all the mandatory requirements of the Listing Regulations.

**(p) Non- mandatory requirements:**

The Company has adopted the following non-mandatory requirements on Corporate Governance:-

**i. Audit qualifications**

There was no audit qualification on your Company's financial statements, during the year under review.

**ii. Reporting of Internal Auditor**

The Internal Auditors of the Company i.e. M/s. S. V. Rao & Associates directly reports to the Audit Committee of the Company.

**XIII. CODE OF CONDUCT**

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management personnel of the Company. The Code has also been posted on the website of the Company.

All Board Members and Senior Management Personnel have affirmed with the compliance of Code of Conduct for the Financial Year 2022-23.

An annual declaration signed by the Chairman & Managing Director of the Company affirming compliance to the Code by the Board of Directors and

the Senior Management is annexed to this Report as **Annexure - 2**. The Code of Conduct is available on website of the Company and can be accessed through the following link: <https://www.rainbowhospitals.in/investor-relations/reports/policy/Code%20of%20conduct%20for%20Directors%20and%20Senior%20Management.pdf>

#### XIV. CEO/ CFO CERTIFICATION

In compliance with Regulation 17(8) of the Listing Regulations, a certificate from Managing Director and Chief Financial Officer of the Company to the Board of Directors as specified in Part B of Schedule II of the said regulations is annexed to this Report as **Annexure - 3**.

#### XV. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

In compliance with Listing Regulations, a certificate on Corporate Governance issued by Company Secretary in Practice is annexed to this Report as **Annexure - 4**.

For and on behalf of Board of Directors

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

**Place:** Hyderabad  
**Date:** May 14, 2023

## Annexure -1

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Rainbow Children's Medicare Limited**  
8-2-120/103/1, Survey No. 403,  
Road No. 2, Banjara Hills,  
Hyderabad – 500034,  
Telangana.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rainbow Children's Medicare Limited having CIN L85110TG1998PLC029914 and having registered office at 8-2-120/103/1, Survey No. 403, Road No. 2, Banjara Hills, Hyderabad-500034, Telangana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director*	DIN	Date of Appointment in Company
1	Dr. Ramesh Kancharla	00212270	August 7, 1998
2	Dr. Dinesh Kumar Chirla	01395841	December 12, 2005
3	Dr. Anil Dhawan	08191702	August 30, 2018
4	Mr. Aluri Srinivasa Rao	00147058	March 15, 2019
5	Ms. Sundari R. Pisupati	01908852	September 16, 2021
6	Mr. Santanu Mukherjee	07716452	October 22, 2021

\*The above-mentioned directors are as on 31st March, 2023

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For BS & Company Company Secretaries LLP**

**K.V.S. Subramanyam**  
Designated Partner  
FCS No.: 5400  
C P No.: 4815  
UDIN: F005400E000301113

**Date:** May 14, 2023  
**Place:** Hyderabad

**Annexure -2****DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Dr. Ramesh Kancharla, Chairman & Managing Director of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2023.

**Dr. Ramesh Kancharla,**  
Chairman and Managing Director

**Place:** Hyderabad

**Date:** May 14, 2023

**Annexure -3****MD AND CFO CERTIFICATION**

The Board of Directors  
Rainbow Children's Medicare Limited

We, the undersigned to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the Financial Year 2022-23 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
- (1) Significant changes in the internal control over financial reporting during this year;
  - (2) Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

**Dr. Ramesh Kancharla**  
Chairman and Managing Director

**R. Gowrisankar**  
Chief Financial Officer

**Date:** May 14, 2023

**Place:** Hyderabad



## Annexure -4

**CORPORATE GOVERNANCE CERTIFICATE**

To  
The Members  
**Rainbow Children's Medicare Ltd,**  
8-2-120/103/1, Survey No. 403,  
Road No. 2, Banjara Hills,  
Hyderabad - 500034,  
Telangana, India.

We have examined the compliance of the conditions of Corporate Governance by **Rainbow Children's Medicare Ltd** ("Company") for the year ended 31st March, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**MANAGEMENT'S RESPONSIBILITY**

The Compliance with the requirements of conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the requirements in the Corporate Governance and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**OUR RESPONSIBILITY**

Pursuant to the requirement under SEBI (LODR) Regulations, 2015, it is our responsibility to express limited assurance that the Company has complied with the requirements of the conditions of Corporate Governance.

**OPINION**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2023.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Date:** May 14, 2023

**Place:** Hyderabad

**For BS & Company Company Secretaries LLP**  
**K.V.S. Subramanyam**

**Designated Partner**  
**FCS No.: 5400**  
**C P No.: 4815**  
**PR. No: 705/ 2020**  
**UDIN: F005400E000301146**

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L85110TG1998PLC029914
2.	Name of the Company	Rainbow Children's Medicare Limited ("the Company/we/our / Rainbow")
3.	Year of incorporation	1998
4.	Registered office address	8-2-120/103/1, Survey No. 403, Road No. 2, Banjara Hills, Hyderabad – 500034, Telangana.
5.	Corporate address	8-2-19/1/A, Daulet Arcade, Karvy Lane, Road No.11, Banjara Hills, Hyderabad - 500034, Telangana.
6.	E-mail id	<a href="mailto:companysecretary@rainbowhospitals.in">companysecretary@rainbowhospitals.in</a>
7.	Telephone	+91 40 49692244
8.	Website	<a href="http://www.rainbowhospitals.in">www.rainbowhospitals.in</a>
9.	Financial year for which reporting is done	FY23 (2022-23)
10.	Name of the Stock Exchanges where shares are listed	1. National Stock Exchange of India Limited 2. BSE Limited
11.	Paid-up Capital	INR. 101.50 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ashish Kapil, Company Secretary & Compliance Officer Tel No: +91 40 49692244 Email ID: <a href="mailto:companysecretary@rainbowhospitals.in">companysecretary@rainbowhospitals.in</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)?	Consolidated basis unless otherwise specified.

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover)

Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1.	Human Health Activities	Revenue from Hospital and other Medical services	100

#### 15. Products/Services sold by the Company (accounting for 90% of the Company's turnover)

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Human Health Activities	86100	100

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of Hospitals/Clinics	Number of offices	Total
National	No. of hospitals: 16, No. of clinics: 3	1	20
International	None		

#### 17. Markets served by the Company

##### a. Number of locations

Location	Number
National (No. of States)	5
International (No. of Countries)	None

##### b. What is the contribution of exports as a percentage of the total turnover of the Company? Nil

##### c. A brief on types of customers

Patients requiring medical assistance and healthcare services.

### IV. Employees

#### 18. Details as at the end of Financial Year, i.e. March 31, 2023:

##### a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	3,581	1,502	42%	2,079	58%
2.	*Other than Permanent (E)	1,279	381	30%	898	70%
3.	<b>Total employees (D+E)</b>	<b>4,860</b>	<b>1,883</b>	<b>39%</b>	<b>2,977</b>	<b>61%</b>
<b>WORKERS</b>						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	<b>Total workers (F+G)</b>					

\*Other than Permanent (E) includes:

- Trainees
- Interns
- Full time Doctors
- Full time DNBs
- Full time Registrars

##### b. Differently abled employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	4	1	25%	3	75%
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D+E)</b>	<b>4</b>	<b>1</b>	<b>25%</b>	<b>3</b>	<b>75%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	<b>Total differently abled workers (F+G)</b>					

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	1	16.67%
Key Management Personnel	4	0	0%

**20. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)**

	FY 2023 (Turnover rate in Current Year)			FY2022 (Turnover rate in Previous Year)			FY2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	33%	40%	37%	35%	57%	47%	36%	55%	47%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

\* Doctors, Trainees, Interns/ DNB's/ Registrars and so on.

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****21. (a) Name of holding/subsidiary/associate companies/joint ventures**

Sl. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/Subsidiary/Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1.	Rainbow Children's Hospital Private Limited	Subsidiary	100%	No
2.	Rainbow Speciality Hospitals Private Limited	Subsidiary	78.81%	No
3.	Rainbow Women & Children's Hospital Private Limited	Subsidiary	100%	No
4.	Rosewalk Healthcare Private Limited	Subsidiary	100%	No
5.	Rainbow Fertility Private Limited	Subsidiary	100%	No
6.	Rainbow C R O Private Limited	Subsidiary	100%	No

**VI. CSR Details**

- 22.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in INR): 11,139.90 Million (Standalone)
- (iii) Net worth (in INR): 10,883.88 Million (Standalone)

## VII. Transparency and Disclosure Compliances

## 23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy)	FY2023 Current Financial Year			FY2022 Previous Financial Year		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle%20Blower%20Policy.pdf">https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle%20Blower%20Policy.pdf</a>	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)	Yes <a href="https://www.rainbowhospitals.in/investors-relations/investor-contact">https://www.rainbowhospitals.in/investors-relations/investor-contact</a>	NIL	NIL	NIL	NIL	NIL	NIL
Shareholders	Yes <a href="https://www.rainbowhospitals.in/investors-relations/investor-contact">https://www.rainbowhospitals.in/investors-relations/investor-contact</a>	1040	NIL	NIL	NIL	NIL	NIL
Employees and workers	Yes <a href="https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle%20Blower%20Policy.pdf">https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle%20Blower%20Policy.pdf</a>	NIL	NIL	NIL	NIL	NIL	NIL
Customers	Yes <a href="https://www.rainbowhospitals.in/contact-us">https://www.rainbowhospitals.in/contact-us</a>	1065	15	NIL	6969	91	NIL
Value Chain Partners	Yes <a href="https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle%20Blower%20Policy.pdf">https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle%20Blower%20Policy.pdf</a>	2	NIL	NIL	NIL	NIL	NIL

24. Overview of the Company's material responsible business conduct and sustainability issues, pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Investments in technology and digital marketing	Opportunity	Investing in digital marketing and technology allows a Company to develop a diverse and dynamic product portfolio and patient services that aligns with its vision. This strategy not only strengthens the Company's market presence but also improves the accessibility of its products and services to a broader audience. By prioritizing digital and technological advancements, the Company can explore new possibilities and create products and provide services that surpass customers' expectations.	-	<b>Positive</b> The Company's investment in innovation and technology leads to the development of a stronger product portfolio and patient services, while also meeting their needs by improving product accessibility and timely services. This investment reflects the Company's commitment to product innovation, showcasing its dedication to staying ahead of the Curve.
2.	Occupational hazard affecting health of employees (Doctors, Nurses & Paramedical staff)	Risk	Healthcare professionals face a potential risk of contracting infections while treating sick patients	The Company has taken initiatives to ensure the well-being of its staff members. Periodic vaccination is conducted according to the guidelines. Medical and term insurance are provided to mitigate health and financial risks for staff members. The company offers financial support to the relatives of staff who have lost their lives while treating patients. nutritious food is made available to nurses residing in hostels, promoting their overall health and well-being.	<b>Negative</b> The company may face the challenge of revenue loss, as well as difficulties in filling positions due to a shortage of available manpower, which can negatively impact the quality of clinical care provided to patients and increase recruitment costs.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Risk Management	Risk/ Opportunity	<p><b>Risk:</b> Businesses face the risk of experiencing adverse effects across multiple operational areas if they lack robust controls within their risk management system.</p> <p><b>Opportunity:</b> Integrating risk management into a Company's overall strategy offers several opportunities for businesses. It helps protect against potential disruptions and ensures that the Company is better positioned to respond and adapt to a rapidly changing business landscape. This approach offers businesses the opportunity to enhance their resilience, ensuring continued success in the face of challenges.</p>	The Company engages with key stakeholders in the risk management process to ensure that all relevant parties are aware of potential risks and invested in developing strategies to mitigate them. By involving stakeholders in this process, the Company fosters a culture of risk awareness and accountability, ultimately leading to more successful outcomes in risk management.	<p><b>Positive</b></p> <p>The Company can establish a more resilient and sustainable approach to growth by proactively linking material topics with risk mitigation strategies. This approach is grounded in a deep understanding of the risks and opportunities associated with the Company's operations, allowing them to effectively manage risks and capitalise on opportunities. By adopting this approach, the Company can improve their overall performance and position themselves for long-term success.</p>

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P	P	P	P	P	P	P	P	P	
	1	2	3	4	5	6	7	8	9	
<b>Policy and management processes</b>										
1. a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Weblink of the policies, if available	<a href="https://www.rainbowhospitals.in/investor-relations/reports/policy/Business%20Responsibility%20Policy.pdf">https://www.rainbowhospitals.in/investor-relations/reports/policy/Business%20Responsibility%20Policy.pdf</a>									
2. Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to the Company's value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Disclosure Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.	The Company has put in place a comprehensive set of norms and standards to guarantee compliance with best practices in environmental, social, and corporate governance. These include the ISO 14001 and Ministry of Environment and Forest guidelines, which set out clear criteria for reducing environmental impact and promoting sustainability. The Company has implemented quality healthcare guidelines issued by NABH, which promote patient safety and quality of care. The Company has also adopted environment and social standards issued by the International Finance Corporation (IFC), which provide a framework for managing environmental and social risks associated with business operations. The NVG guidelines issued by the Ministry of Corporate Affairs, GOI, ensure that the Company adheres to good corporate governance practices and promotes transparency and accountability. It also follows Section 135 of the Companies Act, 2013. The Company adheres to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which require listed companies to disclose information on various aspects of their business, including corporate governance and sustainability practices. The Company's commitment to these guidelines and standards demonstrates its dedication to responsible and sustainable business practices.								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any.	The Company is committed to follow the impact guidelines for each of the 9 principles								
6. Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.	The Company continuously monitors its performance against the said indicators periodically, take corrective action as needed and institutionalise preventive steps to strengthen its performance on the said parameter.								

#### Governance, leadership and oversight

7	<p>Statement by Director, responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</p> <p>The Company is steadfast in its commitment to incorporating sustainable business practises into its operations. It understands the significance of tackling environmental, social, and governance (ESG) issues in order to secure a better tomorrow for both the company and society as a whole.</p> <p>To fulfil this commitment, the Company has taken proactive steps to reduce its carbon footprint and promote energy efficiency by implementing environment-friendly practices, such as optimising energy consumption and exploring renewable energy sources, the Company aims to minimise its impact on the environment while striving for operational excellence.</p> <p>In addition to environmental initiatives, the Company places great emphasis on ensuring the safety and well-being of its patients. Stringent measures are in place to uphold the highest standards of patient care, ensuring their safety throughout their interactions with the Company.</p> <p>Moreover, the Company is actively involved in waste reduction and recycling efforts. By implementing effective waste management strategies, promoting the use of recycled materials, and adopting paperless solutions, the Company aims to minimise waste generation and conserve valuable resources.</p> <p>Looking ahead, the Company remains committed to continuous improvement and innovation in sustainability practices. It recognises that ongoing efforts are crucial in creating a greener and healthier world for future generations.</p> <p>Beyond compliance, the Company is committed to sustainable business practises. It is motivated by a genuine desire to improve the environment, society, and the well-being of its stakeholders. The Company's collaborative efforts aim to build a more sustainable and responsible future.</p>
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Disclosure Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
8	<p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</p> <p>Corporate Social Responsibility Committee of the Company is responsible for implementation and oversight of the Business Responsibility Policies. The Constitution of the CSR Committee is as follows:</p> <ol style="list-style-type: none"> <li>Dr. Ramesh Kancharla DIN:00212270 Chairman &amp; Managing Director</li> <li>Dr. Dinesh Kumar Chirla DIN:01395841 Whole-time Director</li> <li>Dr. Anil Dhawan DIN: 08191702 Independent Director</li> <li>Ms. Sundari R. Pisupati DIN: 01908852 Independent Director</li> <li>Mr. Santanu Mukherjee DIN: 07716452 Independent Director</li> </ol>								
9	<p>Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p> <p>Yes, Corporate Social Responsibility Committee is responsible for taking decisions on sustainability related issues.</p>								

10 Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was under taken by Director/Committee of the Board/any other Committee									Frequency (Annually/Half yearly/ Quarterly/Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Committee of the Board									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, the Committee of the Board ensures that company complies with all applicable laws and statutory requirement of the land it operates in.									Quarterly								

11	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
Has the entity carried out independent assessment /evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	No								

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

Not Applicable

Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principle material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

## Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	3	Updates on: 1. Amendments in corporate laws. 2. IT including Data Privacy and Cyber Security 3. Roles and Liabilities of Independent Director. 4. Prohibition of Insider Trading	100%
Employees other than Board of Directors and KMPs	15	Updates on: 1. Code of Conduct (talks about anti-bribery) 2. Whistle Blower Policy 3. Prohibition of Insider Trading	62%
Workers	Not Applicable		

**2. Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year:**

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

	Monetary				Has an appeal been preferred? (Yes/No)
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	
Penalty/ Fine	None				
Settlement					
Compounding fee					

	Non-Monetary				Has an appeal been preferred? (Yes/No)
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case		
Imprisonment	None				
Punishment					

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case details	Name of the regulatory/enforcement agencies/judicial institutions
Not applicable	

**4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company places a strong emphasis on conducting business in a transparent and ethical manner. To ensure compliance with ethical standards, the Company strictly follows all relevant laws, treaties, and regulations that prohibit bribery and other corrupt activities. The Whistle blower and Code of Conduct Policies, which address ethics, bribery, and corruption, apply to all Rainbow Group, joint ventures, and entities. The same can be accessed at <https://www.rainbowhospitals.in/investors-relations/policies-&-programs>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

**6. Details of complaints with regard to conflict of interest**

	FY 2023 (Current Financial Year)		FY 2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest:

Not applicable

## Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a comprehensive Code of Conduct for Senior Management and Board Members, which explains the possible scenarios that could amount to conflict and ways to avoid the same.

## Principle 2

Business should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

Segment	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	Nil	Nil	No expenditure was incurred on Research and Development by the Company during the period under review. As energy conservation and environmental safeguarding have become part of the project implementation.
Capex	1.64%	2.05%	Operational cost reduction, resource optimisation, improvement of Energy efficiencies, Energy sources sustainability, Carbon emission reductions and improving the life span of Assets and so on.

2. a. Does the entity have procedures in place for sustainable sourcing?:

Yes

- b. If yes, what percentage of inputs were sourced sustainably?

Rainbow Hospitals prioritises sustainable procurement, emphasising ethical and ecologically aware practises to reduce sourcing risks and create better supplier relationships based on trust and integrity. Rainbow Group employs a centralised procurement strategy, providing "one Point of Sourcing," which allows for a uniform level of sustainability throughout its purchasing practises.

To minimise risks associated with transportation and reduce carbon footprint, 86% of products are procured through local distribution channels from trusted suppliers. This localised approach not only enhances supply chain resilience but also aligns with Rainbow Hospitals' commitment to sustainability.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) **Plastics (including packaging):** The Company ensures responsible waste management practices

by selling its plastic waste to authorized plastic recyclers on a regular basis. As the Company operates in the healthcare services industry, the plastic waste generation is minimal.

**(b) E-waste:** The Company ensures responsible waste management practices with its E-waste being disposed of to authorised recyclers on weight basis.

**(c) Hazardous waste:** The Company, as a healthcare service provider, ensures responsible disposal of its biomedical waste (BMW) to authorised hazardous waste disposers in compliance with the BMW rules of 2016.

**(d) Other waste:** The Company responsibly manages its general waste, including dry and wet waste, by disposing of it through municipality-hired vendors who carry out decomposition and recycling of materials/waste based on their respective categories.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:**

Not applicable

**Leadership Indicators -**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?:**

Not applicable as the Company is in Healthcare Services.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
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Not applicable

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:**

Not applicable

Name of Product / Service	Description of the risk / concern	Action Taken
---------------------------	-----------------------------------	--------------

Not applicable

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed, as per the following format:

	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	1.3	-	-	1.2
E-waste	-	-	1.1	-	-	1
Hazardous waste	-	-	283.5	-	-	238.91
Other waste- General waste ( Dry and wet)	-	-	636.657	-	-	578.416

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable

### Principle

3

Business should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators:

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	1,502	284	19%	1,502	100%	NA	NA	1,502	100%	NA	NA
Female	2,079	209	10%	2,079	100%	2,079	100%	NA	NA	2,079	100%
<b>Total</b>	<b>3,581</b>	<b>493</b>	<b>14%</b>	<b>3,581</b>	<b>100%</b>	<b>2,079</b>	<b>58%</b>	<b>1,502</b>	<b>42%</b>	<b>2,079</b>	<b>58%</b>
<b>Other than Permanent employees</b>											
Male	381	232	61%	232	61%	NA	NA	NA	NA	NA	NA
Female	898	634	71%	634	71%	NA	NA	NA	NA	898	100%
<b>Total</b>	<b>1,279</b>	<b>866</b>	<b>68%</b>	<b>866</b>	<b>68%</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>898</b>	<b>70%</b>

**Note:** Other permanent employees are not covered under the Maternity Benefit Act hence they are not eligible for maternity, paternity and day care facilities. However, our Hospitals have child care room, play areas, support staff which can be used by all female staff who may need to use it.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	Not Applicable										
Female	Not Applicable										
<b>Total</b>	Not Applicable										
<b>Other than Permanent Workers.</b>											
Male	Not Applicable										
Female	Not Applicable										
<b>Total</b>	Not Applicable										

## 2. Details of retirement benefits, for Current and Previous Financial Year.

Benefits	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	NA	100%	NA	NA
ESI	41%	NA	Y	39%	NA	Y
Others- please specify	NA	NA	NA	NA	NA	NA

## 3. Accessibility of workplaces

**Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.**

Yes, the Company ensures that all its hospitals in India are in compliance with the Rights of Persons with Disabilities Act 2016, to ensure that they are accessible to differently-abled employees. The Company has implemented various measures to achieve this, including the provision of wheelchair access and ramps. Further, helpers are also provided as per the need.

## 4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company is committed to maintaining a policy of non-discrimination and enforcing a strong stance against any behaviours that contravene its ethics and Code of Conduct. These standards are clearly outlined in the Business Responsibility Policy, demonstrating the Company's dedication to promoting a culture of fairness, respect and accountability. The same can be accessed at <https://www.rainbowhospitals.in/investor-relations/reports/policy/Business%20Responsibility%20Policy.pdf>

## 5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	Not Applicable	
Female	100%	100%	Not Applicable	
<b>Total</b>	<b>100%</b>	<b>100%</b>	Not Applicable	

**Note:** Employees taken maternity leaves and paternal leaves in FY 2022-23, active in April 2023

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	Not applicable
Other than permanent workers	
Permanent employees	Yes, the Company has multiple channels for employees to raise concerns. These range from unit level grievance committees, whistle blower channel, anti-sexual harassment channel and corporate employee well-being and grievances channel. These are governed by the whistle blower policy, anti-sexual harassment policy, anti-discrimination policy and the Code of Conduct of the Company.
Other than permanent employees	

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	%(B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	%(D/C)
<b>Total Permanent Employees</b>	3,581	0	0%	2875	0	0%
- Male	1,502	0	0%	1236	0	0%
- Female	2,079	0	0%	1639	0	0%
<b>Total Permanent Workers</b>	Not Applicable					
- Male						
- Female						

## 8. Details of training given to employees and workers:

Category	FY2023 (Current Financial Year)					FY2022 (Previous Financial Year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1,502	1,193	79%	1,138	76%	1,236	1,236	100%	1,236	100%
Female	2,079	1,830	88%	1,764	85%	1,639	1,639	100%	1,639	100%
<b>Total</b>	<b>3,581</b>	<b>3,023</b>	<b>84%</b>	<b>2,902</b>	<b>81%</b>	<b>2,875</b>	<b>2,875</b>	<b>100%</b>	<b>2,875</b>	<b>100%</b>
<b>Workers</b>										
Male	Not Applicable									
Female										
<b>Total</b>										

## 9. Details of performance and career development reviews of employees and workers:

Category	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	%(D/C)
<b>Employees</b>						
Male	1,502	1,298	86%	1,236	1,012	82%
Female	2,079	1,726	83%	1,639	1,230	75%
<b>Total</b>	<b>3,581</b>	<b>3,024</b>	<b>84%</b>	<b>2,875</b>	<b>2,242</b>	<b>78%</b>
<b>Workers</b>						
Male	Not Applicable					
Female						
<b>Total</b>						

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. the safety management system has guidelines that are applicable to all the Hospitals.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has developed extensive rules for dealing with various sorts of dangers and conducting

rigorous risk assessments. These policies and procedures help the Company to identify possible hazards and devise effective risk-mitigation solutions. Additionally, internal audits are performed on a regular basis to guarantee compliance with occupational health and safety regulations. These audits are used to evaluate and confirm the Company's compliance with its occupational health and safety management system.

To further enhance safety practices, the Company has implemented a robust Process Safety Management system. This system enables the Company to adopt industry-leading safety practices across all operational processes.



**c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)**

Yes, the Company possesses established Standard Operating Procedures (SOP) for its employees to recognise and report work-related hazards. The SOP includes steps to reduce or eliminate these risks.

Moreover, the Company provides occupational health and safety training to employees. The

training sessions incorporate various techniques to identify potential hazards at work, assess the associated risks, and take necessary measures to address them.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, all the employees are covered under the group insurance policies and have access to medical services.

**11. Details of safety related incidents, in the following format:**

Safety Incident /Number	Category	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	1
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company is dedicated to its employees' well-being and regularly runs training programmes for its employees in order to maintain a safe and healthy workplace. The Company supplies safety kits, including PPE kits and other required equipment, to protect the staff and employees from contamination. The majority of hospitals are NABH approved. In addition, the Company guarantees that all local requirements are followed.

**13. Number of complaints on the following made by employees and workers:**

	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%, Periodic internal audits are conducted by the Quality team. The audits are conducted by internal experts to ensure the compliance of safety regulations and identification of major improvement areas.
Working Conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.**

The Hospital Unit safety manual serves as a guiding document for all safety related issues and in case of any safety incident, specific corrective protocols are defined which are being followed. Also, risk management guidelines has been identified for all the units.

### Leadership Indicators

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, the Company provides compensation to the employees and has made policies on Accidental Death insurance and Workman Compensation to cover Accidental death.

**2. Provide the measures undertaken by the Company to ensure that payment of statutory dues have been deducted and deposited by the value chain partners.**

Regular audits are conducted to ensure the timely deposit of all statutory dues. These audits provide a comprehensive assessment of the Company's compliance with labour laws and regulations. Additionally, the Company engages a Labour Law Consultant to assess the HR compliances of outsourced manpower vendors. By thoroughly reviewing these compliances, the Company aims to uphold its commitment to adherence to labour laws and regulations. Through these efforts, the Company strives to maintain transparency, accountability and legal compliance in its operations.

**3. Provide the number of employees / workers having suffered high consequences due to work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total No. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No):**

As of now, the Company does not provide the transition assistance.

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working conditions	-

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:**

As of now, the Company does not have any policy to oversee health and safety practices and working conditions of value chain partners

**Principle | 4**
**Business should respect the interests of and be responsive to all its stakeholders**
**1. Describe the processes for identifying key stakeholder groups of the Company.**

The Company values its relationships with stakeholders and maintains proactive and continuous engagement through various channels such as performance reviews, meetings, surveys, feedback systems, media, events, and other means. This approach allows the Company to foster strong partnerships and build trust with its stakeholders, leading to mutually beneficial outcomes.

**2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as vulnerable and marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
<b>Patients/Customers</b>	No	<ul style="list-style-type: none"> <li>Customer relationship management</li> <li>Website and social media</li> <li>Customer support desk</li> <li>Patient feedback system</li> <li>Patient satisfaction survey</li> <li>SMS and helpline desk</li> </ul>	Continuous	<ul style="list-style-type: none"> <li>Timely availability of services</li> <li>Quality/efficiency of service</li> <li>Cost effectiveness</li> <li>Innovation in services/ products</li> <li>Hygiene in environment</li> </ul>
<b>Employees</b>	No	<ul style="list-style-type: none"> <li>Emails</li> <li>Community meetings</li> <li>Website</li> <li>Notice board</li> </ul>	Need based	<ul style="list-style-type: none"> <li>Training and development</li> <li>Regular Company updates</li> <li>Employee concerns</li> </ul>
<b>Investors</b>	No	<ul style="list-style-type: none"> <li>Company's Investor Relations section of website</li> <li>Annual general meeting</li> <li>Quarterly and annual presentations and earning calls</li> <li>Announcements to stock exchanges</li> <li>Investor meets</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Operational performance</li> <li>Corporate governance</li> <li>Management strategies and outcomes</li> </ul>
<b>Suppliers</b>	No	Digital meetings / In person meetings	Need based	Regular business updates, Performance feedback, Updation about change in regulation pertaining to supplies/services
<b>Government</b>	No	Emails / Community meetings/ In person meetings	Need based	Representations / Perspective on change in regulations / upcoming laws
<b>Society</b>	Yes	<ul style="list-style-type: none"> <li>Social media</li> <li>CSR</li> <li>Community building sessions</li> <li>Awareness campaigns</li> <li>Health surveys</li> <li>Discussions on medical issues</li> <li>Press conferences</li> <li>Health talks and camps</li> </ul>	Need based	<ul style="list-style-type: none"> <li>Analysis of health needs of the society</li> <li>Identifying the gap between demand and supply</li> <li>Prevention of illnesses</li> </ul>

## Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Management consistently keeps the Board members informed during Board meetings about the feedback received from a wide range of stakeholders concerning Environmental, Social and Governance (ESG) matters. These updates play a vital role in ensuring that the Board members are well-informed about the perspectives and opinions expressed by stakeholders regarding ESG-related issues. By staying updated, the Board members can make informed decisions and effectively address the concerns raised by stakeholders.

Moreover, the responsibility of consulting and engaging with stakeholders on ESG topics is assigned to specific departments within the Company. This ensures

continuous communication and collaboration with stakeholders, fostering a transparent and inclusive approach. By involving relevant departments, the Company promotes effective stakeholder engagement and encourages active participation in ESG initiatives.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the feedback received from the stakeholders concerned, as explained above, gets periodically discussed with the Management and necessary actions are initiated.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company does not, currently, have a vulnerable and marginalised group amongst its stakeholders.

## Principle 5

### Business should respect and promote human rights

#### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	3,581	1,504	42%	2,875	1,070	37%
Other than Permanent	1,279	460	36%	1,011	303	30%
<b>Total Employees</b>	<b>4,860</b>	<b>1,964</b>	<b>40%</b>	<b>3,886</b>	<b>1,373</b>	<b>35%</b>
<b>Workers</b>						
Permanent	Not Applicable					
Other than Permanent						
<b>Total Workers</b>						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2023 (Current Financial Year)					FY2022 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	<b>3,581</b>	<b>360</b>	<b>10%</b>	<b>3,221</b>	<b>90%</b>	<b>2,875</b>	<b>319</b>	<b>11%</b>	<b>2,572</b>	<b>89%</b>
Male	1,502	196	13%	1,306	87%	1,236	183	14%	1,062	86%
Female	2,079	164	8%	1,915	92%	1,639	136	8%	1,510	92%
<b>Other than Permanent</b>	The Company engages trainees and consultants who are governed by their respective contracts									
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>	Not Applicable									
Male										
Female										
<b>Other than Permanent</b>										
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD) – Executive Director	2	5,42,85,783	0	0
BOD- Independent Director	3	21,00,000	1	19,00,000
Key Managerial Personnel (KMP)	2	65,37,785	0	0
Employees other than BoD and KMP	1,500	3,24,000	2079	2,80,200
Workers	Not Applicable			

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company is committed to honesty, fairness, and transparency, and it strives to maintain the highest standards of ethical behaviour and practise. It actively encourages professionalism and ethical behaviour among its employees and has put in place strong measures to foster and support this culture.

To guarantee a safe and ethical working environment for all, the Company's management takes quick action to investigate and address the issue in accordance with its policy.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is firmly committed to internationally accepted human rights principles and standards. To ensure compliance with this commitment, the Company has established rigorous procedures and processes to prevent any human rights violations across all its operations. Additionally, the Company has implemented a whistle-blower policy to encourage and facilitate the reporting grievances or complaints by its employees. The Company ensures that all received grievances are thoroughly investigated and appropriate measures are taken to address the issue or complaint.

6. Number of complaints on the following made by employees and workers:

	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	-	1	Nil	-
Discrimination at Workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other Human Rights related issues	Nil	Nil	-	Nil	Nil	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has implemented a Code of Conduct, gender-neutral prevention of sexual harassment, and BRR policies to encourage and facilitate the reporting of any grievances or complaints by its employees. In case of any human right issue the Company's management will take strict action to investigate and address the issue in accordance with its policy, to ensure a safe and ethical working environment for all.

All our policies ensure that employees who raise concerns/violations are protected from any form of retaliation or threat to employment. The Company is committed to protect employees upholding the principles by notifying violations from any form of retaliation or adverse action due to their disclosure.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessment for the year:

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	100
Forced Labour/Involuntary Labour	100
Sexual Harassment	100
Discrimination at Workplace	100
Wages	100
Other- please specify	-

**Note:** The Internal and external Auditors conduct assessments as per the Audit schedule. Assessments are also carried out by respective Government authorities and the Company has not received any non-compliance certification.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.:

There are no significant risks/concerns that have been identified.

## Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company believes that it has maintained the fundamental principles of human rights in all of its activities. The Company has addressed human rights related issues in its business responsibility policy. The policy can be accessed on Company's website. Moreover, the Company also has whistle-blower policy in place for any grievances or complaints related to human rights.

## 2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company consistently educates its employees on the Code of Conduct by means of diverse training programmes, demonstrating its commitment to promoting a culture of compliance.

## 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the Company ensures that all its hospitals in India are in compliance with the Rights of Persons with Disabilities Act 2016, to ensure that they are accessible to differently-abled employees. The Company has implemented various measures to achieve this, including the provision of wheelchair access, ramps, and accessible restrooms. Helpers are also provided as per the need.

## 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	During this year we have not been able to conduct assessment of value chain partners, but we do intend to do this in the coming years.
Discrimination at Workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

## 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:

Not applicable.

## Principle 6

Business should respect and make efforts to protect and restore the environment.

### Essential Indicators

#### 1. Details of total energy consumption (in Mega Joules (MJ) or multiples) and energy intensity, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total electricity consumption (A)	67643024 MJ	61557989 MJ
Total fuel consumption (B)	630209 MJ	525665 MJ
Energy consumption through other sources (C)	1249207 MJ	1233623 MJ
<b>Total energy consumption (A+B+C)</b>	<b>69522440 MJ</b>	<b>63317277 MJ</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00592	0.00650
Energy intensity (optional) – the relevant metric may be selected by the Company	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency: No

#### 2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

No.

## 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	109165	101167
(iii) Third party water	26758	24803
(iv) Seawater / desalinated water	-	-
(v) Others	37495	34755
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>173418</b>	<b>160725</b>
<b>Total volume of water consumption (in kilolitres)</b>	173418	160725
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	0.0000147769	0.000016505
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency: No

## 4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, in our newly established Greenfield units, Rainbow Hospitals has implemented sustainable water management practices. As part of these efforts, the Company is actively recycling water and reusing treated water, effectively utilising it for various operational purposes

## 5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
NOx	Metric Tonnes	0.035	0.029
SOx	Metric Tonnes	3.6	3.04
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency: No

## 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) &amp; its intensity, in the following format:

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	501	446
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	17477	14561
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Metric tonnes	0.0000015319	0.0000015411
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.: No



**7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes, the Company has proactively implemented a range of measures to effectively reduce greenhouse gas emissions, showcasing its dedication to addressing environmental concerns and minimising its carbon footprint. Through the successful implementation of several projects, the Company has achieved a significant reduction of 314 metric tonnes of CO<sub>2</sub> emissions.

**8. Provide details related to waste management by the Company, in the following format:**

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	1.3	1.2
E-waste (B)	1.1	1
Bio-medical waste (C)	282.98	238.46
Construction and demolition waste (D)	150	0
Battery waste (E)	0.225	0.260
Radioactive waste (F)	0	0
Other Hazardous Waste. Please specify, if any. (G) (DG Waste Oil)	0.52	0.45
Other Non-hazardous waste generated (H). Please specify, if any. General waste (Dry and wet)-(Break-up by composition i.e. by materials relevant to the sector)	636.657	578.416
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>1,072.782</b>	<b>819.786</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>		
<b>For each category of waste generated, total waste disposed of through disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	1,072.782	819.786
<b>Total</b>	<b>1,072.782</b>	<b>819.786</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency: No

**9. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company follows the CPCB BMW rules of 2016 policy for the disposal of Biomedical waste (BMW). PCB authorised collectors are employed for segregation and disposal. Under the provisions and guidelines issued by MoEF, the Company has adopted an e-waste policy that covers all electronic and electrical goods. The e-waste and waste oil are disposed of through authorised vendors. General waste, which includes papers, cardboard boxes, day-to-day plastic waste, tins, and general scrap, is disposed of on a need basis.

The Company treats wastewater through STP as per hospital policy. The treated wastewater is recycled and reused for flush tanks, gardening, and cleaning of cellars where there is little human contact.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not undertaken any EIA of project during the year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N). Yes

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Not Applicable

## Leadership Indicators

1. Provide break-up of the total energy consumed (in Mega Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	1249207 MJ	1233623 MJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>1249207 MJ</b>	<b>1233623 MJ</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	67643024 MJ	61557989 MJ
Total fuel consumption (E)	630209 MJ	525665 MJ
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>68273233 MJ</b>	<b>62083654 MJ</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency: No

## 2. Provide the following details related to water discharged:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	127362.51 KL, after chlorination, STP and UV filtration.	116682.1 KL - after chlorination, STP and UV filtration.
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>127362.51</b>	<b>116682.1</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency. No

## 3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres)</b>	-	-
<b>Total volume of water consumption (in kilolitres)</b>	-	-
<b>Water intensity</b> per rupee of turnover (Water consumed / turnover)	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>-</b>	<b>-</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency: No

**4. Please provide details of total Scope 3 emissions and its intensity, in the following format:**

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	-	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>	-	-	-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency: No

**5. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

There has been no significant direct or indirect impact on biodiversity.

**6. If the company had undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Solar Roof top	<a href="https://www.rainbowhospitals.in/esg">https://www.rainbowhospitals.in/esg</a>	347002 units of electricity generated.
2.	Solar Water heaters		675000 units of energy saved with solar water heaters and to ensure energy efficiency and reduction of the emissions.

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

As per the requirements of the ISO 27001:2013 standard, Rainbow Hospitals has an active business continuity policy including disaster recovery and its implementation. The objective of the same is to minimize the impact to the Company in cases of prolonged downtime of application or network and also to recover the loss of information assets immediately once the system is up again.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

During the reporting period, the Company has not done any impact analysis of Value chain partners regarding impact on the environment, either directly or indirectly.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.: Nil

## Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.: 4 (Four).
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

Sl. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/ National)
1.	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
2.	Directorate of Medical Education	National
3.	Telangana Super Speciality Hospitals Association (TSSHA)	National
4.	IMA Forum and Great Place to Work	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

During the year under review, no adverse orders have been passed by any regulatory body relating to the anti-competitive conduct by the Company.

Name of the authority	Brief of the case	Corrective action taken
Not Applicable		

### Leadership Indicators

1. Details of public policy positions advocated by the Company:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/ No)	Frequency of Review by Board (Annually/ Half yearly/Quarterly/Others- please specify)	Web Link, if available
-	-	-	-	-	-

## Principle 8

Businesses should promote inclusive growth and equitable development.

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
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Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

The Company strives to create and maintain an inclusive environment where all stakeholders feel heard and respected. The Company has a whistle blower channel to receive and redress grievances of the community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Directly sourced from MSMEs/small producers	22%	14%
Sourced directly from within the district and neighbouring districts	86%	66%

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable

Details of negative social impact identified	Corrective action taken
-	-

2. Provide the following information on CSR projects undertaken by the Company in the designated aspirational districts as identified by government bodies:

For this reporting year, the Company did not undertake any CSR projects in designated aspirational districts.

Sl. No.	State	Aspirational District	Amount spent (In INR)
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-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No): No
- (b) From which marginalized /vulnerable groups do you procure? N.A
- (c) What percentage of total procurement (by value) does it constitute? N.A

The quality of the materials is of prime importance to the sector the Company operates in. Though the Company does not have a preferential procurement policy, it does not discriminate on the basis on caste, creed or religion while selecting the supplier.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
-	-	-	-	-

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
-	-	-

**6. Details of beneficiaries of CSR projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
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Please refer CSR Report of the Annual Report at page no 108

## Principle 9

**Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has established a comprehensive feedback collection system that enables customers to provide their input through multiple channels. Customers may utilise the in-house application to offer feedback on both outpatient (OP) and in patient (IP) services, with IP feedback collected at the hospital before discharge, and OP feedback obtained via an SMS link sent to the registered phone number. In addition, customers can share their feedback by visiting the Company website, contacting the call centre, or emailing queries@rainbowhospitals.in. The feedback collected is then shared with the relevant stakeholders for appropriate action based on the nature of the feedback received.

The Company is working on centralising the feedback collection process and modernising it by addition of new channels for feedback collection as well as adding more touchpoints.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable
Safe and responsible usage	
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY2023 (Current Financial Year)		Remarks	FY2022 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	-	NIL	NIL	-
Advertising	NIL	NIL	-	NIL	NIL	-
Cyber- security	NIL	NIL	-	NIL	NIL	-
Delivery of essential services	Please refer to Question 23 of section A-					-
Restrictive Trade Practices	NIL	NIL	-	NIL	NIL	-
Unfair Trade Practices	NIL	NIL	-	NIL	NIL	-
Other (product related)	NIL	NIL	-	NIL	NIL	-

#### 4. Details of instances of product recalls on account of safety issues: Not applicable

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

#### 5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company is committed to respecting the privacy of every person who shares information or data with the Company. The weblink for the privacy policy can be accessed on Company's website <https://www.rainbowhospitals.in/terms-and-conditions>.

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

The Company is committed to ensuring the highest level of network security by implementing state-of-the-art Palo Alto firewall systems. These systems provide comprehensive monitoring, auditing, and alerting the IT team to detect and mitigate potential risks promptly. With such advanced security measures in place, the Company can confidently conduct its operations, knowing that its network is protected to the fullest extent possible.

### Leadership Indicators

#### 1. Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available).

The website contains information on the Company's healthcare services. The link for the website is <https://www.rainbowhospitals.in/>

**Linkedin:** <https://in.linkedin.com/company/rainbow-hospital>

**Instagram:** <https://www.instagram.com/rainbowchildrenshospitals/?hl=en>

**Twitter:** [https://twitter.com/rch\\_india?lang=en](https://twitter.com/rch_india?lang=en)

**Facebook:** <https://www.facebook.com/rainbowchildrenshospitals/>

#### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not applicable. The Company is into healthcare services.

#### 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company engaged one of the leading consulting firms to conduct a Risk Assessment study aimed at identifying potential vulnerabilities. Once identified, the Company took necessary measures to address the issues. Moreover, to ensure the availability of its website, the Company opted for AWS as the host, which provides default Business Continuity Planning (BCP) strategies.

#### 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/ No)

No, the Company collects a NPS rating in their OP and IP feedback forms. Additionally, the Company also monitors the GMB rating online.

#### 5. Provide the following information relating to data breaches:

##### a. Number of instances of data breaches, along with impact:

Nil

##### b. Percentage of data breaches involving personally identifiable information of customers:

Nil



# Financial

## Statements



# Independent Auditor's Report

## To the Members of Rainbow Children's Medicare Limited

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

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

#### Opinion

We have audited the standalone financial statements of Rainbow Children's Medicare Limited (formerly Known as 'Rainbow Children's Medicare Private Limited') (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Impairment of Investment

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

#### Basis for Opinion

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

#### Key Audit Matter(s)

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

The key audit matter	How the matter was addressed in our audit
<p>During the year, the Company has made investment of ₹ 311.87 million (including conversion of compulsory convertible debentures of ₹ 1.86 million) in one of the subsidiary companies. The total investment as at 31 March 2023 is ₹ 324.11 million (before impairment loss of ₹ 46.30 million).</p> <p>Due to continued losses incurred by the subsidiary, the Company is exposed to risk in respect of the recoverability of its aforesaid investment.</p> <p>The Company carries out assessment of the impairment at every reporting period end. This assessment uses several key assumptions including estimates of future cash flows, discount rate and growth rate.</p>	<p>In view of the significance of the matter, we performed the following procedures:</p> <ol style="list-style-type: none"> <li>1. Evaluated the design and implementation and tested operating effectiveness of key internal controls over the Company's impairment assessment process of the investment including the completeness and accuracy of the input data considered, reasonableness of assumptions considered in determining the present value of future cash flows.</li> <li>2. Obtained the business projections of the subsidiary and performed the following procedures:</li> </ol>

The key audit matter	How the matter was addressed in our audit
<p>We have identified impairment of investment as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• the significance of the carrying value of the investment;</li> <li>• assessment of impairment involves Company's significant judgement and estimates.</li> </ul>	<ul style="list-style-type: none"> <li>• Compared the actual revenues and cash flows generated by the subsidiary during the year with the budgets. Agreeing current forecast with the approval of board of directors as well as our own assessment based on our knowledge of the entity.</li> <li>• Evaluated the management's future cash flow projections with regard to the appropriateness of key assumptions considered, including discount rate, growth rate, sensitivity analysis of the key assumptions etc, and duly considering the historical accuracy of the Company's estimate in the prior periods and comparison of the assumptions with observable market data wherever available.</li> <li>• Involved our valuation experts to assess the valuation methodologies and key assumptions used for impairment assessment.</li> </ul>

### Other Information

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

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting

Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Report on Other Legal and Regulatory Requirements

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

- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 2.30(A) to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 2.49 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 2.49 (vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 2.13 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Associates LLP***Chartered Accountants*

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

**Jhahanwijha Shyamsukha***Partner*

Membership No.: 064550

ICAI UDIN:23064550BGYJJY6383

Place: Hyderabad

Date: 14 May 2023

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

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

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

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

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. Further the procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security, to companies, firms, limited liability partnership or any other parties and also has not granted loans and advances in the nature of loans, secured or unsecured and has not made any investments in firms or limited liability partnership during the year. The Company has made investments in company and other parties and has granted loans and advances in the nature of loans, unsecured to company and other parties, in respect of which the requisite information is as below.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans to companies and other parties as below:

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

\*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans and advances in the nature of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. The Company has not provided any guarantees or security during the year.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax (GST), Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of GST and Provident Fund.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

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

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

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised. The Company has raised funds by way of initial public offer in the month of May 2022 and the unutilised amounts as at the year ended 31 March 2023 were temporarily invested in fixed deposits and held in current account with banks. There were no funds raised by way of further public offer (including debt instruments):
- Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

Nature of the fund raised through public offer	Purpose for which funds were raised	Total amount raised (₹ in millions)	Amount utilized for the other purpose than stipulated (₹ in millions)	Amount utilized for purpose as at the balance sheet date (₹ in millions)	Unutilised balance as at balance sheet date (₹ in millions)	Details of default (Reason/Delay)	Subsequently rectified (Yes/No) and details
Initial Public Offer	Early redemption of NCDs issued by the Company to CDC Emerging Markets Limited, in full	400	Nil	400	Nil	Not Applicable (NA)	NA
Initial Public Offer	Capital expenditure towards setting up of new hospitals and purchase of medical equipment for such new hospitals	1,700	Nil	327.29	1,372.71	Delayed execution of one of the project has resulted in less spend of IPO money raised against the target provided in the prospectus of INR 1,065 million.	No
Initial Public Offer	General corporate purposes	561.40	Nil	Nil	561.40	As the Company is utilising the funds generated from operations, the said proceeds were not utilised.	No



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, there is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For B S R & Associates LLP***Chartered Accountants*

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

**Jhahanwija Shyamsukha***Partner*

Membership No.: 064550

ICAI UDIN:23064550BGYJJY6383

Place: Hyderabad

Date: 14 May 2023

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

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

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

### **Opinion**

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the

Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference

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

#### **For B S R & Associates LLP**

*Chartered Accountants*

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

#### **Jhahanwijha Shyamsukha**

*Partner*

Membership No.: 064550

ICAI UDIN:23064550BGYJJY6383

Place: Hyderabad

Date: 14 May 2023

# Standalone Balance Sheet

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

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

The notes referred to above form an integral part of the standalone financial statements  
As per our Report of even date attached

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

**Jhahanwija Shyamsukha**  
Partner  
Membership Number.: 064550

Place: Hyderabad  
Date: 14 May 2023

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

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

**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 14 May 2023

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

**Ashish Kapil**  
Company Secretary  
Membership Number: A31782

Place: Hyderabad  
Date: 14 May 2023

# Standalone Statement of Profit and Loss

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

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

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

As per our Report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwija Shyamsukha**

Partner

Membership Number.: 064550

Place: Hyderabad  
Date: 14 May 2023

For and on behalf of the Board of Directors of

**Rainbow Children's Medicare Limited**

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

CIN: L85110TG1998PLC029914

**Dr. Ramesh Kancharla**

Chairman and Managing Director

DIN: 00212270

**R Gowrisankar**

Chief Financial Officer

Place: Hyderabad  
Date: 14 May 2023

**Dr. Dinesh Kumar Chirla**

Director

DIN: 01395841

**Ashish Kapil**

Company Secretary

Membership Number: A31782

Place: Hyderabad  
Date: 14 May 2023

# Standalone Statement of Cash Flows

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

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

# Standalone Statement of Cash Flows (Contd..)

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

## Notes:

- a) The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".
- b) Components of cash and cash equivalents as at [Refer note 2.9 (a)]

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

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

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

As per our Report of even date attached

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

**Jhahanwijha Shyamsukha**  
Partner  
Membership Number.: 064550

Place: Hyderabad  
Date: 14 May 2023

For and on behalf of the Board of Directors of  
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CIN: L85110TG1998PLC029914

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

**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 14 May 2023

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

**Ashish Kapil**  
Company Secretary  
Membership Number: A31782

Place: Hyderabad  
Date: 14 May 2023

# Standalone Statement of Changes in Equity

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

Particulars	Equity share capital	Other equity				Total other equity
		Securities premium	General reserve	Debenture redemption reserve	Retained earning	
<b>Balance as at 1 April 2021</b>	549.03	1,513.44	44.43	45.00	2,607.44	4,210.31
Shares issued during the year	500.95	250.64	-	-	-	250.64
Profit for the year	-	-	-	-	1,422.91	1,422.91
Amount transferred from debenture redemption reserve	-	-	-	-	5.00	5.00
<b>Appropriations:</b>						
Amount transferred /utilised	-	(6.50)	-	(5.00)	-	(11.50)
Issue of bonus shares	-	(481.67)	-	-	-	(481.67)
Final dividend on equity shares for the year ended 31 March 2021. i.e. ₹ 2 per share	-	-	-	-	(87.92)	(87.92)
Final dividend on Series A CCPS for the year ended 31 March 2021. i.e. ₹ 2 per share	-	-	-	-	(2.29)	(2.29)
Final dividend on Series B CCPS for the year ended 31 March 2021. i.e. ₹ 2 per share	-	-	-	-	(2.27)	(2.27)
Remeasurement of defined benefit liability	-	-	-	-	13.02	13.02
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(3.28)	(3.28)
<b>Balance as at 31 March 2022</b>	<b>1,049.98</b>	<b>1,275.91</b>	<b>44.43</b>	<b>40.00</b>	<b>3,952.61</b>	<b>5,312.95</b>

Particulars	Equity share capital	Other equity				Total other equity
		Securities premium	General reserve	Debenture redemption reserve	Retained earning	
<b>Balance as at 1 April 2022</b>	1,049.98	1,275.91	44.43	40.00	3,952.61	5,312.95
Shares issued during the year	74.48	2,834.97	-	-	-	2,834.97
Preference shares converted during the year	(109.44)	-	-	-	-	-
Profit for the year	-	-	-	-	2,058.93	2,058.93
Amount transferred from debenture redemption reserve	-	-	-	-	40.00	40.00
<b>Appropriations:</b>						
Amount transferred /utilised	-	(138.60)	-	(40.00)	-	(178.60)
Final dividend on equity shares for the year ended 31 March 2022. i.e. ₹ 2 per share	-	-	-	-	(203.00)	(203.00)
Remeasurement of defined benefit liability	-	-	-	-	4.83	4.83
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(1.22)	(1.22)
<b>Balance as at 31 March 2023</b>	<b>1,015.02</b>	<b>3,972.28</b>	<b>44.43</b>	<b>-</b>	<b>5,852.15</b>	<b>9,868.86</b>

As per our Report of even date attached

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

**Jhahanwijha Shyamsukha**  
Partner  
Membership Number.: 064550

Place: Hyderabad  
Date: 14 May 2023

For and on behalf of the Board of Directors of  
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Chief Financial Officer

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

**Ashish Kapil**  
Company Secretary  
Membership Number: A31782

Place: Hyderabad  
Date: 14 May 2023



# Notes to the Standalone Financial Statements

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

## 1. Significant accounting policies

### 1.1 Corporate information

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

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

### 1.2 Basis of preparation

#### (i) Statement of compliance

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

#### (ii) Basis of Preparation

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

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

#### (iii) Functional and Presentation Currency

These Standalone Financial Statements are presented in Indian Rupees (INR or ₹), which is also the Company's functional currency. All

amounts have been rounded-off to two decimal places to the nearest million, unless otherwise indicated.

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

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

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

#### Judgments

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

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

#### Assumptions and estimation uncertainties

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

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

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

# Notes to the Standalone Financial Statements

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

- **Measurement of defined benefit obligations:** Key actuarial assumptions used for actuarial valuation.
- **Impairment of financial assets:** The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost.
- **Impairment of non-financial assets:** Key assumptions underlying recoverable amount including forecasted projections.
- **Property, plant and equipment:** Useful life of asset.
- **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

## (v) Current versus Non-current classification

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

### Assets

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

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

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

### Liabilities

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

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

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

### Operating cycle

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

## (vi) Measurement of fair values

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would

# Notes to the Standalone Financial Statements

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

## (vi) Measurement of fair values (Contd..)

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.

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

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

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

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

## 1.3 Significant accounting policies:

### a. Financial Instruments

#### i. Recognition and initial measurement

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

financing component is initially measured at the transaction price.

#### ii. Classification and subsequent measurement

##### Financial assets:

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

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

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

# Notes to the Standalone Financial Statements

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

reduces an accounting mismatch that would otherwise arise.

## Financial assets – Subsequent measurement and gains and losses

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

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

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

## Financial liabilities – Classification, subsequent measurement and gains and losses

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

### iii. Derecognition

#### Financial assets:

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or

- it transfers the rights to receive the contractual cash flows in a transaction in which either:

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or

- it transfers the rights to receive the contractual cash flows in a transaction in which either:

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

#### Financial liabilities:

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

#### Interest rate benchmark reform:

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

# Notes to the Standalone Financial Statements

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

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

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

## Offsetting:

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

## b. Property, plant and equipment

### i. Recognition and measurement:

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

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

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

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

### ii. Transition to IND-AS:

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

### iii. Subsequent costs:

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

### iv. Depreciation:

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

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

# Notes to the Standalone Financial Statements

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

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

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

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

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

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

## c. Intangible assets and amortisation:

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

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

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

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

## d. Impairment of assets

### i. Impairment of financial assets

The Company recognises loss allowances for ECLs on:

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

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

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

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

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

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or

# Notes to the Standalone Financial Statements

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

effort. This includes both quantitative and qualitative information and analysis, based on the Company historical experience and informed credit assessment, that includes forward-looking information.

## Measurement of expected credit losses

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

## Credit-impaired financial assets

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

## Evidence that a financial asset is credit-impaired includes the following observable data:

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

Presentation of allowance for expected credit losses in the balance sheet

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

## Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there

is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company procedures for recovery of amounts due.

## ii. Impairment of non-financial assets

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

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

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

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

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

# Notes to the Standalone Financial Statements

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

## e. Investments

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

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

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

## f. Investments in subsidiaries

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

## g. Inventories

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

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

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

## h. Employee benefits

### i. Short-term employee benefits

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

### Post-employment benefit

#### Defined contribution plans

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

#### Defined benefit plans

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

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

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense on the net defined benefit liability for the period by applying



# Notes to the Standalone Financial Statements

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

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.

## Compensated absences

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

## i. Revenue recognition

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

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

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for components of variable consideration which constitutes discounts, estimated disallowances and any other rights and obligations as specified

in the contract with the customer. In determining the transaction price for the hospital services, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue is recognised at the point in time for the inpatient / outpatient hospital services when the related services are rendered at the transaction price.

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

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

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

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

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

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

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

## Contract balances:

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

## j. Leases

# Notes to the Standalone Financial Statements

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

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

## (i) As a lessee

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

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

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

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

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

# Notes to the Standalone Financial Statements

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

## (ii) As a lessor

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

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

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

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

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

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

## k. Income-tax

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

### Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only

if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### Deferred tax:

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

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

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

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

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

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

## l. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per

# Notes to the Standalone Financial Statements

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share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

## m. Provisions

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

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

## Onerous Contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

## n. Contingent liabilities and contingent assets

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

Contingent assets are neither recognised nor disclosed in the Standalone Financial Statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic

benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## o. Borrowings

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

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

## p. Statement of cash flows

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

## 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

# Notes to the Standalone Financial Statements

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

adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

## s. Share Capital

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

## t. Share issue expenses

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

## u. Segment reporting

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

## v. Government Grants

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

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

## w. Standards issued but not effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards

under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### 1. Ind AS 1 - Presentation of Financial Statements

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

### 2. Ind AS 12- Income Taxes

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

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

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

# Notes to the Standalone Financial Statements

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

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

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

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

### Note:

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

# Notes to the Standalone Financial Statements

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

as condonation fee and has received extension from APIIC upto 30 November 2019. While the Agreement for Sale between APIIC and the Company had been executed on 3 September 2010, the final sale deed was to be executed after commencement of regular commercial operations. The Company has commenced the commercial operations from December 2020 onwards. The Company on 29 December 2021 has paid ₹ 0.69 million to APIIC Limited as condonation fees for the delay in implementation of the project. The Company has incurred capital costs amounting to ₹ 33.06 million (31 March 2022 : ₹ 33.06 million) for purchase of freehold land and ₹ 383.98 million (31 March 2022 : ₹ 389.59 million) for the construction of the hospital building on this land.

- (ii) Delhi Development authority (DDA) has granted 5,500 square meters of land on perpetual lease to Madhukar Multispecialty Hospital Research Centre (MMHRC) in Malviyanagar (Delhi) via lease deed dated 16 September 2005. MMHRC has constructed a hospital building on this land with all infrastructure and services and 50% of the space was sublet to the Company to operate and render healthcare services. DDA vide its letter dated 28 January 2019 to MMHRC has restricted subletting to 25% instead of earlier 50% and accordingly the Company and MMHRC had executed amended the sub lease agreement dated 27 March 2019 which is effective from 1 April 2019. As at 31 March 2023, leasehold improvements and medical equipments include ₹ 106.03 million and ₹ 55.17 million (₹ 112.47 million and ₹ 72.61 million as at 31 March 2022) respectively in respect of this hospital. The Management is utilising the assets for the purpose of providing medical services at MMHRC.
- (iii) Refer note 2.41 for details of incidental expenditure capitalised during the construction period.
- (iv) Refer note 2.14 for details of assets pledged as security.

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

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

## Capital work-in-progress (CWIP) Ageing Schedule: As at 31 March 2023

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

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

## As at 31 March 2022

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

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

# Notes to the Standalone Financial Statements

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

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

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

### Intangible assets under development ageing schedule:

#### As at 31 March 2023

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

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

#### As at 31 March 2022

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

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



# Notes to the Standalone Financial Statements

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

## 2.2 Non-current investments

(Valued at cost unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
<b>A. Investments at fair value through other comprehensive income</b>		
<b>Investments in unquoted equity instruments</b>		
- Vamana Solar Private Limited* 2,600 shares of ₹ 10 each, fully paid up (31 March 2022: 2,600 shares)	0.03	0.03
<b>B. Investments at cost</b>		
<b>(i) Investments in unquoted equity instruments - In subsidiaries</b>		
(a) Rainbow Children's Hospital Private Limited 9,999 shares of ₹10 each, fully paid up (31 March 2022: 9,999 shares) Less: Impairment loss	0.10 (0.10)	0.10 (0.10)
(b) Rainbow Women & Children's Hospitals Private Limited 9,999 shares of ₹10 each, fully paid up (31 March 2022: 9,999 shares) Less: Impairment loss	0.10 (0.10)	0.10 (0.10)
(c) Rainbow Speciality Hospitals Private Limited 14,185,247 shares of ₹ 10 each, fully paid up (31 March 2022: 14,185,247 shares)	142.51	142.51
(d) Rosewalk Healthcare Private Limited 36,046,585 shares of ₹ 10 each, fully paid up (31 March 2022: 4,317,376 shares) Less: Impairment loss **	324.11 (46.30)	12.24 -
(e) Rainbow Fertility Private Limited 4,499,999 shares of ₹ 10 each, fully paid up (31 March 2022: 4,499,999 shares)	45.00	45.00
(f) Rainbow CRO Private Limited 100,000 shares of ₹ 10 each, fully paid up (31 March 2022: 100,000 shares)	0.10	0.10
<b>(ii) Investments in unquoted debentures</b>		
Rosewalk Healthcare Private Limited Nil Compulsorily convertible debentures of ₹10 each, fully paid up (31 March 2022: 729,209)	-	1.86
	<b>465.45</b>	<b>201.74</b>
Aggregate book value of unquoted investments	465.45	201.74
Aggregate amount of impairment in value of investments	46.50	0.20

\*The Company has designated the investments in Vamana Solar Private Limited as equity shares at FVOCI. The fair value of this investment as at 31 March 2023 is ₹ 0.03 million (31 March 2022: ₹ 0.03 million).

\*\*Due to the losses incurred by Rosewalk Healthcare Private Limited in the past two years, the Company is exposed to risk in respect of the recoverability of the investment. The Company had carried out an impairment assessment for investment made by the Company. Based on the detailed impairment evaluation carried out by the Company duly considering the discounted future cashflows of the subsidiary, the Company has assessed that impairment is required for the year ended 31 March 2023 and recognised ₹ 46.30 million (31 March 2022: Nil) as an impairment loss on investment.

The Company's exposure to credit risk and market risk related to investments has been disclosed in Note 2.42.

## 2.3 (a) Other financial assets (non-current)

	As at 31 March 2023	As at 31 March 2023
Bank deposits with remaining maturity more than 12 months	2,006.06	291.40
Interest accrued on deposits	69.50	-
Security deposits	179.80	256.76
	<b>2,255.36</b>	<b>548.16</b>

The Company's exposure to credit and market risk are disclosed in Note 2.42.

# Notes to the Standalone Financial Statements

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

## 2.3 (b) Other financial assets (current)

	As at 31 March 2023	As at 31 March 2022
Bank deposits with remaining maturity less than 12 months	2,756.79	-
Interest accrued on deposits	87.54	-
Share issue expense receivable (refer note 2.33 (f))	-	172.50
Security deposits	30.00	-
	<b>2,874.33</b>	<b>172.50</b>

## 2.4 Income tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision for taxation) (refer note 2.29 (b))	21.51	48.90
	<b>21.51</b>	<b>48.90</b>

## 2.5 Other non-current assets

	As at 31 March 2023	As At 31 March 2022
(Unsecured, considered good)		
Capital advances		
- to other than related parties	271.37	141.15
Prepaid expenses	11.16	6.46
Amounts paid under protest	8.30	9.74
	<b>290.83</b>	<b>157.35</b>
Unsecured, considered doubtful		
Capital advances (credit impaired)	11.43	3.33
Less: Allowance for doubtful advances	(11.43)	(3.33)
	<b>-</b>	<b>-</b>
	<b>290.83</b>	<b>157.35</b>

## 2.6 Inventories

(valued at the lower of cost or net realisable value)

	As at 31 March 2023	As At 31 March 2022
Medical consumables and pharmacy items	176.74	138.81
	<b>176.74</b>	<b>138.81</b>

## 2.7 Current investments

	As at 31 March 2023	As At 31 March 2022
<b>Investments at fair value through profit or loss</b>		
<b>Quoted:</b>		
Investments in Mutual funds - quoted		
Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan 55,293.93 (31 March 2022: 120,350.29 Units)	20.08	41.30
HDFC Liquid Fund - Growth - Direct Plan Nil (31 March 2022: 10,117.85 Units units)	-	42.34
HDFC Liquid Fund - Growth 8.803 Units (31 March 2022: Nil units)	0.04	-
Bandhan Liquid Fund - Daily IDCW - Direct Plan 0.10 Units (31 March 2022: 0.10 Units)	0.00	0.00

# Notes to the Standalone Financial Statements

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

	As at 31 March 2023	As At 31 March 2022
Bandhan Liquid Fund - Growth - Direct Plan 42,770.67 Units (31 March 2022: 16,479.42 Units)	116.28	42.37
ICICI Liquid Fund - Growth - Direct Plan 3,48,842.10 Units (31 March 2022: Nil units)	116.23	-
Sundaram Liquid Fund - Growth - Direct Plan 56,004.61 Units (31 March 2022: Nil units)	111.33	-
Tata Liquid Fund - Growth - Direct Plan 32,715.36 (31 March 2022: 12,602.62 Units)	116.19	42.35
Nippon India Liquid Fund - Growth - Direct Plan 18,373.67 (31 March 2022: 1,934.21 Units)	101.18	10.07
SBI Liquid Fund - Direct Plan - Daily Dividend Nil (31 March 2022: 12,765.00 Units)	-	42.55
	<b>581.33</b>	<b>220.98</b>
Aggregate amount of quoted investments and market value thereof	581.33	220.98

The Company's exposure to credit risk and market risk related to investments has been disclosed in Note 2.42.

## 2.8 Trade receivables

	As at 31 March 2023	As At 31 March 2022
Trade receivables considered good - unsecured	691.19	444.93
Unbilled revenue considered good - unsecured	71.07	109.45
<b>Total</b>	<b>762.26</b>	<b>554.38</b>
Less: Allowance for expected credit loss	(183.88)	(141.66)
<b>Net total trade receivables</b>	<b>578.38</b>	<b>412.72</b>

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

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

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

(a) The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in note 2.42.

(b) Refer note 2.33 (c) for related party balances.

### Trade Receivables ageing schedule:

#### As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled revenue	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Unbilled Revenue, Undisputed - considered good	71.07	-	-	-	-	-	-	71.07
(ii) Undisputed Trade receivables – considered good	-	195.87	298.26	84.01	37.19	20.25	55.61	691.19
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

# Notes to the Standalone Financial Statements

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

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled revenue	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(v) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>71.07</b>	<b>195.87</b>	<b>298.26</b>	<b>84.01</b>	<b>37.19</b>	<b>20.25</b>	<b>55.61</b>	<b>762.26</b>
Less: Loss allowance for doubtful trade receivables								(183.88)
<b>Net total trade receivables</b>								<b>578.38</b>

## As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled revenue	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Unbilled Revenue, Undisputed - considered good	109.45	-	-	-	-	-	-	109.45
(ii) Undisputed Trade receivables – considered good	-	101.20	144.91	86.43	34.33	49.70	28.36	444.93
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>109.45</b>	<b>101.20</b>	<b>144.91</b>	<b>86.43</b>	<b>34.33</b>	<b>49.70</b>	<b>28.36</b>	<b>554.38</b>
Less: Loss allowance for doubtful trade receivables								(141.66)
<b>Net total trade receivables</b>								<b>412.72</b>

## 2.9 (a) Cash and cash equivalents

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

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

	As at 31 March 2023	As At 31 March 2022
Deposit account (with original maturity more than 3 months but less than 12 months)	253.49	1,627.91
Unpaid dividend	0.07	-
Interest accrued on deposits	-	43.09
	<b>253.56</b>	<b>1,671.00</b>

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

## (b) Details of bank balances / deposits

	As at 31 March 2023	As At 31 March 2022
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	97.43	75.44

# Notes to the Standalone Financial Statements

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

	As at 31 March 2023	As At 31 March 2022
Bank deposits with original maturity more than 3 months but less than 12 months included under 'Bank balances other than cash and cash equivalents'	253.49	1,627.91
Bank deposits with original maturity more than 12 months and remaining maturity less than 12 months included under 'Other financial assets (current)'	2,756.79	-
Bank deposits with original maturity more than 12 months and remaining maturity more than 12 months included under 'Other financial assets (non-current)' *	2,006.06	291.40

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

## 2.10 Loans (non-current)

(Unsecured, considered good)

	As at 31 March 2023	As At 31 March 2022
Loans receivable**		
- considered good	337.98	663.54
	<b>337.98</b>	<b>663.54</b>
Interest accrued on - Loans receivable**	99.55	134.06
	<b>437.53</b>	<b>797.60</b>

## Loans (current)

(Unsecured, considered good)

	As at 31 March 2023	As At 31 March 2022
Loans receivable**		
- considered good	-	2.47
	<b>-</b>	<b>2.47</b>

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

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

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

### Loans:

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

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

Name of the borrower	Nature of relationship	Purpose of deposits given	As at 1 April 2022	Given during the year	Written off during the year	Refunded during the year	As at 31 March 2023	Interest accrued
Madhukar Rainbow Children's Hospital	Others	Working capital	430.48	-	-	(92.50)	337.98	99.55

# Notes to the Standalone Financial Statements

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

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

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

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

## 2.11 Other current assets

(Unsecured, considered good)

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

(Unsecured, considered doubtful)

	As at 31 March 2023	As At 31 March 2022
Other advances (credit impaired)	-	3.96
Less: Allowance for doubtful advances	-	(3.96)
	<b>151.55</b>	<b>99.71</b>

\* Refer note 2.33 for salary advance to KMP

# Notes to the Standalone Financial Statements

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

## 2.12 Share capital

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

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

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

### b) Rights, preferences and restrictions attached

#### i) Equity shares :

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

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

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

During the year, the Board of Directors of the Company in their meeting held on 08 August 2022, approved the cancellation of unissued authorised share capital of (i) 1,146,771 0.0001% Series A Compulsorily Convertible Preference Shares of face value of ₹ 48 each and (ii) 1,133,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of ₹ 48 each and increased authorised share capital of 10,944,384 Equity Shares

# Notes to the Standalone Financial Statements

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

of ₹ 10 each amounting to ₹ 109,443,840. The same is approved by the members of the Company in their Annual General Meeting held on 15 September 2022.

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

## ii) Series A CCPS:

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

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

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

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

## iii) Series B CCPS:

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

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

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

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



# Notes to the Standalone Financial Statements

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

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

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	%	Number of shares	%
<b>(i) Equity shares of ₹ 10 each, fully paid-up held by:</b>				
- Dr. Ramesh Kancharla	31,494,654	31.03%	36,849,284	39.18%
- British International Investment plc (formerly known as CDC Group plc)	-	0.00%	18,118,981	19.26%
- Dr. Dinesh Kumar Chirla	6,633,380	6.54%	8,560,000	9.10%
- CDC India Opportunities Limited	-	0.00%	8,933,163	9.50%
- Adarsh Kancharla	6,110,432	6.02%	7,555,452	8.03%
- Kancharla Family Trust	5,179,200	5.10%	5,179,200	5.51%
<b>(ii) Series A CCPS of ₹ 48 each, fully paid-up held by:</b>				
- British International Investment plc (formerly known as CDC Group plc)	-	-	11,46,771	100%
<b>(iii) Series B CCPS of ₹ 48 each, fully paid-up held by:</b>				
- CDC India Opportunities Limited	-	-	11,33,309	100%

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

## d) During the five years immediately preceding the reporting date, no shares have been bought back, issued for consideration other than cash other than disclosed below.

During the year ended 31 March 2022, 48,167,004 equity shares of ₹ 10 each, fully paid up have been allotted as bonus shares by capitalisation of securities premium.

During the year ended 31 March 2018, 34,679,253 equity shares of ₹ 10 each, fully paid up have been allotted as bonus shares by capitalisation of securities premium.

## e) Shareholding of promoters

Description	31 March 2023			31 March 2022		
	Number of shares	% holding	% of change during the year	Number of shares	% holding	% of change during the year
<b>Equity shares</b>						
Dr. Ramesh Kancharla	3,14,94,654	31.03%	(14.53%)	3,68,49,284	31.18%	(6.35%)
Dr. Dinesh Kumar Chirla	66,33,380	6.54%	(22.51%)	85,60,000	9.10%	(1.82%)
Dr. Adarsh Kancharla	61,10,432	6.02%	(19.13%)	77,55,452	8.03%	2.77%
Kancharla Family Trust	51,79,200	5.10%	(0.00%)	51,79,200	5.51%	5.51%
<b>Total</b>	<b>4,94,17,666</b>	<b>48.69%</b>		<b>5,81,43,936</b>	<b>61.82%</b>	

## 2.13 Other equity

Particulars	Securities premium	General reserve	Debenture redemption reserve	Retained earning	Total other equity
<b>Balance as at 1 April 2022</b>	1,275.91	44.43	40.00	3,952.61	5,312.95
Shares issued during the year	2,834.97	-	-	-	2,834.97
Surplus in statement of profit and loss	-	-	-	2,058.93	2,058.93
Amount transferred from debenture redemption reserve	-	-	-	40.00	40.00

# Notes to the Standalone Financial Statements

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

Particulars	Securities premium	General reserve	Debenture redemption reserve	Retained earning	Total other equity
<b>Appropriations:</b>					
Amount transferred /utilised	(138.60)	-	(40.00)	-	(178.60)
Final dividend on equity shares for the year ended 31 March 2022. i.e. ₹ 2 per share	-	-	-	(203.00)	(203.00)
Remeasurement of defined benefit liability	-	-	-	4.83	4.83
Income tax relating to remeasurement of defined benefit liability	-	-	-	(1.22)	(1.22)
<b>Balance as at 31 March 2023</b>	<b>3,972.28</b>	<b>44.43</b>	<b>-</b>	<b>5,852.15</b>	<b>9,868.86</b>

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

## Securities premium

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

## General reserve

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

## Debenture redemption reserve

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

## Other comprehensive income

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

## Retained earnings

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

# Notes to the Standalone Financial Statements

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

## Dividend

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

## 2.14 Borrowings (non-current)

	As at 31 March 2023	As At 31 March 2022
Secured		
Debtures (at amortised cost)	-	273.11
Nil (31 March 2022: 500) 9.5% redeemable non-convertible debtures (NCD) of ₹ Nil (31 March 2022: 800,000 ) each (secured) (refer note A below)		
	-	<b>273.11</b>

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

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

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

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

## 2.15 Provisions (non-current)

	As at 31 March 2023	As At 31 March 2022
Provision for employee benefits		
- Gratuity (refer note 2.32(b))	68.02	55.69
	<b>68.02</b>	<b>55.69</b>

## 2.16 Borrowings (current)

	As at 31 March 2023	As At 31 March 2022
Current maturities of long-term borrowings (refer note 2.14)	-	125.00
Interest accrued but not due on borrowings	-	18.53
	-	<b>143.53</b>

### Note:

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

# Notes to the Standalone Financial Statements

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

## 2.17 Trade payables

	As at 31 March 2023	As At 31 March 2022
Trade payables		
- total outstanding dues to micro enterprises and small enterprises (MSME) (refer note 2.39)	78.08	58.76
- total outstanding dues to creditors other than micro enterprises and small enterprises	725.03	532.46
	<b>803.11</b>	<b>591.22</b>

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

### Trade payables ageing schedule

#### As at 31 March 2023

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

#### As at 31 March 2022

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

## 2.18 Other financial liabilities

	As at 31 March 2023	As At 31 March 2022
Employee benefit payables ^	161.32	168.91
Creditor for capital goods^	167.55	52.02
Other payables	0.07	2.96
	<b>328.94</b>	<b>223.89</b>

^ Refer note 2.33 for related party balances.

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

## 2.19 Provisions (current)

	As at 31 March 2023	As At 31 March 2022
Provision for employee benefits		
Gratuity (refer note 2.32 (b))	3.43	2.32
Compensated absences	12.81	9.76
	16.24	12.08
Provision for claims, other than taxes*	1.94	1.94
	<b>18.18</b>	<b>14.02</b>

# Notes to the Standalone Financial Statements

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

	As at 31 March 2023	As At 31 March 2022
<b>*Movement in provision for claims, other than taxes:</b>		
Opening balance	1.94	1.94
Add: Addition during the year	-	-
Less: Utilisation/ reversal during the year	-	-
Closing balance	<b>1.94</b>	<b>1.94</b>

Provision for claims, other than taxes represents claims pending before Courts and based on Management's estimate of claims, provision is made on prudent basis that possible outflow of resources may arise in future.

## 2.20 Current tax liability (net)

	As at 31 March 2023	As At 31 March 2022
Provision for taxation (net of advance tax)	0.83	-
	<b>0.83</b>	-

## 2.21 Other current liabilities

	As at 31 March 2023	As At 31 March 2022
Contract liabilities (advance from patients)	28.59	83.26
Statutory liabilities (ESI, PF, GST, TDS etc)	73.14	45.61
	<b>101.73</b>	<b>128.87</b>

## 2.22 Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Income from medical and healthcare services		
- Revenue from hospital services (Refer note 2.45)	9,655.51	8,046.18
- Revenue from pharmacy sales (Refer note 2.45)	1,138.56	929.53
- Revenue from medical service fee (Refer note 2.45)	225.41	168.75
	<b>11,019.48</b>	<b>9,144.46</b>
Other operating income		
- Cord blood extraction	31.84	27.41
- Canteen income	37.73	24.67
- Sponsorship income	22.72	28.60
- Others	28.13	20.81
	120.42	101.49
<b>Total revenue from operations</b>	<b>11,139.90</b>	<b>9,245.95</b>

## 2.23 Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on financial assets carried at amortised cost		
- bank deposits	240.46	63.48
- Loans (Refer note 2.33)	50.81	59.97
- financial assets carried at amortised cost	11.77	10.46
Dividend income	3.52	7.69
Net gain on financial assets measured at fair value through profit or loss	5.43	3.36
Liabilities no longer required written back	-	54.98
Gain on sale of property, plant and equipment, net	0.30	-
Gain on sale of non-current investment	-	8.20
Foreign exchange gain, net	-	0.05
	<b>312.29</b>	<b>208.19</b>

# Notes to the Standalone Financial Statements

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

## 2.24 Medical consumables and pharmacy items consumed

	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of year	138.81	92.94
Add: Purchases	1,539.15	1,923.85
Less: Closing Inventory	(176.74)	(138.81)
	<b>1,501.22</b>	<b>1,877.98</b>

## 2.25 Employee benefits expense \*

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	1,222.42	985.09
Contribution to provident and other funds	49.18	41.11
Gratuity expense (refer note : 2.32)	22.52	20.63
Staff welfare expenses	66.26	47.29
	<b>1,360.38</b>	<b>1,094.12</b>

\* Net of amount capitalised (refer note 2.41)

## 2.26 Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest cost on financial liabilities measured at amortised cost		
- term loans from banks	-	0.53
- on debentures	7.29	39.65
Interest expense on lease liabilities (Refer note 2.34)	507.36	457.11
Others (including interest on income tax)	6.24	2.76
	<b>520.89</b>	<b>500.05</b>

## 2.27 Depreciation and amortisation expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (Refer note 2.1(a))	517.55	476.94
Amortisation of intangible assets (Refer note 2.1(b))	8.72	6.46
Depreciation of right-of-use assets (Refer note 2.34)	310.81	286.47
	<b>837.08</b>	<b>769.87</b>

## 2.28

	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>(i) Professional fees to doctors</b>	2,554.04	1,857.80
	<b>2,554.04</b>	<b>1,857.80</b>
<b>(ii) Other expenses *</b>		
Hospital maintenance	59.31	45.36
Canteen expenses	180.45	136.46
Contract wages	254.07	214.18
Housekeeping expenses	70.37	47.40
Power and fuel	194.23	149.75
Lab and investigations	112.69	122.29
Repairs and maintenance		
- Plant and equipment	64.73	41.21
- Others	194.33	130.23

# Notes to the Standalone Financial Statements

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent (Refer note 2.34)	13.22	14.05
Rates and taxes	111.08	96.41
Business promotion and advertisement	262.75	205.81
Travelling and conveyance	48.58	23.11
Printing and stationary	71.56	46.64
Bad debts written off	10.49	-
Inter corporate deposits written off (including interest accrued)	0.66	-
Allowance for expected credit loss	42.22	25.13
Advances written off and allowance for doubtful advances	11.43	7.29
Loss on sale of property, plant and equipment, net	-	0.92
Communication expenses	60.88	54.77
Insurance	12.09	9.77
Professional and consultancy (refer note 2.36)	56.96	30.57
Directors sitting fees	5.02	2.95
Donations	0.40	-
Corporate social responsibility (refer note 2.40)	24.33	16.96
Bank charges	30.01	27.97
Foreign exchange loss, net	1.35	-
Miscellaneous expenses	10.73	7.65
	<b>1,903.94</b>	<b>1,456.88</b>

\* Net of amount capitalised (refer note 2.41)

## 2.29 Tax expense, net

	As at 31 March 2023	As At 31 March 2022
Current tax	811.41	575.48
	<b>811.41</b>	<b>575.48</b>
Deferred tax credit	(140.78)	(97.67)
	<b>670.63</b>	<b>477.81</b>

### a. Reconciliation of effective tax rate

	As at 31 March 2023	As At 31 March 2022
Profit before tax	<b>2,728.34</b>	<b>1,897.44</b>
Enacted tax rates	25.17%	25.17%
Tax expense at enacted rates	686.67	477.55
80JJA deduction	(2.34)	-
Expenses not deductible for tax	4.11	4.09
Others	(17.81)	(3.83)
	<b>670.63</b>	<b>477.81</b>

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

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

# Notes to the Standalone Financial Statements

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

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

	As at 31 March 2023	As At 31 March 2022
Net income tax assets at the beginning of the year	48.90	4.14
Income tax paid	783.19	620.24
Income tax expense for the year	(811.41)	(575.48)
<b>Net current income tax assets at the end of the year</b>	<b>20.68</b>	<b>48.90</b>

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

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

Particulars	As at 31 March 2023	As At 31 March 2022
<b>Deferred tax liability</b>		
Property, plant and equipment	257.47	267.36
Right-of-use of Asset	955.11	973.53
Others	1.37	1.32
<b>Total deferred tax liability</b>	<b>1,213.95</b>	<b>1,242.21</b>

Particulars	As at 31 March 2023	As At 31 March 2022
<b>Deferred tax asset</b>		
Loss allowance on receivables	59.72	35.66
Provision for employee benefits	22.42	17.06
Provision for bonus	32.88	30.85
Lease liabilities	1,354.77	1,273.70
<b>Total deferred tax asset</b>	<b>1,469.79</b>	<b>1,357.27</b>
<b>Net deferred tax assets</b>	<b>255.84</b>	<b>115.06</b>

**(ii) Movement in temporary differences**

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

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



# Notes to the Standalone Financial Statements

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

## 2.30 Income tax assets (net)

### A) Contingent liabilities

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

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

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

### B) Capital commitments

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

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

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

## 2.32 Employee benefit plans

### A. The employee benefit schemes are as under:

#### (a) Defined contribution benefit plans

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

#### (b) Defined benefit plans

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

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

# Notes to the Standalone Financial Statements

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

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

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

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

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

## Re-measurements recognised in other comprehensive income

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

## Summary of actuarial assumptions

Financial assumptions at balance sheet date:

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

## Maturity profile of defined benefit obligation

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

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

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

# Notes to the Standalone Financial Statements

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

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

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

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

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

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

## 2.33 Related parties

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

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

# Notes to the Standalone Financial Statements

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

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from professional services rendered</b>		
- Ravindranath GE Medical Associates Private Limited	-	0.00
- Rainbow Children's Foundation (Trust)	1.95	4.77
- Rainbow Speciality Hospitals Private Limited	-	2.23
- Mrs. Padma Kancharla	-	0.16
<b>Revenue from pharmacy sales</b>		
- Rainbow Speciality Hospitals Private Limited	7.77	2.63
- Rosewalk Healthcare Private Limited	11.43	10.53
<b>Revenue from medical service fee</b>		
- Rainbow Speciality Hospitals Private Limited	3.18	0.70
- Rosewalk Healthcare Private Limited	7.20	
<b>Other expense</b>		
- Rainbow Children's Hospital Private Limited	0.13	-
- Rainbow Women & Children's Hospital Private Limited	0.13	-
- Rainbow C R O Private Limited	0.23	-
<b>Professional services received</b>		
- Ravindranath GE Medical Associates Private Limited	7.71	5.27
<b>Medical consumables and pharmacy items</b>		
- Rainbow Speciality Hospitals Private Limited	0.23	2.34
- Rosewalk Healthcare Private Limited	0.35	0.16
<b>Reimbursement of expenditure</b>		
- Rainbow Speciality Hospitals Private Limited	0.53	-
<b>Security deposit given</b>		
- Unimed Healthcare Private Limited	-	30.00
<b>Rental expenditure</b>		
- Unimed Healthcare Private Limited	24.38	-
- Rainbow Speciality Hospitals Private Limited	0.76	-
<b>Interest income on inter-corporate deposit</b>		
- Rainbow Children's Hospital Private Limited	0.00	0.00
- Rainbow Women & Children's Hospital Private Limited	0.04	0.05
- Rainbow Speciality Hospitals Private Limited	-	2.36
- Rosewalk Healthcare Private Limited	11.30	21.27
- Rainbow Fertility Private Limited	0.04	0.13
- Rainbow C R O Private Limited	0.01	0.01
<b>Proceeds from sale of investments</b>		
- Rainbow Speciality Hospitals Private Limited	-	10.95
<b>Investment in equity share capital</b>		
- Rosewalk Healthcare Private Limited	310.00	-
<b>Inter-corporate deposits placed</b>		
- Rainbow Children's Hospital Private Limited	-	0.02
- Rainbow Women & Children's Hospital Private Limited	-	0.02
- Rosewalk Healthcare Private Limited	11.35	39.81
- Rainbow Fertility Private Limited	-	1.16
<b>Inter-corporate deposit realised</b>		
- Rainbow Fertility Private Limited	1.84	-
- Rainbow Speciality Hospitals Private Limited	-	51.47
- Rosewalk Healthcare Private Limited	244.42	27.68
- Rainbow C R O Private Limited	0.10	-
<b>Inter-corporate deposit written off</b>		
- Rainbow Women & Children's Hospital Private Limited	0.51	-
- Rainbow Children's Hospital Private Limited	0.02	-
<b>Interest on Inter-corporate deposit realised</b>		
- Rainbow Speciality Hospitals Private Limited	-	17.75

# Notes to the Standalone Financial Statements

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
- Rosewalk Healthcare Private Limited	68.25	-
- Rainbow Fertility Private Limited	0.25	-
- Rainbow C R O Private Limited	0.03	-
<b>Interest accrued on inter corporate deposit written off</b>		
- Rainbow Women & Children's Hospital Private Limited	0.12	-
- Rainbow Children's Hospital Private Limited	0.00	-
<b>Impairment of investment in Equity shares</b>		
- Rosewalk Healthcare Private Limited	46.30	-
<b>Salary advance to KMP</b>		
- Mr. R.Gowrisankar	-	2.20
<b>Professional charges</b>		
- Dr. Dinesh Kumar Chirla	39.80	26.49
- Mr. Ramadhara Naidu Kancharla	-	1.93
<b>Expenses incurred on behalf of related parties</b>		
- Mr. Ramadhara Naidu Kancharla	0.02	0.01
<b>Remuneration to KMP*</b>		
- Dr. Ramesh Kancharla	65.00	60.00
- Dr. Dinesh Kumar Chirla	-	8.86
- Mr. R.Gowrisankar	10.27	8.53
- Ms. Pratusha Channamalla	-	0.09
- Mr. Ashish Kapil	2.80	1.54
<b>Project management consultancy fee to relative of KMP</b>		
- Mr. Ramadhara Naidu Kancharla	6.00	3.00
<b>Consultancy fee to relative of KMP</b>		
- Dr. Adarsh Kancharla	0.60	-
<b>Commission to Independent Directors</b>		
- Mr. Yugandhar Meka	-	0.50
- Mr. Aluri Srinivasa Rao	1.00	1.00
- Mr. Anil Dhawan	1.00	1.00
- Mrs. Sundari Raviprasad Pisupati	1.00	0.50
- Mr. Santanu Mukherjee	1.00	0.50
<b>Sitting fees paid to Independent Directors</b>		
- Mr. Yugandhar Meka	-	0.10
- Mr. Anil Dhawan	1.05	0.70
- Mr. Aluri Srinivasa Rao	1.10	0.53
- Mrs. Sundari Raviprasad Pisupati	0.90	0.58
- Mr. Santanu Mukherjee	1.20	0.60
<b>Leave Travel Allowance paid to KMP</b>		
- Dr. Ramesh Kancharla	2.57	-
- Dr. Dinesh Kumar Chirla	1.20	-
<b>Expenditure incurred on behalf of KMP</b>		
- Dr. Ramesh Kancharla	-	0.01
<b>Civil works</b>		
- Sessa Sarojini Medical Infra Private Limited	-	1.22
<b>Sale of investment in equity shares in Unimed Healthcare Private Limited</b>		
- Mrs. Padma Kancharla	-	80.00
- Gain on sale of equity	-	8.20
<b>Redemption of 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	400.00	50.00
<b>Interest on 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	7.29	39.65
<b>Interest paid on 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	25.82	41.97

# Notes to the Standalone Financial Statements

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Dividend paid during the year to KMP and relative of KMP</b>		
- Dr. Ramesh Kancharla	629.89	40.03
- Dr. Dinesh Kumar Chirla	132.67	9.60
- Mrs. Padma Kancharla	-	3.60
- Dr. Adarsh Kancharla	122.21	4.62
- Mr. Ramadhara Naidu Kancharla	1.20	-
- Mr. R.Gowrisankar	0.81	-
- Mr. Ashish Kapil	0.02	-
<b>Dividend paid (on equity share capital and Series A compulsorily convertible preference shares)</b>		
- British International Investment plc (formerly known as CDC Group plc)	-	19.27
<b>Dividend paid (on equity share capital and Series B compulsorily convertible preference shares)</b>		
- CDC India Opportunities Limited	-	10.07

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

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

	As at 31 March 2023	As At 31 March 2022
<b>Trade payables</b>		
- Ravindranath GE Medical Associates Private Limited	0.01	-
- Rainbow Speciality Hospitals Private Limited	0.00	-
- Rosewalk Healthcare Private Limited	2.70	0.95
- Rainbow Children's Foundation (Trust)	0.04	-
<b>Trade receivables</b>		
- Rainbow Speciality Hospitals Private Limited	0.01	-
- Rosewalk Healthcare Private Limited	25.38	23.95
- Rainbow Children's Foundation (Trust)	0.00	0.09
<b>Salary advance to KMP</b>		
- Mr. R.Gowrisankar	0.40	1.60
<b>Project management consultancy fee payable to relative of KMP</b>		
- Mr. Ramadhara Naidu Kancharla	0.50	0.50
<b>Consultancy fee payable to relative of KMP</b>		
- Dr. Adarsh Kancharla	0.10	-
<b>Commission payable to Independent Directors</b>		
- Mr. Yugandhar Meka	-	0.50
- Mr. Aluri Srinivasa Rao	1.00	1.00
- Mr. Anil Dhawan	1.00	1.00
- Mrs. Sundari Raviprasad Pisupati	1.00	0.50
- Mr. Santanu Mukherjee	1.00	0.50
<b>Debentures</b>		
(before adjustments of transaction costs incurred as required as per IND AS 109)		
- CDC Emerging Markets Limited	-	400.00
<b>Interest accrued but not due on long-term borrowings payable</b>		
- CDC Emerging Markets Limited	-	18.53
<b>Professional fee payable to KMP</b>		
- Dr. Dinesh Kumar Chirla	3.35	2.90
<b>Leave Travel Allowance payable to KMP</b>		
- Dr. Dinesh Kumar Chirla	0.61	-
<b>Non-current investments in equity shares</b>		
- Rainbow Women & Children's Hospital Private Limited	0.10	0.10

# Notes to the Standalone Financial Statements

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

	As at 31 March 2023	As At 31 March 2022
- Rainbow Speciality Hospitals Private Limited	142.51	142.51
- Rainbow Children's Hospital Private Limited	0.10	0.10
- Rosewalk Healthcare Private Limited	324.11	12.24
- Rainbow Fertility Private Limited	45.00	45.00
- Rainbow C R O Private Limited	0.10	0.10
<b>Non-current investments in debentures</b>		
- Rosewalk Healthcare Private Limited	-	1.86
<b>Inter corporate deposits</b>		
- Rainbow Women & Children's Hospital Private Limited	-	0.51
- Rainbow Children's Hospital Private Limited	-	0.02
- Rosewalk Healthcare Private Limited	-	233.06
- Rainbow Fertility Private Limited	-	1.84
- Rainbow C R O Private Limited	-	0.10
<b>Interest accrued on inter corporate deposits</b>		
- Rainbow Women & Children's Hospital Private Limited	-	0.08
- Rainbow Children's Hospital Private Limited	-	0.00
- Rosewalk Healthcare Private Limited	-	56.94
- Rainbow Fertility Private Limited	-	0.22
- Rainbow C R O Private Limited	-	0.02
<b>Rent Payable</b>		
- Unimed Healthcare Private Limited	3.75	-
<b>Rental Security Deposit</b>		
- Unimed Healthcare Private Limited	30.00	30.00

- d) Refer note 2.12 (b) (ii) and (iii) for conversion of preference shares to equity shares.
- e) Refer note 2.2 for details of investment made in subsidiaries.
- f) Share issue expenses (refer note 2.3 (b) - Share issues expenses receivable) of ₹ Nil (31 March 2022 : ₹ 172.50 million) incurred by the Company is towards Initial Public Offering ('IPO') of the equity shares held by the selling shareholders. As per the agreement with the selling shareholders, these expenses are recoverable from Dr Ramesh Kancharla, Dr. Dinesh Kumar Chirla, Dr. Adarsh Kancharla, Mrs. Padma Kancharla, British International Investment plc (formerly known as CDC Group plc) and CDC India Opportunities Limited, upon successful completion of IPO in proportion to the shares that are expected to be offered to the public in the offering.
- g) All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross (net of GST) and undiscounted.)

## 2.34 Lease

- 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."

# Notes to the Standalone Financial Statements

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

## Right-of-use of assets

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

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

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

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

- C. Following is the movement in lease liabilities :

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



# Notes to the Standalone Financial Statements

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

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

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

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

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

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

## 2.35 Segment reporting

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

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

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

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

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

## 2.37 Earnings per equity share :

The earnings per share has been computed as under:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for the year (A)	2,058.93	1,422.91
Less: Preference dividend for the year	-	4.56
<b>Profit attributable to equity shareholders (B)</b>	<b>2,058.93</b>	<b>1,418.35</b>
Shares:		
Number of equity shares at the beginning of the year	9,40,53,928	4,39,58,924
Add: Rights issued ##	-	19,28,000

# Notes to the Standalone Financial Statements

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Add: Bonus shares issued #	-	4,58,86,924
Add: Fresh Issue	51,67,679	-
Add: Preference shares converted	22,80,080	-
Add: Bonus equity shares issued to preference share holders #	-	22,80,080
Total number of equity shares outstanding at the end of the year	10,15,01,687	9,40,53,928
<b>Weighted average number of equity shares outstanding during the year – Basic</b>	<b>10,09,49,524</b>	<b>9,34,20,727</b>
<b>Number of equity shares at the end of year (C)</b>	<b>10,09,49,524</b>	<b>9,34,20,727</b>
Number of equity shares arising out of convertible preference shares that have dilutive effect on the EPS at the beginning of the year	-	22,80,080
<b>Number of convertible preference shares that have dilutive effect on the EPS at the end of year (D)</b>	<b>-</b>	<b>22,80,080</b>
<b>Weighted average number of equity shares outstanding during the year – Diluted (E = C+D)</b>	<b>10,09,49,524</b>	<b>9,57,00,807</b>
<b>Earnings per share</b>		
Earnings per share of par value ₹ 10 - Basic (₹) (B/C)	20.40	15.18
Earnings per share of par value ₹ 10 - Diluted (₹) (A/E)	20.40	14.87

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

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Number of non resident share holders	1,426	2
Number of shares held by non-resident shareholders		
- Equity shares	2,55,59,419	2,70,52,144
- Series A CCPS	-	11,46,771
- Series B CCPS	-	11,33,309
Amount remitted during the year (amount in millions ₹)*		
- Equity shares	51.12	16.97
- Series A CCPS	-	2.30

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

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

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

Particulars	As at 31 March 2023	As At 31 March 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	78.08	58.76
- Interest	-	-

# Notes to the Standalone Financial Statements

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

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

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

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

## 2.40 Corporate social responsibility

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

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

## 2.41 Incidental expenditure capitalised during the construction period

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

# Notes to the Standalone Financial Statements

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

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

## 2.42 Financial risk management

### Risk management framework

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

### Credit risk

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

#### Trade and other receivables

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

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

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

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

#### As at 31 March 2023

# Notes to the Standalone Financial Statements

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

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

## As at 31 March 2022

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

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

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

## Cash and bank balances, loans and other financial assets

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

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

## Liquidity risk

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

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

**Following are the financial assets at the reporting date.**

# Notes to the Standalone Financial Statements

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

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

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

## As at 31 March 2023

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

## As at 31 March 2022

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

## Market risk

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

## Interest risk

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

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

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

## Foreign currency risk

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

# Notes to the Standalone Financial Statements

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

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

## Exposure to currency risk

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

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

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

## Sensitivity analysis:

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

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

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

## 2.43 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. Total debt includes borrowings and bank overdraft. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position."

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

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

# Notes to the Standalone Financial Statements

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

## 2.44 Financial instruments

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

As at 31 March 2023

Particulars	Note	Carrying values						Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Measured at fair value through profit or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities – amortised cost	Total carrying amount				
<b>Financial assets measured at fair value</b>										
Investments in equity instruments *	2.2	-	0.03	-	-	0.03	-	-	0.03	-
Investments in mutual funds	2.7	581.33	-	-	-	581.33	581.33	-	-	-
		<b>581.33</b>	<b>0.03</b>	-	-	<b>581.36</b>	<b>581.33</b>	-	-	<b>0.03</b>
<b>Financial assets at amortised cost</b>										
Trade receivables	2.8	-	-	578.38	-	578.38	-	-	-	-
Cash and cash equivalents	2.9 (a)	-	-	102.36	-	102.36	-	-	-	-
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	253.56	-	253.56	-	-	-	-
Loans	2.10	-	-	437.53	-	437.53	-	-	-	-
Other financial assets	2.3 (a) & 2.3 (b)	-	-	5,129.69	-	5,129.69	-	-	-	-
		-	-	<b>6,501.52</b>	-	<b>6,501.52</b>	-	-	-	-
<b>Financial liabilities at amortised cost</b>										
Trade payables	2.17	-	-	-	803.11	803.11	-	-	-	-
Other financial liabilities	2.18	-	-	-	328.94	328.94	-	-	-	-
		-	-	-	<b>1,132.05</b>	<b>1,132.05</b>	-	-	-	-



# Notes to the Standalone Financial Statements

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

## 2.44 Financial instruments

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

As at 31 March 2022

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

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

### Fair value hierarchy

#### Level 1

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

#### Level 2

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

#### Level 3

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

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

# Notes to the Standalone Financial Statements

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

## 2.45 Revenue from contracts with customers

### Disaggregated revenue information

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

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

### Location of revenue recognition

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

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

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

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

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

### Contract balances

	For the year ended 31 March 2023	For the year ended 31 March 2022
Trade receivables**	691.19	444.93
Unbilled revenue	71.07	109.45
Contract liabilities (advance from patients)#	28.59	83.26

### Movement in contract liabilities during the year:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning of the year	83.26	52.15
Less: Revenue recognised from above	(83.26)	(52.15)
Add: Addition during the year	28.59	83.26
<b>Balance at the end of the year</b>	<b>28.59</b>	<b>83.26</b>

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

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

### Performance Obligation

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

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

# Notes to the Standalone Financial Statements

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

## 2.47 Ratios as per the Schedule III requirements

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

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

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

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

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

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

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

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

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

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

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

Not applicable

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

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

# Notes to the Standalone Financial Statements

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

## Reason for change more than 25%:

Not applicable

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

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

## Reason for change more than 25%:

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

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

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

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

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

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

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

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

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

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

## Reason for change more than 25%:

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

# Notes to the Standalone Financial Statements

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

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

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

Reason for change more than 25%: Not Applicable

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

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

Reason for change more than 25%: Not Applicable

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

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

Reason for change more than 25%:

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

## 2.48 Subsequent events

### (a) Employee share based payment

Pursuant to the resolutions passed by the Board on 18 March 2023 and by the Shareholders on 06 May 2023, the Company approved 'The Rainbow Children's Medicare Limited - Employee Stock Unit Plan 2023 ("Stock Unit Plan 2023") in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI

# Notes to the Standalone Financial Statements

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

SBEB SE Regulations”). The Stock Unit Plan 2023 is for issue of employee stock units to eligible employees, which may result in an issuance of a maximum number of 400,000 Equity Shares. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock unit. The Company has not granted any units under Stock Unit Plan 2023.

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

## 2.49 Other Statutory Information:

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

# Notes to the Standalone Financial Statements

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

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

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

## Details of utilisation of IPO proceeds:

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

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

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwijha Shyamsukha**

Partner

Membership Number.: 064550

Place: Hyderabad  
Date: 14 May 2023

For and on behalf of the Board of Directors of

**Rainbow Children's Medicare Limited**

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

CIN: L85110TG1998PLC029914

**Dr. Ramesh Kancharla**

Chairman and Managing Director

DIN: 00212270

**R Gowrisankar**

Chief Financial Officer

Place: Hyderabad  
Date: 14 May 2023

**Dr. Dinesh Kumar Chirla**

Director

DIN: 01395841

**Ashish Kapil**

Company Secretary

Membership Number: A31782

Place: Hyderabad  
Date: 14 May 2023

# Independent Auditor's Report

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

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited') (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### Other Information

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

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

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for



maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entity or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.
- We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matter(s)

a. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 669.62 million as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 638.95 million and net cash flows (before consolidation adjustments) amounting to ₹ 32.41 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### 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, based on our audit and on the consideration of reports of

the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company on various dates and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies of the Holding Company and reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of

the subsidiaries, as noted in the "Other Matters" paragraph:

- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 2.30 (A) to the consolidated financial statements.
- b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.
- d. (i) The management of the Holding Company whose financial statements have been audited under the Act has represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the Note 2.50 (v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company whose financial statements have been audited under the Act has represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the Note 2.50 (vi) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

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

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiaries only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and

its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Associates LLP**

Chartered Accountants

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

**Jhahanwija Shyamsukha**

Partner

Membership No.: 064550

ICAI UDIN:23064550BGYJKA2898

Place: Hyderabad

Date: 14 May 2023

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

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

S. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Rainbow Children's Medicare Limited	L85110TG1998PLC029914	Holding Company	Clause (i)(c), Clause (x) (a)
2	Rosewalk Healthcare Private Limited	U74900TG2015PTC139548	Subsidiary Company	Clause (xvii)
3	Rainbow C R O Private Limited	U73200TG2019PTC136780	Subsidiary Company	Clause (xvii)
4	Rainbow Women & Children's Hospital Private Limited	U85100TG2010PTC071633	Subsidiary Company	Clause (xvii)
5	Rainbow Children's Hospital Private Limited	U85110TG2010PTC071424	Subsidiary Company	Clause (xvii)

### For B S R & Associates LLP

Chartered Accountants

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

### Jhahanwijha Shyamsukha

Partner

Membership No.: 064550

ICAI UDIN:23064550BGYJKA2898

Place: Hyderabad

Date: 14 May 2023

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

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

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

### **Opinion**

In conjunction with our audit of the consolidated financial statements of Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited') (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective 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 respective 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 consolidated 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 consolidated 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 consolidated financial statements.

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

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matter(s)**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated financial statements insofar as it relates to six subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

### **For B S R & Associates LLP**

Chartered Accountants

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

### **Jhahanwija Shyamsukha**

Partner

Membership No.: 064550

ICAI UDIN:23064550BGYJKA2898

Place: Hyderabad

Date: 14 May 2023

# Consolidated Balance Sheet

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

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	2.1(a)	4,836.14	4,186.93
b. Capital work-in-progress	2.1(a)	208.83	45.97
c. Right-of-use of assets	2.34	4,441.23	4,353.94
d. Goodwill	2.1(b)	-	29.87
e. Other intangible assets	2.1(b)	33.74	13.69
f. Intangible assets under development	2.1(b)	19.04	11.59
g. Financial assets			
(i) Investments	2.2	0.03	0.03
(ii) Loans	2.10	437.53	507.26
(iii) Other financial assets	2.3 (a)	2,343.56	555.92
h. Deferred tax assets (net)	2.29(d)	259.57	113.95
i. Income tax assets (net)	2.4	55.01	57.70
j. Other non-current assets	2.5	291.97	178.58
<b>Total non-current assets</b>		<b>12,926.65</b>	<b>10,055.43</b>
<b>Current assets</b>			
a. Inventories	2.6	187.60	148.23
b. Financial assets			
(i) Investments	2.7	581.32	220.98
(ii) Trade receivables	2.8	583.36	404.07
(iii) Cash and cash equivalents	2.9 (a)	154.10	99.79
(iv) Bank balances other than (iii) above	2.9 (b)	300.95	1,752.36
(v) Other financial assets	2.3 (b)	2,874.33	172.50
c. Other current assets	2.11	154.72	104.13
<b>Total current assets</b>		<b>4,836.38</b>	<b>2,902.06</b>
<b>TOTAL ASSETS</b>		<b>17,763.03</b>	<b>12,957.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a. Equity share capital	2.12	1,015.02	1,049.98
b. Other equity	2.13	9,584.09	4,978.06
<b>Equity attributable to owners of the Company</b>		<b>10,599.11</b>	<b>6,028.04</b>
Non-controlling interest		50.06	34.61
<b>TOTAL EQUITY</b>		<b>10,649.17</b>	<b>6,062.65</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	2.14	-	273.11
(ii) Lease liabilities	2.34	5,598.57	5,312.37
b. Provisions	2.15	70.81	57.49
<b>Total non-current liabilities</b>		<b>5,669.38</b>	<b>5,642.97</b>
<b>Current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	2.16	-	143.53
(ii) Lease liabilities	2.34	104.65	80.06
(iii) Trade payables	2.17		
a) Total outstanding dues to micro enterprises and small enterprises		84.58	62.58
b) Total outstanding dues to creditor other than micro enterprises and small enterprises		760.26	581.16
(iv) Other financial liabilities	2.18	337.28	229.77
b. Other current liabilities	2.21	109.44	139.65
c. Provisions	2.19	18.19	14.52
d. Current tax liabilities (net)	2.20	30.08	0.60
<b>Total current liabilities</b>		<b>1,444.48</b>	<b>1,251.87</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,763.03</b>	<b>12,957.49</b>
Significant accounting policies	1		

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

As per our Report of even date attached

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

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

**Jhahanwijha Shyamsukha**  
Partner  
Membership Number.: 064550

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

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

**R Gowrisankar**  
Chief Financial Officer

**Ashish Kapil**  
Company Secretary  
Membership Number: A31782

Place: Hyderabad  
Date: 14 May 2023

Place: Hyderabad  
Date: 14 May 2023

Place: Hyderabad  
Date: 14 May 2023



# Consolidated Statement of Profit and Loss

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

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>			
Revenue from operations	2.22	11,735.74	9,737.58
Other income	2.23	308.65	189.37
<b>Total income</b>		<b>12,044.39</b>	<b>9,926.95</b>
<b>EXPENSES</b>			
Medical consumables and pharmacy items consumed	2.24	1,582.78	1,947.29
Employee benefits expense	2.25	1,440.61	1,160.71
Finance costs	2.26	551.95	532.03
Depreciation and amortisation expense	2.27	902.68	832.63
Professional fees to doctors	2.28 (i)	2,723.05	2,037.60
Other expenses	2.28 (ii)	2,025.53	1,543.23
<b>Total expenses</b>		<b>9,226.60</b>	<b>8,053.49</b>
<b>Profit before tax</b>		<b>2,817.79</b>	<b>1,873.46</b>
<b>Tax expenses:</b>	2.29		
(a) Current tax		840.82	576.13
(b) Deferred tax credit		(146.80)	(89.40)
<b>Total tax expense</b>		<b>694.02</b>	<b>486.73</b>
<b>Profit for the year</b>		<b>2,123.77</b>	<b>1,386.73</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans	2.32	5.58	13.63
Income tax effect	2.29	(1.24)	(3.36)
<b>Other comprehensive income for the year, net of tax</b>		<b>4.34</b>	<b>10.27</b>
<b>Total Comprehensive Income for the year</b>		<b>2,128.11</b>	<b>1,397.00</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		2,108.34	1,382.66
Non-controlling interests		15.43	4.07
<b>Other comprehensive income for the year attributable to:</b>			
Owners of the Company		4.32	10.23
Non-controlling interests		0.02	0.04
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		2,112.66	1,392.89
Non-controlling interests		15.45	4.11
Earnings per share (face value of share Rs.10 each)	2.37		
- Basic (Rs)		20.89	14.75
- Diluted (Rs)		20.89	14.45
Significant accounting policies	1		

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

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

For and on behalf of the Board of Directors of

**Rainbow Children's Medicare Limited**

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

CIN: L85110TG1998PLC029914

**Jhahanwijha Shyamsukha**

Partner

Membership Number.: 064550

**Dr. Ramesh Kancharla**

Chairman and Managing Director

DIN: 00212270

**Dr. Dinesh Kumar Chirila**

Director

DIN: 01395841

**R Gowrisankar**

Chief Financial Officer

**Ashish Kapil**

Company Secretary

Membership Number: A31782

Place: Hyderabad

Date: 14 May 2023

Place: Hyderabad

Date: 14 May 2023

Place: Hyderabad

Date: 14 May 2023

# Consolidated Statement of Cash Flows

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash flows from operating activities</b>		
Profit before tax	2,817.79	1,873.46
<b>Adjustments:</b>		
Depreciation and amortisation expense	902.68	832.63
Dividend income	(3.52)	(8.28)
Unrealised foreign exchange (gain)/loss, net	1.36	(0.05)
Net gain on financial assets measured at fair value through profit or loss	(5.43)	(3.36)
Interest income on financial assets carried at amortised cost	(297.99)	(114.67)
Finance costs	551.95	532.03
Goodwill written off	29.87	-
Advances written off	9.11	3.72
Allowances for doubtful advances	2.97	3.57
Allowance for expected credit loss	40.62	25.89
Bad debts written off	9.66	0.71
Net loss on sale of property, plant and equipment	(0.36)	0.92
Net gain on sale of Investment	-	(8.20)
Liabilities no longer required written back	(0.76)	(54.81)
	<b>4,057.95</b>	<b>3,083.56</b>
<b>Adjustments for working capital:</b>		
(Increase) in inventories	(39.37)	(47.26)
(Increase) / Decrease in trade receivables	(229.57)	8.98
Decrease / (Increase) in financial and other assets	107.54	(309.60)
Increase in trade payables	200.12	151.23
(Decrease) in financial liabilities and provisions	(15.76)	(22.87)
<b>Cash generated from operations</b>	<b>4,080.91</b>	<b>2,864.04</b>
Income tax paid	(808.65)	(626.76)
<b>Net cash from operating activities (A)</b>	<b>3,272.26</b>	<b>2,237.28</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangibles	(1,412.96)	(622.25)
Proceeds from sale of property, plant and equipment	1.53	0.61
Bank deposits (placed) / matured with maturity of more than three months, net	(3,142.50)	(971.04)
Interest received	160.82	50.92
Dividend received	3.52	11.64
Investment in mutual funds	(1,174.94)	(118.36)
Redemption of mutual funds	820.03	-
Proceeds from sale of / (investments) in unquoted equity instruments	-	88.20
Loans given	-	(197.13)
Loans realised	92.50	3.96
<b>Net cash (used in) investing activities (B)</b>	<b>(4,652.00)</b>	<b>(1,753.45)</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	(398.11)	(60.72)
Principal payment of lease liabilities	(594.25)	(516.54)
Finance cost	(32.06)	(45.25)
Dividend paid	(202.93)	(92.48)
Proceeds from issue of share capital (net of share issue expenses ₹ 138.60 million)	2,661.40	263.42
Net consideration received on dilution of investment in subsidiary	-	10.95
<b>Net cash from/(used in) financing activities (C)</b>	<b>1,434.05</b>	<b>(440.62)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>54.31</b>	<b>43.21</b>
Cash and cash equivalents at the beginning of the year	99.79	56.58
Cash and cash equivalents at the end of the year (note b)	<b>154.10</b>	<b>99.79</b>

# Consolidated Statement of Cash Flows

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

- a) The above Consolidated Statement of Cash Flows has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) - “Statement of Cash Flows”.
- b) Components of cash and cash equivalents as at (Refer note 2.9 (a))

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	5.40	5.55
Balance with banks:		
- Current accounts	92.74	94.24
- On deposit accounts (with original maturity of 3 months or less)	55.96	-
	<b>154.10</b>	<b>99.79</b>

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

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Opening balance:</b>		
Borrowings	398.11	458.83
Interest accrued on borrowings	18.53	20.84
Lease liabilities	5,392.43	4,705.07
<b>Movement:</b>		
<b>Borrowings:</b>		
Repayment of borrowings	(398.11)	(60.72)
Interest expense	13.53	42.94
Interest repayment	(32.06)	(45.25)
<b>Lease liabilities</b>		
Interest expense on lease liabilities	538.42	489.09
Addition to lease liabilities, net	264.48	714.81
Lease modification	102.14	-
Payment of lease liabilities	(594.25)	(516.54)
<b>Closing balance</b>		
Borrowings	-	398.11
Interest accrued on borrowings	-	18.53
Lease liabilities	5,703.22	5,392.43

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

For and on behalf of the Board of Directors of

**Rainbow Children's Medicare Limited**

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

CIN: L85110TG1998PLC029914

**Jhahanwijha Shyamsukha**

Partner

Membership Number.: 064550

**Dr. Ramesh Kancharla**

Chairman and Managing Director

DIN: 00212270

**Dr. Dinesh Kumar Chirla**

Director

DIN: 01395841

**R Gowrisankar**

Chief Financial Officer

**Ashish Kapil**

Company Secretary

Membership Number: A31782

Place: Hyderabad

Date: 14 May 2023

Place: Hyderabad

Date: 14 May 2023

Place: Hyderabad

Date: 14 May 2023

# Consolidated Statement of Changes in Equity

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

Particulars	Equity share capital	Other equity						Non-Controlling Interest	Total Equity
		Reserves and surplus				Equity attributable to shareholders of the Company			
		Securities premium	General reserve	Debt redemption reserve	Capital reserve		Retained earnings		
<b>Balance as at 1 April 2021</b>	549.03	1,513.42	43.89	45.00	8.95	2,303.33	3,914.60	20.13	3,934.73
Profit/(loss) for the year	-	-	-	-	-	1,382.66	1,382.66	4.07	1,386.73
Shares issued during the year	500.95	250.64	-	-	-	-	250.64	-	250.64
Non-controlling interest in the subsidiary	-	-	-	-	-	0.58	0.58	10.37	10.95
Amount transferred from debt redemption reserve	-	-	-	-	-	5.00	5.00	-	5.00
<b>Appropriations:</b>									
Amount transferred	-	(6.50)	-	(5.00)	-	-	(11.50)	-	(11.50)
Issue of bonus shares	-	(481.67)	-	-	-	-	(481.67)	-	(481.67)
Final dividend on equity shares for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	-	(87.92)	(87.92)	-	(87.92)
Final dividend on Series A CCPS for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	-	(2.29)	(2.29)	-	(2.29)
Final dividend on Series B CCPS for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	-	(2.27)	(2.27)	-	(2.27)
Remeasurement of defined benefit liability	-	-	-	-	-	13.58	13.58	0.05	13.63
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	-	(3.35)	(3.35)	(0.01)	(3.36)
<b>Balance as at 31 March 2022</b>	<b>1,049.98</b>	<b>1,275.89</b>	<b>43.89</b>	<b>40.00</b>	<b>8.95</b>	<b>3,609.32</b>	<b>4,978.06</b>	<b>34.61</b>	<b>5,012.67</b>

# Consolidated Statement of Changes in Equity

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

Particulars	Equity share capital	Other equity							Total Equity
		Reserves and surplus			Equity attributable to shareholders of the Company	Non-Controlling Interest	Total Equity		
		Securities premium	General reserve	Debt redemption reserve				Capital reserve	
<b>Balance as at 1 April 2022</b>	1,049.98	1,275.89	43.89	40.00	8.95	3,609.32	4,978.06	34.61	5,012.67
Shares issued during the year	74.48	2,834.97	-	-	-	-	2,834.97	-	2,834.97
Preference shares converted during the period	(109.44)	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	2,108.34	2,108.34	15.43	2,123.77
Amount transferred from debt redemption reserve	-	-	-	-	-	40.00	40.00	-	40.00
<b>Appropriations:</b>									
Amount transferred / utilised	-	(138.60)	-	(40.00)	-	-	(178.60)	-	(178.60)
Final dividend on equity shares for the year ended 31 March 2022, i.e. ₹ 2 per share	-	-	-	-	-	(203.00)	(203.00)	-	(203.00)
Remeasurement of defined benefit liability	-	-	-	-	-	5.55	5.55	0.03	5.58
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	-	(1.23)	(1.23)	(0.01)	(1.24)
<b>Balance as at 31 March 2023</b>	<b>1,015.02</b>	<b>3,972.26</b>	<b>43.89</b>	<b>-</b>	<b>8.95</b>	<b>5,558.98</b>	<b>9,584.09</b>	<b>50.06</b>	<b>9,634.15</b>

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

For and on behalf of the Board of Directors of

**Rainbow Children's Medicare Limited**

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

CIN: L85110TG1998PLC029914

**Jhahanwija Shyamsukha**

Partner

Membership Number.: 064550

**Dr. Ramesh Kancharla**

Chairman and Managing Director

DIN: 00212270

**Dr. Dinesh Kumar Chirla**

Director

DIN: 01395841

**R Gowrisankar**

Chief Financial Officer

**Ashish Kapil**

Company Secretary

Membership Number: A31782

Place: Hyderabad

Date: 14 May 2023

Place: Hyderabad

Date: 14 May 2023

Place: Hyderabad

Date: 14 May 2023

# Notes to the Consolidated Financial Statements

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

## 1. Significant accounting policies

### 1.1 Group information

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

As a part of its business activities, the Group holds interests in six subsidiaries (the Group and its subsidiaries hereinafter referred to as the 'Group') through which it manages and operate a network of hospitals.

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

### 1.2 Basis of preparation of the consolidated financial statements

#### (i) Statement of compliance

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

#### (ii) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost convention and on accrual basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), defined benefit and other long-term employee benefits where present value of defined benefit obligations ("DBO") is measured at fair value. The accounting policies are applied consistently to all the years presented in the consolidated 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 consolidated financial statements were approved by the Board of Directors and authorized for issue on 14 May 2023.

#### (iii) Functional and Presentation Currency

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

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

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

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

#### Judgments

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

- **Lease term:** Whether the Group is reasonably certain to exercise extension options

#### Assumptions and estimation uncertainties

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

- **Contingent liabilities:** Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which

# Notes to the Consolidated Financial Statements

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

the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

- **Income taxes:** Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.
- **Measurement of defined benefit obligations:** Key actuarial assumptions used for actuarial valuation.
- **Impairment of financial assets:** The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost.
- **Impairment of non-financial assets:** Key assumptions underlying recoverable amount including forecasted projections.

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

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

## (v) Subsidiaries considered in the Consolidated Financial Statements

Name of the Group	Country of Incorporation	Proportion of ownership interest (%) and voting power held	
		As at March 31, 2023	As at March 31, 2022
<b>Subsidiary Companies</b>			
Rainbow Children's Hospital Private Limited	India	99.99	99.99
Rainbow Women & Children's Hospitals Private Limited	India	99.99	99.99
Rainbow Speciality Hospitals Private Limited	India	78.81	78.81
Rosewalk Healthcare Private Limited	India	99.99	99.99
Rainbow Fertility Private Limited	India	99.99	99.99
Rainbow C R O Private Limited	India	99.99	99.99

### Business combination and goodwill

Business combinations are accounted for under Ind AS 103 using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities

representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic

# Notes to the Consolidated Financial Statements

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

circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognise the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with

the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

## (vi) Principles of consolidation

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements;



# Notes to the Consolidated Financial Statements

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

- (iii) The Group's voting rights and potential voting rights;
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in these Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The Consolidated Financial Statements of the Holding Group and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, expenses and cash flows after eliminating intra-group balances/ transactions and resulting unrealised profits in full. Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory, property, plant and equipment are eliminated in full). Unrealised losses resulting from intra-group transactions have also been eliminated in full as per Ind AS 110. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance sheet of the Holding Group and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

The excess/ deficit of cost to the Holding Group of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made is recognised in the Consolidated Financial Statements as goodwill/ capital reserve. The Holding Group's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period

adjusted for the effects of significant transactions, up to the date of investment.

Non-Controlling Interests (NCI) in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the holding subsidiary relationship came into existence.

The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Holding Group for its separate financial statements. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Group, i.e. year ended on 31 March 2023.

## (vi) Current versus Non-current classification

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

### Assets

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

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

# Notes to the Consolidated Financial Statements

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

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

## Liabilities

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

- i. it is expected to be settled in the Group'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 Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of fresh instruments do not affect its classification.

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

## Operating cycle

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

## (vii) Measurement of fair values

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

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

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Further information about the assumptions made in measuring fair values is included in the following notes in financial instruments [ Refer note 2.44].

## 1.3 Significant accounting policies

### a. Financial Instruments

#### i. Recognition and initial measurement

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

# Notes to the Consolidated Financial Statements

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

transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

## ii. Classification and subsequent measurement

### Financial assets:

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

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

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

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

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

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

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI.

This election is made on an investment-by-investment basis.

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

### Financial assets – Subsequent measurement and gains and losses

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

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

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

### Financial liabilities – Classification, subsequent measurement and gains and losses:

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

# Notes to the Consolidated Financial Statements

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

interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### iii. Derecognition

#### Financial assets:

The Group derecognises a financial asset when:

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

#### Financial liabilities:

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

Interest rate benchmark reform

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

interest rate benchmark reform if the following conditions are met:

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

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

#### Offsetting

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

### b. Property, plant and equipment

#### i. Recognition and measurement:

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing

# Notes to the Consolidated Financial Statements

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

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 consolidated statement of profit and loss.

## ii. Transition to IND-AS

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

## iii. Subsequent costs:

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

## iv. Depreciation:

Depreciation on Property, plant and equipment (other than for that class of assets specifically

mentioned below) is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act 2013 and additions and deletions are restricted to the period of use. Depreciation is charged to consolidated statement of profit and loss.

If the Management's estimate of the useful life of a property, plant and equipment is different than that envisaged in the aforesaid Schedule, depreciation is provided based on the Management's estimate of the useful life. Pursuant to this policy, depreciation on the following class of property, plant and equipment has been provided at the rates based on the following useful lives of property, plant and equipment as estimated by Management which is different from the useful life prescribed under Schedule II of the Companies Act, 2013.

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

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

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

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

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

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

# Notes to the Consolidated Financial Statements

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

## c. Intangible assets and amortisation:

Computer software acquired by the Group, 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 consolidated statement of profit and loss, when the asset is derecognised.

## d. Impairment of assets

### i. Impairment of financial assets

The Group recognises loss allowances for ECLs on:

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

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

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

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

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

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

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

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

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

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

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

### **Credit-impaired financial assets:**

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

# Notes to the Consolidated Financial Statements

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

Evidence that a financial asset is credit-impaired includes the following observable data:

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

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

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

## Write-off

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

## ii. Impairment of non-financial assets

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

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

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

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

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

## e. Investments

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

If the Group 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 Group 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.

# Notes to the Consolidated Financial Statements

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

## 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 Group 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.

## 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 Group 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 Group 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 Group'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 Group 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 Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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

#### **Compensated absences**

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit and the



# Notes to the Consolidated Financial Statements

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

accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The Group 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 Group'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 Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue is recognised at the point in time for the inpatient / outpatient hospital services when the related services are rendered at the transaction price.

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

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

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

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

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

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

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

## Contract balances:

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

## i. Leases

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

### (i) As a lessee

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

# Notes to the Consolidated Financial Statements

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

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to

exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

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

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

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

## (ii) As a lessor

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

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

# Notes to the Consolidated Financial Statements

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

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

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

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

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

## 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 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 Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group 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

# Notes to the Consolidated Financial Statements

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

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.

## I. Provisions

A provision is recognised if, as a result of a past event, the Group 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 Group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in statement of profit and loss, net of any reimbursement.

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

### Onerous Contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group 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 Group 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 Consolidated 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 Group 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. 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 Group are segregated.

## p. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of

# Notes to the Consolidated Financial Statements

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

changes in value. Where bank overdrafts/ cash credits which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. Bank overdrafts are shown within short term-borrowings in the balance sheet.

## q. Events after reporting date

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

## r. Share Capital

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

## s. Share issue expenses

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

## t. Segment reporting

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

## u. Government Grants

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

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

## v. Standards issued but not effective

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

### 1. Ind AS 1 - Presentation of Financial Statements

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

### 2. Ind AS 12- Income Taxes

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

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

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

# Notes to the Consolidated Financial Statements

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

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

Particulars	Freehold land (refer note (i) below)	Buildings (refer note (i) below)	Leasehold Improvements	Medical equipments	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Computers	Total	Capital work-in- progress
<b>Gross block</b>											
<b>Cost as at 1 April 2021</b>	33.06	393.57	2,381.30	1,375.40	665.67	403.23	169.79	108.80	91.41	5,622.23	286.79
Additions	-	4.54	319.17	153.04	97.02	43.08	32.25	45.61	19.22	713.93	455.63
Disposals*	-	-	(4.27)	(1.83)	(2.03)	(2.72)	(1.48)	-	(0.22)	(12.55)	(696.45)
<b>Cost as at 31 March 2022</b>	<b>33.06</b>	<b>398.11</b>	<b>2,696.20</b>	<b>1,526.61</b>	<b>760.66</b>	<b>443.59</b>	<b>200.56</b>	<b>154.41</b>	<b>110.41</b>	<b>6,323.61</b>	<b>45.97</b>
<b>Cost as at 1 April 2022</b>	33.06	398.11	2,696.20	1,526.61	760.66	443.59	200.56	154.41	110.41	6,323.61	45.97
Additions	-	1.00	544.04	300.97	159.64	79.48	48.63	36.20	38.53	1,208.51	1,371.37
Disposals*	-	-	-	-	(1.80)	(0.27)	(0.20)	(4.86)	(0.06)	(7.19)	(1,208.51)
<b>Cost as at 31 March 2023</b>	<b>33.06</b>	<b>399.11</b>	<b>3,240.24</b>	<b>1,827.58</b>	<b>918.50</b>	<b>522.80</b>	<b>248.99</b>	<b>185.75</b>	<b>148.88</b>	<b>7,524.92</b>	<b>208.83</b>
<b>Accumulated depreciation:</b>											
<b>Accumulated depreciation as at 1 April 2021</b>	-	1.77	486.81	600.36	152.62	156.64	115.06	50.14	69.88	1,633.28	-
Depreciation	-	6.75	141.94	206.82	51.80	43.75	26.78	21.25	15.33	514.42	-
Disposals	-	-	(4.27)	(1.83)	(1.05)	(2.72)	(0.93)	-	(0.22)	(11.02)	-
<b>Accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>8.52</b>	<b>624.48</b>	<b>805.35</b>	<b>203.37</b>	<b>197.67</b>	<b>140.91</b>	<b>71.39</b>	<b>84.99</b>	<b>2,136.68</b>	<b>-</b>
<b>Accumulated depreciation as at 1 April 2022</b>	-	8.52	624.48	805.35	203.37	197.67	140.91	71.39	84.99	2,136.68	-
Depreciation	-	6.61	160.59	207.90	57.67	48.64	30.14	27.19	19.39	558.12	-
Disposals	-	-	-	-	(0.91)	(0.14)	(0.20)	(4.71)	(0.06)	(6.02)	-
<b>Accumulated depreciation as at 31 March 2023</b>	<b>-</b>	<b>15.13</b>	<b>785.07</b>	<b>1,013.25</b>	<b>260.13</b>	<b>246.17</b>	<b>170.85</b>	<b>93.87</b>	<b>104.32</b>	<b>2,688.78</b>	<b>-</b>
<b>Net carrying amount</b>											
<b>As at 31 March 2022</b>	<b>33.06</b>	<b>389.59</b>	<b>2,071.72</b>	<b>721.26</b>	<b>557.29</b>	<b>245.92</b>	<b>59.65</b>	<b>83.02</b>	<b>25.42</b>	<b>4,186.93</b>	<b>45.97</b>
<b>As at 31 March 2023</b>	<b>33.06</b>	<b>383.98</b>	<b>2,455.17</b>	<b>814.33</b>	<b>658.37</b>	<b>276.63</b>	<b>78.14</b>	<b>91.88</b>	<b>44.56</b>	<b>4,836.14</b>	<b>208.83</b>

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

# Notes to the Consolidated Financial Statements

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

## 2.1 (a) Property, plant and equipment and Capital work-in-progress (Contd..)

### Note:

- (i) The Holding Company vide sale agreement dated 3 September 2010 was allotted 1 acre of land by Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") for setting up a children hospital at Health city, Chinagadili, Vishakhapatnam to facilitate socio economic development within 2 years from the date of possession of land i.e. by October 2012. The Holding Company had paid an amount of ₹ 30.88 million towards acquisition of the said land and incurred an additional amount of ₹ 2.18 million towards other incidental charges. As per the Clause 8(c) of the land agreement entered with APIIC, the construction of proposed hospital was required to be completed within 2 years from the date of taking the possession of the land, otherwise the land will need to be returned back to APIIC. The Holding Company had filed an application with APIIC seeking extension of the timelines for development of the Project based on indicative project plan till August 2014 vide letter dated 17 August 2012. APIIC had considered the request and granted extension till the said date upon payment of condonation fee which was paid by the Company and timeline was extended upto August 2014. The Holding Company failed to meet the revised timelines and consequently, APIIC had issued a cancellation of allotment order on 24 March 2015. The Holding Company had submitted detailed reasons to APIIC for the delay in completion of the project and applied for revoking of the cancellation order. On 23 July 2016, APIIC had granted approval for extension of time upto December 2018. APIIC vide its letter dated 15 November 2018 has issued a show cause notice to the Holding Company seeking explanation as to why the allotment shall not be cancelled for non implementation of the proposed project. On 13 December 2018, the Holding Company has responded to APIIC explaining the status of the project and seeking further extension by 24 months. The Holding Company has paid Rs.1.57 million as condonation fee and has received extension from APIIC upto 30 November 2019. While the Agreement for Sale between APIIC and the Holding Company had been executed on 3 September 2010, the final sale deed was to be executed after commencement of regular commercial operations. The Holding Company has commenced the commercial operations from December 2020 onwards. The Holding Company on 29 December 2021 has paid Rs 0.69 million to APIIC Limited as condonation fees for the delay in implementation of the project. The Holding Company has incurred capital costs amounting to ₹ 33.06 million (31 March 2022 : Rs.33.06 million) for purchase of freehold land and Rs.383.98 million (31 March 2022 : Rs.389.59 million) for the construction of the hospital building on this land.
- (ii) Delhi Development authority (DDA) has granted 5,500 square meters of land on perpetual lease to Madhukar Multispecialty Hospital Research Centre (MMHRC) in Malviyanagar (Delhi) via lease deed dated 16 September 2005. MMHRC has constructed a hospital building on this land with all infrastructure and services and 50% of the space was sublet to the Company to operate and render healthcare services. DDA vide its letter dated 28 January 2019 to MMHRC has restricted subletting to 25% instead of earlier 50% and accordingly the Company and MMHRC had executed amended the sub lease agreement dated 27 March 2019 which is effective from 1 April 2019. As at 31 March 2023, leasehold improvements and medical equipments include Rs 106.03 million and Rs 55.17 million (Rs 112.47 million and Rs 72.61 million as at 31 March 2022) respectively in respect of this hospital. The Management is utilising the assets for the purpose of providing medical services at MMHRC.
- (iii) Refer note 2.41 for details of incidental expenditure capitalised during the construction period.
- (iv) Refer note 2.14 for details of assets pledged as security.

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

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

# Notes to the Consolidated Financial Statements

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

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

### As at 31 March 2023

CWIP	Amount in CWIP for a year of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	205.54	2.88	0.54	-	208.96
Projects temporarily suspended	-	-	-	-	-

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

### As at 31 March 2022

CWIP	Amount in CWIP for a year of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	44.89	1.08	-	-	45.97
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.

## 2.1 (b) Other intangible assets, Goodwill and Intangible assets under development

Particulars	Goodwill	Other intangible assets	Intangible assets under development
		Software	
<b>Gross block</b>			
<b>Cost as at 1 April 2021</b>	29.87	97.20	0.87
Additions	-	5.58	14.92
Disposals/ capitalisation	-	-	(4.20)
<b>Cost as at 31 March 2022</b>	<b>29.87</b>	<b>102.78</b>	<b>11.59</b>
<b>Cost as at 1 April 2022</b>	29.87	102.78	11.59
Additions	-	29.26	36.71
Disposals/ capitalisation	-	-	(29.26)
Adjustment - written off	(29.87)	-	-
<b>Cost as at 31 March 2023</b>	<b>-</b>	<b>132.04</b>	<b>19.04</b>
<b>Accumulated amortisation</b>			
<b>Accumulated amortisation as at 1 April 2021</b>	-	81.89	-
Amortisation	-	7.20	-
Disposals	-	-	-
<b>Accumulated amortisation as at 31 March 2022</b>	<b>-</b>	<b>89.09</b>	<b>-</b>
<b>Accumulated amortisation as at 1 April 2022</b>	-	89.09	-
Amortisation	-	9.21	-
Disposals	-	-	-
<b>Accumulated amortisation as at 31 March 2023</b>	<b>-</b>	<b>98.30</b>	<b>-</b>
<b>Net carrying amount</b>			
<b>As at 31 March 2022</b>	<b>29.87</b>	<b>13.69</b>	<b>11.59</b>
<b>As at 31 March 2023</b>	<b>-</b>	<b>33.74</b>	<b>19.04</b>



# Notes to the Consolidated Financial Statements

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

## Intangible assets under development ageing schedule:

### As at 31 March 2023

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	18.80	0.24	-	-	19.04
Projects temporarily suspended	-	-	-	-	-

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

### As at 31 March 2022

Intangible assets under development	Amount in CWIP for a year of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	11.59	-	-	-	11.59
Projects temporarily suspended	-	-	-	-	-

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

## 2.2 Non-current investments

(Valued at cost unless stated otherwise)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Investments at fair value through other comprehensive income</b>		
<b>Investments in unquoted equity instruments</b>		
Vamana Solar Private Limited*	0.03	0.03
2,600 shares of Rs.10 each, fully paid up (31 March 2022: 2,600 shares)		
	<b>0.03</b>	<b>0.03</b>
Aggregate amount of unquoted investments	0.03	0.03
Aggregate amount of impairment in value of investments	-	-

\*The Group has designated the investments in Vamana Solar Private Limited as equity shares at FVOCI. The fair value of this investment as at 31 March 2023 is H 0.03 million (31 March 2022: H 0.03 million).

The Group's exposure to credit risk and market risk related to investments has been disclosed in note 2.42.

## 2.3 (a) Other financial assets (non-current)

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits with remaining maturity more than 12 months	2,081.22	291.40
Interest accrued on deposits	74.24	-
Security deposits	188.10	264.52
	<b>2,343.56</b>	<b>555.92</b>

The Group's exposure to credit and market risk are disclosed in Note 2.42.

# Notes to the Consolidated Financial Statements

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

## 2.3 (b) Other financial assets (current)

(Unsecured, considered good)

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits with remaining maturity less than 12 months	2,756.79	-
Interest accrued on deposits	87.54	-
Share issue expense receivable (refer note 2.33 (f))	-	172.50
Security deposits	30.00	-
	<b>2,874.33</b>	<b>172.50</b>

## 2.4 Income tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision for taxation) (refer note 2.29 (b))	55.01	57.70
	<b>55.01</b>	<b>57.70</b>

## 2.5 Other non-current assets

(Unsecured, considered good)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances		
- to other than related parties	272.09	161.99
Prepaid expenses	11.58	6.85
Amounts paid under protest	8.30	9.74
	<b>291.97</b>	<b>178.58</b>
Unsecured, considered doubtful		
Capital advances (credit impaired)	11.59	3.33
Less: Allowance for doubtful advances	(11.59)	(3.33)
	-	-
	<b>291.97</b>	<b>178.58</b>

## 2.6 Inventories

(valued at the lower of cost or net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Medical consumables and pharmacy items	187.60	148.23
	<b>187.60</b>	<b>148.23</b>

# Notes to the Consolidated Financial Statements

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

## 2.7 Current investments

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Investments at fair value through profit or loss</b>		
<b>Quoted:</b>		
Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan 55,293.93 (31 March 2022: 120,350.29 Units)	20.08	41.30
HDFC Liquid Fund - Growth - Direct Plan Nil (31 March 2022: 10,117.85 Units)	-	42.34
HDFC Liquid fund - Growth 8.803 Units (31 March 2022: Nil units)	0.04	-
Bandhan Liquid Fund - Daily IDCW - Direct Plan 0.10 Units (31 March 2022: 0.10 Units)	0.00	0.00
Bandhan Liquid Fund - Growth - Direct Plan 42,770.67 Units (31 March 2022: 16,479.42 Units)	116.27	42.37
ICICI Liquid Fund - Growth - Direct Plan 3,48,842.10 Units (31 March 2022: Nil units)	116.23	-
Sundaram Liquid Fund - Growth - Direct Plan 56,004.61 Units (31 March 2022: Nil units)	111.33	-
Tata Liquid Fund - Growth - Direct Plan 32,715.36 (31 March 2022: 12,602.62 Units)	116.19	42.35
Nippon India Liquid Fund - Growth - Direct Plan 18,373.67 (31 March 2022: 1,934.21 Units)	101.18	10.07
SBI Liquid Fund - Direct Plan - Daily Dividend Nil (31 March 2022: 12,765.00 Units)	-	42.55
	<b>581.32</b>	<b>220.98</b>
Aggregate amount of quoted investments and market value thereof	581.32	220.98

The Group's exposure to credit risk and market risk related to investments has been disclosed in note 2.42.

## 2.8 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good - unsecured	701.14	439.58
Unbilled revenue considered good - unsecured	76.72	118.37
<b>Total</b>	<b>777.86</b>	<b>557.95</b>
Less: Allowance for expected credit loss	(194.50)	(153.88)
<b>Net total trade receivables</b>	<b>583.36</b>	<b>404.07</b>

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

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

The Group is subject to concentrations of credit risk in its accounts receivable for one customer comprising of 26% (31 March 2022: 23%) of Total Trade Receivables. Although the Group is directly affected by the financial condition of its customer, management does not believe significant credit risks exist at the balance sheet date. The Group does not require collateral or other securities to support its accounts receivable.

# Notes to the Consolidated Financial Statements

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

## 2.8 Trade receivables (Contd..)

(a) The Group's exposure to credit risk and loss allowances related to trade receivables are disclosed in note 2.42.

(b) Refer note 2.33 for related party balances.

### Trade Receivables ageing schedule:

As at 31 March 2023

Particulars	Unbilled Revenue	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Unbilled Revenue (Undisputed - considered good)	76.72	-	-	-	-	-	-	76.72
(ii) Undisputed Trade receivables – considered good	-	187.78	318.60	85.04	25.38	19.21	65.13	701.14
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>76.72</b>	<b>187.78</b>	<b>318.60</b>	<b>85.04</b>	<b>25.38</b>	<b>19.21</b>	<b>65.13</b>	<b>777.86</b>
Less: Loss allowance for doubtful trade receivables								(194.50)
<b>Net total trade receivables</b>								<b>583.36</b>

As at 31 March 2022

Particulars	Unbilled Revenue	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Unbilled Revenue (Undisputed - considered good)	118.37	-	-	-	-	-	-	118.37
(ii) Undisputed Trade receivables – considered good	-	94.30	143.07	77.35	42.13	55.06	27.67	439.58
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>118.37</b>	<b>94.30</b>	<b>143.07</b>	<b>77.35</b>	<b>42.13</b>	<b>55.06</b>	<b>27.67</b>	<b>557.95</b>
Less: Loss allowance for doubtful trade receivables								(153.88)
<b>Net total trade receivables</b>								<b>404.07</b>

# Notes to the Consolidated Financial Statements

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

## 2.9 (a) Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	5.40	5.55
Balance with banks		
- On current accounts	92.74	94.24
- On deposit accounts (with original maturity of 3 months or less)	55.96	-
	<b>154.10</b>	<b>99.79</b>

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

Particulars	As at 31 March 2023	As at 31 March 2022
Deposit account (with original maturity more than 3 months but less than 12 months)	300.88	1,704.99
Unpaid dividend	0.07	-
Interest accrued on deposits	-	47.37
	<b>300.95</b>	<b>1,752.36</b>

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

## (b) Details of bank balances / deposits

Particulars	As at 31 March 2023	As at 31 March 2022
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	92.74	94.24
Bank deposits with original maturity more than 3 months but less than 12 months included under 'Bank balances other than cash and cash equivalents'	300.88	1,704.99
Bank deposits with original maturity more than 12 months and remaining maturity less than 12 months included under 'Other financial assets (current)'	2,756.79	-
Bank deposits with original maturity more than 12 months and remaining maturity more than 12 months included under 'Other financial assets (non-current)' *	2,081.22	291.40

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

# Notes to the Consolidated Financial Statements

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

## 2.10 Loans (non-current)

(Unsecured, considered good)

Particulars	As at 31 March 2023	As at 31 March 2022
Loans receivable**		
- considered good	337.98	430.47
- which have significant increase in credit risk	-	-
- credit impaired	-	-
	<b>337.98</b>	<b>430.47</b>
Interest accrued on - Loans receivable**	99.55	76.79
	<b>437.53</b>	<b>507.26</b>

\*\* Unsecured Loan was given to an external party (Madhukar Rainbow Children's Hospital) at an interest rate of 9.50% p.a. (31 March 2022: 9.50% p.a.). This loan was given towards the working capital requirements of the borrower.

Due to the losses incurred by external party in the past two years consequent to Covid 19 pandemic, the Group is exposed to risk in respect of the recoverability of the loan granted to this party. The Group had carried out an impairment assessment for Loan receivable from the external party. Based on the detailed impairment evaluation carried out by the Group duly considering the discounted future cashflows of the external party, the Group has assessed that no impairment is required for the year ended 31 March 2023 (31 March 2022: Nil).

During the previous year, the Board of Directors have approved the change in terms of repayment of loan along with interest from repayable on demand to repayable starting from 01 April 2024.

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

Loans:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	430.47	237.30
Given during the year	-	197.13
Repaid during the year	(92.50)	(3.96)
<b>Closing balance</b>	<b>337.97</b>	<b>430.47</b>

## 2.11 Other current assets

(Unsecured, considered good)

Particulars	As at 31 March 2023	As at 31 March 2022
Advances to suppliers	94.81	33.02
Prepaid expenses	49.89	60.19
Advance to employees *	8.29	9.74
Balances with government authorities	1.73	1.18
	<b>154.72</b>	<b>104.13</b>
Unsecured, considered doubtful		
Other advances (credit impaired)	0.49	3.96
Less: Allowance for doubtful advances	(0.49)	(3.96)
	-	-
	<b>154.72</b>	<b>104.13</b>

\* Refer note 2.33 for advance to KMP

# Notes to the Consolidated Financial Statements

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

## 2.12 Share capital

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

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
<b>(i) Equity shares of ₹ 10 each, fully paid-up</b>				
At the commencement of the year	9,40,53,928	940.54	4,39,58,924	439.59
Add: Shares issued during the year	51,67,679	51.68	5,00,95,004	500.95
Add: Converted during the year	22,80,080	22.80	-	-
<b>At the end of the year</b>	<b>10,15,01,687</b>	<b>1,015.02</b>	<b>9,40,53,928</b>	<b>940.54</b>
<b>(ii) Series A CCPS of ₹ 48 each, fully paid-up</b>				
At the commencement of the year	1,146,771	55.05	1,146,771	55.04
Add: Shares issued during the year	-	-	-	-
Less: Converted during the year	(1,146,771)	(55.05)	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>1,146,771</b>	<b>55.04</b>
<b>(iii) Series B CCPS of ₹ 48 each, fully paid-up</b>				
At the commencement of the year	1,133,309	54.40	1,133,309	54.40
Add: Shares issued during the year	-	-	-	-
Less: Converted during the year	(1,133,309)	(54.40)	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>1,133,309</b>	<b>54.40</b>

### b) Rights, preferences and restrictions attached

#### i) Equity shares :

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

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

# Notes to the Consolidated Financial Statements

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

## b) Rights, preferences and restrictions attached (Contd..)

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

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

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

### ii) Series A CCPS:

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

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

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

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

### iii) Series B CCPS:

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

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



# Notes to the Consolidated Financial Statements

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

## b) Rights, preferences and restrictions attached (Contd..)

equivalent to the extent to which the equity shares resulting from the conversion of the Series B CCPS would have been entitled to receive such dividend.

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

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

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

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares	%	Number of shares	%
<b>(i) Equity shares of ₹ 10 each, fully paid-up held by:</b>				
- Dr. Ramesh Kancharla	3,14,94,654	31.03%	3,68,49,284	39.18%
- British International Investment plc (formerly known as CDC Group plc)	-	0.00%	1,81,18,981	19.26%
- Dr. Dinesh Kumar Chirla	66,33,380	6.54%	85,60,000	9.10%
- CDC India Opportunities Limited	-	0.00%	89,33,163	9.50%
- Dr. Adarsh Kancharla	61,10,432	6.02%	75,55,452	8.03%
- Kancharla Family Trust	51,79,200	5.10%	51,79,200	5.51%
<b>(ii) Series A CCPS of ₹ 48 each, fully paid-up held by:</b>				
- British International Investment plc (formerly known as CDC Group plc)	-	-	11,46,771	100%
<b>(iii) Series B CCPS of ₹ 48 each, fully paid-up held by:</b>				
- CDC India Opportunities Limited	-	-	11,33,309	100%

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

## d) During the five years immediately preceding the reporting date, no shares have been bought back, issued for consideration other than cash other than disclosed below:

During the year ended 31 March 2022, 48,167,004 equity shares of ₹ 10 each, fully paid up of the Holding Company have been allotted as bonus shares by capitalisation of securities premium.

During the year ended 30 March 2018, 34,679,253 equity shares of ₹ 10 each, fully paid up of the Holding Company have been allotted as bonus shares by capitalisation of securities premium.

# Notes to the Consolidated Financial Statements

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

## e) Shareholding of promoters (each class)

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

## 2.13 Other equity

Particulars	Securities premium	General reserve	Debenture redemption reserve	Capital reserve	Retained earning	Total other equity
<b>Balance as at 1 April 2022</b>	1,275.89	43.89	40.00	8.95	3,609.32	4,978.06
Surplus in statement of profit and loss	-	-	-	-	2,108.34	2,108.34
Shares issued during the year	2,834.97	-	-	-	-	2,834.97
Amount transferred from debenture redemption reserve	-	-	-	-	40.00	40.00
<b>Appropriations:</b>						
Amount transferred	(138.60)	-	(40.00)	-	-	(178.60)
Final dividend on equity shares for the year ended 31 March 2022. i.e. ₹ 2 per share	-	-	-	-	(203.00)	(203.00)
Remeasurement of defined benefit liability	-	-	-	-	5.55	5.55
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(1.23)	(1.23)
<b>Balance as at 31 March 2023</b>	<b>3,972.26</b>	<b>43.89</b>	<b>-</b>	<b>8.95</b>	<b>5,558.98</b>	<b>9,584.09</b>

Particulars	Securities premium	General reserve	Debenture redemption reserve	Capital reserve	Retained earning	Total other equity
<b>Balance as at 1 April 2021</b>	1,513.42	43.89	45.00	8.95	2,303.33	3,914.60
Surplus in statement of profit and loss	-	-	-	-	1,382.66	1,382.66
Shares issued during the year	250.64	-	-	-	-	250.64
Non-controlling interest in the subsidiary	-	-	-	-	0.58	0.58
Amount transferred from debenture redemption reserve	-	-	-	-	5.00	5.00
<b>Appropriations:</b>						
Amount transferred	(6.50)	-	(5.00)	-	-	(11.50)
Issue of bonus shares	(481.67)	-	-	-	-	(481.67)
Final dividend on equity shares for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	(87.92)	(87.92)
Final dividend on Series A CCPS for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	(2.29)	(2.29)

# Notes to the Consolidated Financial Statements

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

## 2.13 Other equity (Contd..)

Particulars	Securities premium	General reserve	Debenture redemption reserve	Capital reserve	Retained earning	Total other equity
Final dividend on Series B CCPS for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	(2.27)	(2.27)
Remeasurement of defined benefit liability	-	-	-	-	13.58	13.58
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(3.35)	(3.35)
<b>Balance as at 31 March 2022</b>	<b>1,275.89</b>	<b>43.89</b>	<b>40.00</b>	<b>8.95</b>	<b>3,609.32</b>	<b>4,978.06</b>

### Securities premium

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

### General reserve

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

### Debenture redemption reserve

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

### Other comprehensive income

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

### Retained earnings

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

### Dividend

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

### Capital Reserve

The Group has acquired a subsidiary through business combination resulting in bargain purchase.

# Notes to the Consolidated Financial Statements

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

## 2.14 Borrowings (non-current)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Secured</b>		
<b>Debentures (at amortised cost)</b>		
Nil (31 March 2022: 500) 9.5% redeemable non-convertible debentures (NCD) of ₹ Nil (31 March 2022: 8,00,000) each (secured) (refer note A below)		
	-	273.11
	<b>-</b>	<b>273.11</b>

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

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

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

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

## 2.15 Provisions (non-current)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
- Gratuity (refer note 2.32(b))	70.81	57.49
	<b>70.81</b>	<b>57.49</b>

## 2.16 Borrowings (current)

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of long-term borrowings (refer note 2.14)	-	125.00
Interest accrued but not due on borrowings	-	18.53
	<b>-</b>	<b>143.53</b>

The Group's exposure to liquidity and interest rate risk related to borrowings are disclosed in note 2.42.

# Notes to the Consolidated Financial Statements

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

## 2.17 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
- total outstanding dues to micro enterprises and small enterprises (MSME) (refer note 2.39)	84.58	62.58
- total outstanding dues to creditors other than micro enterprises and small enterprises	760.26	581.16
	<b>844.84</b>	<b>643.74</b>

The Group's exposure to liquidity and currency risk and loss allowances related to trade payables are disclosed in note 2.42.

Refer note 2.33 for related party balances.

### Trade payables ageing schedule

#### As at 31 March 2023

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME (refer note 2.39)	-	-	84.58	-	-	-	84.58
ii) Others	129.66	56.64	562.73	9.49	1.26	0.47	760.26
iii) Disputed dues-MSME	-	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-	-
<b>Total</b>	<b>129.66</b>	<b>56.64</b>	<b>647.31</b>	<b>9.49</b>	<b>1.26</b>	<b>0.47</b>	<b>844.84</b>

#### As at 31 March 2022

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME (refer note 2.39)	-	-	62.58	-	-	-	62.58
ii) Others	143.80	30.43	405.11	1.83	-	-	581.16
iii) Disputed dues-MSME	-	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-	-
<b>Total</b>	<b>143.80</b>	<b>30.43</b>	<b>467.69</b>	<b>1.83</b>	<b>-</b>	<b>-</b>	<b>643.74</b>

## 2.18 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Employee benefit payables <sup>^</sup>	169.56	174.79
Creditors for capital goods <sup>^</sup>	167.65	52.02
Other payables	0.07	2.96
	<b>337.28</b>	<b>229.77</b>

<sup>^</sup> Refer note 2.33 for related party balances.

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

# Notes to the Consolidated Financial Statements

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

## 2.19 Provisions (current)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity (refer note 2.32 (b))	2.86	2.32
Compensated absences	13.39	10.26
	<b>16.25</b>	<b>12.58</b>
Provision for claims, other than taxes*	1.94	1.94
	<b>18.19</b>	<b>14.52</b>
<b>*Movement in provision for claims, other than taxes:</b>		
Opening balance	1.94	1.94
Add: Addition during the year	-	-
Less: Utilisation/ reversal during the year	-	-
Closing balance	<b>1.94</b>	<b>1.94</b>

Provision for claims, other than taxes represents claims pending before Courts and based on Management's estimate of claims, provision is made on prudent basis that possible outflow of resources may arise in future.

## 2.20 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for taxation (net of advance tax)	30.08	0.60
	<b>30.08</b>	<b>0.60</b>

## 2.21 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Contract liabilities (advance from patients)	32.81	90.97
Statutory liabilities (ESI, PF, GST, TDS etc.)	76.63	48.68
	<b>109.44</b>	<b>139.65</b>

## 2.22 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income from medical and healthcare services		
- Revenue from hospital services (Refer note 2.45)	10,242.29	8,533.99
- Revenue from pharmacy sales (Refer note 2.45)	1,140.31	932.42
- Revenue from medical service fee (Refer note 2.45)	225.41	168.77
	<b>11,608.01</b>	<b>9,635.18</b>
Other operating income		
- Cord blood extraction	33.53	29.25
- Canteen income	41.30	25.44
- Sponsorship income	22.72	28.60
- Others	30.18	19.11
	<b>127.73</b>	<b>102.40</b>
<b>Total revenue from operations</b>	<b>11,735.74</b>	<b>9,737.58</b>

# Notes to the Consolidated Financial Statements

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

## 2.23 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on financial assets carried at amortised cost		
- bank deposits	246.25	67.55
- Loans	39.42	36.15
- other financial assets carried at amortised cost	12.32	10.97
- Others	0.58	-
Dividend income	3.52	8.28
Net gain on financial assets measured at fair value through profit or loss	5.43	3.36
Liabilities no longer required written back	0.76	54.81
Gain on sale of property, plant & equipment	0.36	-
Gain on sale of non-current investment	-	8.20
Foreign exchange gain, net	-	0.05
Other non-operating income	0.01	-
	<b>308.65</b>	<b>189.37</b>

## 2.24 Medical consumables and pharmacy items consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of year	148.23	100.97
Add: Purchases during the year	1,622.15	1,994.55
Less: Closing Inventory	(187.60)	(148.23)
	<b>1,582.78</b>	<b>1,947.29</b>

## 2.25 Employee benefits expense \*

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	1,297.60	1,046.89
Contribution to provident and other funds	51.92	43.73
Gratuity expense (refer note : 2.32)	23.69	21.72
Staff welfare expenses	67.40	48.37
	<b>1,440.61</b>	<b>1,160.71</b>

\* Net of amount capitalised (refer note 2.41)

## 2.26 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest cost on financial liabilities measured at amortised cost		
- term loans from banks	-	0.53
- on debentures	7.29	39.65
Interest expense on lease liabilities (Refer note 2.34)	538.42	489.09
Others (including interest on income tax)	6.24	2.76
	<b>551.95</b>	<b>532.03</b>

# Notes to the Consolidated Financial Statements

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

## 2.27 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (Refer note 2.1(a))	558.12	514.42
Amortisation of intangible assets (Refer note 2.1(b))	9.21	7.20
Depreciation of right-of-use assets (Refer note 2.34)	335.35	311.01
	<b>902.68</b>	<b>832.63</b>

## 2.28

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>(i) Professional fees to doctors</b>	2,723.05	2,037.60
	<b>2,723.05</b>	<b>2,037.60</b>
<b>(ii) Other expenses *</b>		
Hospital maintenance	61.54	47.50
Canteen expenses	190.90	145.94
Contract wages	265.26	222.50
Housekeeping expenses	74.21	50.39
Power and fuel	212.27	168.11
Lab and investigations	113.46	123.05
Repairs and maintenance		
- Plant and equipment	71.58	43.30
- Others	205.03	146.33
Rent (Refer note 2.34)	12.63	14.15
Rates and taxes	121.42	103.44
Business promotion and advertisement	272.90	215.10
Travelling and conveyance	50.85	23.53
Printing and stationery	74.07	48.17
Bad debts written off	9.66	0.71
Advances written off	12.08	7.29
Goodwill written off	29.87	-
Allowance for expected credit loss	40.62	25.89
Loss on sale of property, plant & equipment, net	-	0.92
Communication expenses	61.97	55.96
Insurance	12.61	10.19
Professional and consultancy (refer note 2.36)	58.84	33.24
Directors sitting fees	5.02	2.95
Donations	0.40	-
Corporate social responsibility (refer note 2.40)	24.33	16.96
Bank charges	31.90	29.66
Foreign exchange loss, net	1.36	-
Miscellaneous expenses	10.75	7.95
	<b>2,025.53</b>	<b>1,543.23</b>

\* Net of amount capitalised (refer note 2.41)



# Notes to the Consolidated Financial Statements

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

## 2.29 Tax expense, net

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax	840.82	576.13
	<b>840.82</b>	<b>576.13</b>
Deferred tax expense credit	(146.80)	(89.40)
	<b>694.02</b>	<b>486.73</b>

### a. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	<b>2,817.79</b>	<b>1,873.46</b>
Enacted tax rates	25.17%	25.17%
Tax expense at enacted rates	709.18	471.51
80JJA deduction	(2.34)	-
Unrecognised deferred tax assets, net	-	12.20
Expenses not deductible for tax	4.11	4.75
Others	(16.93)	(1.73)
	<b>694.02</b>	<b>486.73</b>

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

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax assets, net	55.01	57.70
Current tax liabilities, net	(30.08)	(0.60)
<b>Net current income tax assets at the end of the year</b>	<b>24.93</b>	<b>57.10</b>

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

Particulars	As at 31 March 2023	As at 31 March 2022
Net income tax assets / (liabilities) at the beginning of the year	57.10	6.47
Income tax paid	808.65	626.76
Income tax expense for the year	(840.82)	(576.13)
<b>Net current income tax assets at the end of the year</b>	<b>24.93</b>	<b>57.10</b>

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Deferred tax liability</b>		
Property, plant and equipment	261.76	272.92
Right-of-use of Asset	985.79	1,008.31
Others	1.40	1.32
<b>Total deferred tax liability</b>	<b>1,248.95</b>	<b>1,282.55</b>

# Notes to the Consolidated Financial Statements

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Deferred tax asset</b>		
Loss allowance on receivables	62.16	38.69
Provision for employee benefits	22.88	17.26
Provision for bonus	32.88	30.85
Brought forward losses	-	0.17
Lease liabilities	1,390.60	1,309.53
<b>Total deferred tax asset</b>	<b>1,508.52</b>	<b>1,396.50</b>
<b>Net deferred tax asset</b>	<b>259.57</b>	<b>113.95</b>

## (ii) Movement in temporary differences

Particulars	Balance as at 1 April 2022	Recognised in consolidated statement of profit or loss	Recognised in OCI	Balance as at 31 March 2023
Loss allowance on receivables	38.69	23.47	-	62.16
Provision for employee benefits	17.26	6.80	(1.24)	22.88
Provision for bonus	30.85	2.03	-	32.88
Brought forward losses	0.17	(0.17)	-	-
Lease liabilities	1,309.53	81.07	-	1,390.60
Others	(1.32)	(0.08)	-	(1.40)
Right-of-use of asset	(1,008.31)	22.52	-	(985.79)
Property, plant and equipment	(272.92)	11.16	-	(261.76)
	<b>113.95</b>	<b>146.80</b>	<b>(1.24)</b>	<b>259.57</b>

Particulars	Balance as at 1 April 2021	Recognised in consolidated statement of profit or loss	Recognised in OCI	Balance as at 31 March 2022
Loss allowance on receivables	29.33	9.36	-	38.69
Provision for employee benefits	19.29	1.33	(3.36)	17.26
Provision for bonus	25.22	5.60	-	30.85
Brought forward losses	12.20	(12.03)	-	0.17
Lease liabilities	1,138.04	171.49	-	1,309.53
Others	3.35	(4.67)	-	(1.32)
Right-of-use of Asset	(901.84)	(106.47)	-	(1,008.31)
Property, plant and equipment	(297.71)	24.79	-	(272.92)
	<b>27.88</b>	<b>89.40</b>	<b>(3.36)</b>	<b>113.95</b>

Deferred tax assets have not been recognised for Rosewalk Healthcare Private Limited ('subsidiary') on Unabsorbed depreciation of ₹ 124.34 (31 March 2022: ₹ 108.91) and brought forward losses of ₹ 306.99 million (31 March 2022: 299.97 million) because it's not probable that future taxable profit will be available against which the subsidiary can use the benefit thereon. The brought forward losses expire in the year 2026 to 2030. The unabsorbed depreciation do not expire under current tax legislation.

# Notes to the Consolidated Financial Statements

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

## 2.30 Contingent liabilities and commitments

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

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

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

## B) Capital commitments

Particulars	As at 31 March 2023	As at 31 March 2022
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	376.94	468.61

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

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

## 2.32 Employee benefit plans

The employee benefit schemes are as under:

### (a) Defined contribution benefit plans

The Group 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 consolidated profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident fund and ESI for the year ended 31 March 2023 amounts to ₹ 43.18 million and ₹ 8.74 million respectively (31 March 2022: ₹ 35.84 million and ₹ 7.89 million respectively) (refer note 2.25).

### (b) Defined benefit plans

The Group 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 ₹ 2.00 million.

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

# Notes to the Consolidated Financial Statements

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Opening defined benefit obligation	59.81	57.39
Current service cost	19.46	17.75
Interest cost	4.25	3.86
Actuarial (gain)/loss	(5.58)	(13.63)
Benefits paid	(4.27)	(5.56)
<b>Benefit obligation at the end of the year</b>	<b>73.67</b>	<b>59.81</b>
Provisions (current) (Refer note 2.19)	2.86	2.32
Provisions (non-current) (Refer note 2.15)	70.81	57.49

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	19.46	17.75
Interest on defined benefit obligation	4.25	3.86
Net actuarial (gain) recognised in the year	(5.58)	(13.63)
<b>Net gratuity expenses</b>	<b>18.13</b>	<b>7.98</b>

## Re-measurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/loss on defined benefit obligation		
- Actuarial (gain) arising from change in financial assumptions	(2.34)	(3.17)
- Actuarial (gain) arising on account of experience changes	(3.24)	(10.46)
Return on plan assets excluding interest income	-	-
<b>Actuarial (gain) recognised in other comprehensive income</b>	<b>(5.58)</b>	<b>(13.63)</b>

## Summary of actuarial assumptions

Financial assumptions at balance sheet date:

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

# Notes to the Consolidated Financial Statements

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

## Maturity profile of defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
1st following year	3.46	2.32
Year 2 to 5	15.58	12.79
Year 6 to 9	21.05	15.49
For 10 years and above	192.36	154.84

**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	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	69.29	78.47	56.17	63.81
Salary escalation rate (50 bps movement)	78.18	69.48	63.66	56.27

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

Expected contribution to post-employment benefit plans for the next year ending 31 March 2024 is ₹ 3.46 millions

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

## 2.33 Related parties

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

<b>Key managerial personnel (KMP)</b>	Dr. Ramesh Kancharla, Chairman and Managing Director
	Dr. Dinesh Kumar Chirla, Whole-Time Director
	Mr. Anil Dhawan, Independent Director
	Mr. Santanu Mukherjee, Independent Director (appointed w.e.f 22 October 2021)
	Ms. Sundari Raviprasad Pisupati, Independent Director (appointed w.e.f 16 September 2021)
	Mr. Aluri Srinivasa Rao, Independent Director
	Mr. R. Gowrisankar, Chief Financial Officer
	Ms. Pratusha Channamalla, Company Secretary (appointed w.e.f 01 September 2021, resigned w.e.f 22 October 2021)
	Mr. Ashish Kapil, Company Secretary (appointed w.e.f 22 October 2021)
	Mr. Yugandhar Meka, Independent director (resigned w.e.f 16 September 2021)
	Mr. Nagarajan Srinivasan, Nominee Director (resigned w.e.f 09 December 2021)
	Mr. Ashish Ahluwalia, Nominee Director (resigned w.e.f 09 December 2021)
	<b>Relative of key managerial personnel</b>
	Dr. Adarsh Kancharla, son of Dr. Ramesh Kancharla
	Mr. Ramadhara Naidu Kancharla, brother of Dr. Ramesh Kancharla

# Notes to the Consolidated Financial Statements

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

## a) Names of the related parties and description of relationship: (Contd..)

<b>Enterprise exercising significant influence on the Group</b>	British International Investment plc (formerly known as CDC Group plc) (up to 05 December 2022) CDC India Opportunities Limited (up to 05 December 2022) CDC Emerging Markets Limited (up to 09 June 2022)
<b>Enterprises where key managerial personnel along with their relatives exercise significant influence</b>	Ravindranath GE Medical Associates Private Limited Rainbow Children's Foundation (Trust) Sesha Sarojini Medical Infra Private Limited
<b>Enterprises where relative of key managerial personnel is a member</b>	Unimed Healthcare Private Limited

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from professional services rendered</b>		
- Ravindranath GE Medical Associates Private Limited	-	0.00
- Rainbow Children's Foundation (Trust)	1.95	4.77
- Mrs. Padma Kancharla	-	0.16
<b>Professional services received</b>		
- Ravindranath GE Medical Associates Private Limited	7.71	5.34
<b>Salary advance given to KMP</b>		
- Mr. R.Gowrisankar	-	2.20
<b>Professional charges paid</b>		
- Dr. Dinesh Kumar Chirla	39.80	26.49
- Mr. Ramadhara Naidu Kancharla	-	1.93
<b>Expenses incurred on behalf of related parties</b>		
- Mr. Ramadhara Naidu Kancharla	0.02	0.01
<b>Remuneration including variable fee to KMP^</b>		
- Dr. Ramesh Kancharla	65.00	60.00
- Dr. Dinesh Kumar Chirla	-	8.86
- Mr. R.Gowrisankar	10.27	8.53
- Ms. Pratusha Channamalla	-	0.09
- Mr. Ashish Kapil	2.80	1.54
<b>Project management consultancy fee to relative of KMP</b>		
- Mr. Ramadhara Naidu Kancharla	6.00	3.00
<b>Consultancy fee to relative of KMP</b>		
- Dr. Adarsh Kancharla	0.60	-
<b>Rental expenditure</b>		
- Unimed Healthcare Private Limited	24.38	-
<b>Security Deposit given</b>		
- Unimed Healthcare Private Limited	-	30.00

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

# Notes to the Consolidated Financial Statements

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Commission to Independent Directors</b>		
- Mr. Yugandhar Meka	-	0.50
- Mr. Aluri Srinivasa Rao	1.00	1.00
- Mr. Anil Dhawan	1.00	1.00
- Mrs. Sundari Raviprasad Pisupati	1.00	0.50
- Mr. Santanu Mukherjee	1.00	0.50
<b>Sitting fees paid to Independent Directors</b>		
- Mr. Yugandhar Meka	-	0.10
- Mr. Anil Dhawan	1.05	0.70
- Mr. Aluri Srinivasa Rao	1.10	0.53
- Mrs. Sundari Raviprasad Pisupati	0.90	0.58
- Mr. Santanu Mukherjee	1.20	0.60
<b>Leave Travel Allowance to KMP</b>		
- Dr. Ramesh Kancharla	2.57	-
- Dr. Dinesh Kumar Chirla	1.20	-
<b>Expenditure incurred on behalf of KMP</b>		
- Dr. Ramesh Kancharla	-	0.01
<b>Civil works</b>		
- Sesha Sarojini Medical Infra Private Limited	-	1.22
<b>Sale of investment - equity shares of Unimed Healthcare Private Limited</b>		
- Mrs. Padma Kancharla	-	80.00
- Gain on sale of equity	-	8.20
<b>Redemption of 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	400.00	50.00
<b>Interest on 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	7.29	39.65
<b>Interest paid on 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	25.82	41.97
<b>Dividend paid during the year to KMP and relative of KMP</b>		
- Dr. Ramesh Kancharla	629.89	40.03
- Dr. Dinesh Kumar Chirla	132.67	9.60
- Mrs. Padma Kancharla	-	3.60
- Dr. Adarsh Kancharla	122.21	4.62
- Mr. Ramadhara Naidu Kancharla	1.20	-
- Mr. R.Gowrisankar	0.81	-
- Mr. Ashish Kapil	0.22	-
<b>Dividend paid (on equity share capital and Series A compulsorily convertible preference shares)</b>		
- British International Investment plc (formerly known as CDC Group plc)	-	19.27
<b>Dividend paid (on equity share capital and Series B compulsorily convertible preference shares)</b>		
- CDC India Opportunities Limited	-	10.07

# Notes to the Consolidated Financial Statements

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

**c) The Group has the following amounts due from/ to the related parties:**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Trade payables</b>		
- Ravindranath GE Medical Associates Private Limited	0.01	-
- Rainbow Children's Foundation (Trust)	0.04	-
<b>Trade receivables</b>		
- Rainbow Children's Foundation (Trust)	0.00	0.09
<b>Salary advance to KMP</b>		
- Mr. R.Gowrisankar	0.40	1.60
<b>Commission payable to Independent Directors</b>		
- Mr. Yugandhar Meka	-	0.50
- Mr. Aluri Srinivasa Rao	1.00	1.00
- Mr. Anil Dhawan	1.00	1.00
- Mrs. Sundari Raviprasad Pisupati	1.00	0.50
- Mr. Santanu Mukherjee	1.00	0.50
<b>Debentures</b>		
- CDC Emerging Markets Limited	-	400.00
<b>Interest accrued but not due on borrowings</b>		
- CDC Emerging Markets Limited	-	18.53
<b>Professional fee payable to KMP</b>		
- Dr. Dinesh Kumar Chirla	3.35	2.90
<b>Leave Travel Allowance payable to KMP</b>		
- Dr. Dinesh Kumar Chirla	0.61	-
<b>Project management consultancy fee payable to relative of KMP</b>		
- Mr. Ramadhara Naidu Kancharla	0.50	0.50
<b>Consultancy fee payable to relative of KMP</b>		
- Dr. Adarsh Kancharla	0.10	-
<b>Rent Payable</b>		
- Unimed Healthcare Private Limited	3.75	-
<b>Rental Security Deposit</b>		
- Unimed Healthcare Private Limited	30.00	30.00

- d)** Refer note 2.12 (b) (ii) and (iii) for conversion of preference shares to equity shares.
- e)** All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross (net of GST) and undiscounted.)
- f)** Share issue expenses (refer note 2.3 (b) - Share issues expenses receivable) of Nil ( 31 March 2022: Rs.172.50 million) incurred by the Holding Company is towards Initial Public Offering ('IPO') of the equity shares held by the selling shareholders. As per the agreement with the selling shareholders, these expenses are recoverable from Dr Ramesh Kancharla, Dr. Dinesh Kumar Chirla, Dr. Adarsh Kancharla, Mrs. Padma Kancharla, British International Investment plc (formerly known as CDC Group plc) and CDC India Opportunities Limited, upon successful completion of IPO in proportion to the shares that are expected to be offered to the public in the offering.



# Notes to the Consolidated Financial Statements

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

## 2.34 Leases

**A** The Company as a lessee entered into various lease agreements majorly for buildings and used the following practical expedients on first time adoption of Ind AS 116:

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

### Right-of-use of assets

Particulars	Category of ROU Assets
	Buildings
<b>Cost as at 1 April 2021</b>	4,217.96
Additions	982.03
Disposals	(67.89)
<b>Cost as at 31 March 2022 (A)</b>	<b>5,132.10</b>
<b>Cost as at 1 April 2022</b>	5,132.10
Additions	296.26
Disposals	(2.13)
Modification	146.92
<b>Cost as at 31 March 2023 (C)</b>	<b>5,573.15</b>
<b>Accumulated depreciation</b>	
<b>Accumulated depreciation as at 1 April 2021</b>	529.01
Depreciation charge for the year	311.01
Disposals	(61.86)
<b>Accumulated depreciation as at 31 March 2022 (B)</b>	<b>778.16</b>
<b>Accumulated depreciation as at 1 April 2022</b>	778.16
Depreciation charge for the year	335.35
Modification	18.41
<b>Accumulated depreciation as at 31 March 2023 (D)</b>	<b>1,131.92</b>
<b>Net Carrying amounts</b>	
As at 31 March 2023 (C-D)	4,441.23
As at 31 March 2022 (A-B)	4,353.94

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short- term lease	12.63	14.15
<b>Total</b>	<b>12.63</b>	<b>14.15</b>

# Notes to the Consolidated Financial Statements

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

C Following is the movement in lease liabilities :

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Opening Balance</b>	5,392.43	4,705.07
Additions	264.81	730.52
Finance cost	538.42	489.09
Disposals	(0.33)	(15.71)
Payment of lease liabilities	(594.25)	(516.54)
Lease modification	102.14	-
<b>Lease liability at the end of the year</b>	<b>5,703.22</b>	<b>5,392.43</b>
Non-current lease liabilities	5,598.57	5,312.37
Current lease liabilities	104.65	80.06

D The following is the cash outflow on leases during the years:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Payment of lease liabilities	55.83	27.45
Interest on lease liabilities	538.42	489.09
Short-term lease expense	12.63	14.15
<b>Total cash outflow on leases</b>	<b>606.88</b>	<b>530.69</b>

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

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	629.92	526.96
1 to 5 years	2,751.73	2,275.03
More than 5 years	7,544.57	7,099.32

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

## 2.35 Segment reporting

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

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

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

# Notes to the Consolidated Financial Statements

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

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

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

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

## 2.37 Earnings per share (EPS):

The earnings per share has been computed as under:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for the year (After adjusting Non-Controlling Interest) (A)	2,108.34	1,382.66
Less: Preference dividend for the year	-	4.56
Profit attributable to equity shareholders (After adjusting Non-Controlling Interest) (B)	<b>2,108.34</b>	<b>1,378.10</b>
<b>Shares</b>		
Number of equity shares at the beginning of the year	9,40,53,928	4,39,58,924
Add: Rights issued ##	-	19,28,000
Add: Bonus shares issued #	-	4,58,86,924
Add: Fresh Issue	51,67,679	-
Add: Preference shares converted	22,80,080	-
Add: Bonus equity shares issued to preference share holders #	-	22,80,080
Total number of equity shares outstanding at the end of the year	10,15,01,687	9,40,53,928
<b>Weighted average number of equity shares outstanding at the end of year – Basic</b>	<b>10,09,49,524</b>	<b>9,34,20,727</b>
<b>Number of equity shares at the end of year (C)</b>	<b>10,09,49,524</b>	<b>9,34,20,727</b>
Number of equity shares arising out of convertible preference shares that have dilutive effect on the EPS at the beginning of the year	-	22,80,080
<b>Number of convertible preference shares that have dilutive effect on the EPS at the end of year (D)</b>	<b>-</b>	<b>22,80,080</b>
<b>Weighted average number of equity shares outstanding during the year – Diluted EPS (E = C+D)</b>	<b>10,09,49,524</b>	<b>9,57,00,807</b>
<b>Earnings per share</b>		
Earnings per share of par value (₹ 10) – Basic (₹) (B/C)	20.89	14.75
Earnings per share of par value (₹ 10) – Diluted (₹) (A/E)	20.89	14.45

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

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

# Notes to the Consolidated Financial Statements

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Number of non resident share holders	1,426	2
Number of shares held by non-resident shareholders		
- Equity shares	2,55,59,419	2,70,52,144
- Series A CCPS	-	11,46,771
- Series B CCPS	-	11,33,309
Amount remitted during the year (amount in millions ₹)*		
- Equity shares	51.12	16.97
- Series A CCPS	-	2.30

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	84.58	62.58
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year ) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

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

# Notes to the Consolidated Financial Statements

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

## 2.40 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Holding Company. The proposed areas for CSR activities, as per the CSR policy of the Holding 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 31 March 2023	For the year ended 31 March 2022
<b>Details of Corporate social responsibility expenditure</b>		
(i) Gross amount required to be spent by the Holding Company during the year	24.33	16.96
(ii) Amount approved by the Board to be spent during the year	24.33	16.96
(iii) Amount spent during the year (in cash)		
- construction/ acquisition of any asset	-	-
- on purpose other than above	24.33	16.96
(iv) (Shortfall) / Excess at the end of the year	-	-
(v) Total of previous years shortfall	-	-
(vi) Details of related party transactions	NA	NA
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA
(viii) Reason for shortfall For the year ending 31 March 2023 and 31 March 2022 :	NA	NA
(ix) Nature of CSR activities:		
a) Promotion of education and sports	2.56	0.55
b) Rural development activities	7.50	-
c) Promotion of medical facilities and	12.27	11.36
d) Ensuring environmental sustainability	2.00	5.05

## 2.41 Incidental expenditure capitalised during the construction period

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

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

# Notes to the Consolidated Financial Statements

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

## 2.42 Financial risk management

### Risk management framework

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

### Credit risk

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

#### Trade and other receivables

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Insurance companies and Third-Party Administrator (TPA)	375.93	236.60
Central and state government (including public sector undertakings)	110.09	85.95
Corporates, individual customers and others	291.84	235.40
<b>Total</b>	<b>777.86</b>	<b>557.95</b>

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

#### As at 31 March 2023

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 30 days	372.06	9.82%	36.53
31-180 days	211.04	14.00%	29.55
6 months - 1 year	85.04	22.00%	18.70
1-2 years	25.38	100.00%	25.38
2-3 years	19.21	100.00%	19.21
More than 3 years	65.13	100.00%	65.13
	<b>777.86</b>		<b>194.50</b>

# Notes to the Consolidated Financial Statements

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

## As at 31 March 2022

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 30 days	240.67	4.03%	9.69
31-180 days	115.07	8.22%	9.45
6 months - 1 year	77.35	12.77%	9.88
1-2 years	42.13	100.00%	42.13
2-3 years	55.06	100.00%	55.06
More than 3 years	27.67	100.00%	27.67
	<b>557.95</b>		<b>153.88</b>

Management believes that the unimpaired amounts that are past due by more than six months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	153.88	100.49
Add: Expected credit loss recognised	40.62	53.39
Net remeasurement of provision	<b>194.50</b>	<b>153.88</b>

## Cash and bank balances, loans and other financial assets

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

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

## Liquidity risk

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

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

# Notes to the Consolidated Financial Statements

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

Following are the financial assets at the reporting date.

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables	583.36	404.07
Cash and cash equivalents	154.10	99.79
Bank balances other than cash and cash equivalents	300.95	1,752.36
Investments	581.35	221.01
Other financial assets	5,217.89	728.42
Loans	437.53	507.26
<b>Total</b>	<b>7,275.18</b>	<b>3,712.91</b>

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

**As at 31 March 2023**

Particulars	Carrying Amount	Within 1 year	1-5 Years	More than five years	Total amount
Trade payables	844.84	844.84	-	-	844.84
Other financial liabilities	337.28	337.28	-	-	337.28
Lease liabilities (undiscounted)	5,703.22	629.92	2,751.73	7,544.57	10,926.22
<b>Total</b>	<b>6,885.34</b>	<b>1,812.04</b>	<b>2,751.73</b>	<b>7,544.57</b>	<b>12,108.34</b>

**As at 31 March 2022**

Particulars	Carrying Amount	Within 1 year	1-5 Years	More than five years	Total amount
Borrowings (current & non current)	416.64	143.53	275.00	-	418.53
Trade payables	643.74	643.74	-	-	643.74
Other financial liabilities	229.77	229.77	-	-	229.77
Lease liabilities (undiscounted)	5,392.43	526.96	2,275.03	7,099.32	9,901.31
<b>Total</b>	<b>6,682.58</b>	<b>1,544.00</b>	<b>2,550.03</b>	<b>7,099.32</b>	<b>11,193.35</b>

## Market risk

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

## Interest risk

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed rate instruments (excluding interest accrued)		
Financial assets	5,476.87	2,426.86
Financial liabilities	5,703.22	5,854.01



# Notes to the Consolidated Financial Statements

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

## Foreign currency risk

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

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

## Exposure to currency risk

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

Particulars	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in foreign currency (in whole no's)	Amount in INR	Amount in foreign currency (in whole no's)	Amount in INR
Creditors for capital goods	USD	-	-	8,000	0.60
Trade payables	EUR	1,000	0.09	-	-
Trade payables	USD	1,26,617	10.45	6,538	0.49

## Sensitivity analysis:

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

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

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

## 2.43 Capital management

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

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

# Notes to the Consolidated Financial Statements

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt	-	416.64
Total equity	10,649.17	6,062.65
<b>Debt to equity ratio</b>	<b>-</b>	<b>0.07</b>

## 2.44 Financial instruments

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

### As at 31 March 2023

Particulars	Note	Carrying values					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Measured at fair value through profit or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities – amortised cost	Total carrying amount			
<b>Financial assets measured at fair value</b>									
Investments in equity instruments*	2.2	-	0.03	-	-	0.03	-	-	0.03
Investments in mutual funds	2.7	581.32	-	-	-	581.32	581.32	-	-
		<b>581.32</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>581.35</b>	<b>581.32</b>	<b>-</b>	<b>0.03</b>
<b>Financial assets at amortised cost</b>									
Trade receivables	2.8	-	-	583.36	-	583.36	-	-	-
Cash and cash equivalents	2.9 (a)	-	-	154.10	-	154.10	-	-	-
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	300.95	-	300.95	-	-	-
Loans	2.10	-	-	437.53	-	437.53	-	-	-
Other financial assets	2.3 (a) & 2.3 (b)	-	-	5,217.89	-	5,217.89	-	-	-
		<b>-</b>	<b>-</b>	<b>6,693.83</b>	<b>-</b>	<b>6,693.83</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at amortised cost</b>									
Trade payables	2.17	-	-	-	844.84	844.84	-	-	-
Other financial liabilities	2.18	-	-	-	337.28	337.28	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,182.12</b>	<b>1,182.12</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

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

As at 31 March 2022

Particulars	Note	Carrying values					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Measured at fair value through profit or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities – amortised cost	Total carrying amount			
<b>Financial assets measured at fair value</b>									
Investments in equity instruments*	2.2	-	0.03	-	-	0.03	-	-	0.03
Investments in mutual funds	2.7	220.98	-	-	-	220.98	220.98	-	-
		<b>220.98</b>	<b>0.03</b>	-	-	<b>221.01</b>	<b>220.98</b>	-	<b>0.03</b>
<b>Financial assets at amortised cost</b>									
Trade receivables	2.8	-	-	404.07	-	404.07	-	-	-
Cash and cash equivalents	2.9 (a)	-	-	99.79	-	99.79	-	-	-
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	1,752.36	-	1,752.36	-	-	-
Loans	2.10	-	-	507.26	-	507.26	-	-	-
Other financial assets	2.3 (a) & 2.3 (b)	-	-	728.42	-	728.42	-	-	-
		-	-	<b>3,491.90</b>	-	<b>3,491.90</b>	-	-	-
<b>Financial liabilities at amortised cost</b>									
Borrowings	2.14 & 2.16	-	-	-	416.64	416.64	-	-	-
Trade payables	2.17	-	-	-	643.74	643.74	-	-	-
Other financial liabilities	2.18	-	-	-	229.77	229.77	-	-	-
		-	-	-	<b>1,290.15</b>	<b>1,290.15</b>	-	-	-

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

# Notes to the Consolidated Financial Statements

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

## Fair value hierarchy

### Level 1

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

### Level 2

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

### Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2023 and 31 March 2022

\* - Fair value information relating to investment in equity instruments are not presented as these are not material to the consolidated financial statements

## 2.45 Revenue from contracts with customers

### Disaggregated revenue information

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income from medical and healthcare services</b>		
Revenue from hospital services	10,242.29	8,533.99
Revenue from pharmacy sales	1,140.31	932.42
Revenue from medical service fee	225.41	168.77
<b>Total revenue from contracts with customers</b>	<b>11,608.01</b>	<b>9,635.18</b>

### Location of revenue recognition

**Note:** All the business operations of the Group are in India.

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

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Contracted price</b>	10,560.34	8,746.30
Reduction towards variable consideration components*		
- Discounts	(74.02)	(34.56)
- Disallowances	(18.62)	(8.98)
<b>Revenue recognised</b>	<b>10,467.70</b>	<b>8,702.76</b>

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

# Notes to the Consolidated Financial Statements

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

## Contract balances

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables*	701.14	439.58
Unbilled revenue	76.72	118.37
Contract liabilities (advance from patients)#	32.81	90.97

## Movement in contract liabilities during the year:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	90.97	58.82
Less: Revenue recognised from above	(90.97)	(58.82)
Add: Addition during the year	32.81	90.97
<b>Balance at the end of the year</b>	<b>32.81</b>	<b>90.97</b>

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

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

## Performance obligation

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

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

# Notes to the Consolidated Financial Statements

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

## 2.47 Additional information as required under para 2 of General Instruction of Division II of Schedule III to the Companies Act, 2013.

31 March 2023

Particulars	Percentage holding	Country of Incorporation	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
			As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated total comprehensive income	Amount
<b>Holding Company</b>										
Rainbow Children's Medicare Limited			102.20%	10,883.88	96.95%	2,058.93	83.18%	3.61	96.92%	2,062.54
<b>Wholly owned subsidiary</b>										
Rainbow Children's Hospital Private Limited	100%	India	0.00%	0.05	0.00%	0.09	-	-	0.00%	0.09
Rainbow Woman and Children's Hospital Private Limited	100%	India	0.00%	(0.05)	0.02%	0.52	-	-	0.02%	0.52
Rosewalk Healthcare Private Limited	100%	India	-0.52%	(55.34)	-1.28%	(27.12)	14.75%	0.64	-1.24%	(26.48)
Rainbow C R O Private Limited	100%	India	0.00%	0.29	0.02%	0.42	-	-	0.02%	0.42
Rainbow Fertility Private Limited	100%	India	0.47%	50.47	0.09%	1.85	-	-	0.09%	1.85
<b>Subsidiary</b>										
Rainbow Speciality Hospital Private Limited	78.81%	India	2.22%	236.22	3.43%	72.82	1.84%	0.08	3.43%	72.90
Non-controlling interests in subsidiary			0.47%	50.06	0.73%	15.43	0.46%	0.02	0.73%	15.45
Elimination			-4.85%	(516.41)	0.04%	0.83	-	-	0.04%	0.83
<b>Total</b>			<b>100.00%</b>	<b>10,649.17</b>	<b>100.00%</b>	<b>2,123.77</b>	<b>100.23%</b>	<b>4.34</b>	<b>100.00%</b>	<b>2,128.11</b>

**Note:** Net assets, share in profit or loss and other comprehensive income of the Holding Company and subsidiaries are as per the standalone financial statements of respective entities.

# Notes to the Consolidated Financial Statements

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

31 March 2022

Particulars	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated total comprehensive income	Amount
<b>Holding Company</b>								
Rainbow Children's Medicare Limited	104.95%	6,362.93	102.61%	1,422.91	94.84%	9.74	102.55%	1,432.65
<b>Wholly owned subsidiary</b>								
Rainbow Children's Hospital Private Limited	0.00%	(0.04)	0.00%	(0.04)	-	-	0.00%	(0.04)
Rainbow Woman and Children's Hospital Private Limited	-0.01%	(0.57)	-0.01%	(0.08)	-	-	-0.01%	(0.08)
Rosewalk Healthcare Private Limited	-5.71%	(346.16)	-4.21%	(58.40)	2.73%	0.28	-4.16%	(58.12)
Rainbow C R O Private Limited	0.00%	(0.13)	0.00%	(0.04)	-	-	0.00%	(0.04)
Rainbow Fertility Private Limited	0.80%	48.62	0.13%	1.76	-	-	0.13%	1.76
<b>Subsidiary</b>								
Rainbow Speciality Hospital Private Limited	2.69%	163.32	1.49%	20.62	2.04%	0.21	1.49%	20.83
Non-controlling interests in subsidiary	0.57%	34.61	0.29%	4.07	0.39%	0.04	0.29%	4.11
Elimination	-3.30%	(199.93)	-0.29%	(4.07)	-	-	-0.29%	(4.07)
<b>Total</b>	<b>100.00%</b>	<b>6,062.65</b>	<b>99.98%</b>	<b>1,386.73</b>	<b>100.00%</b>	<b>10.27</b>	<b>100.00%</b>	<b>1,397.00</b>

**Note:** Net assets, share in profit or loss and other comprehensive income of the Holding Company and subsidiaries are as per the standalone financial statements of respective entities.

# Notes to the Consolidated Financial Statements

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

## 2.48 Ratios as per the Schedule III requirements

### a) Current Ratio = Current Assets divided by Current Liabilities (excluding current borrowings)

Particulars	31 March 2023	31 March 2022
Current Assets	4,836.38	2,902.06
Current Liabilities (excluding current borrowings)	1,444.48	1,108.34
<b>Ratio</b>	<b>3.35</b>	<b>2.62</b>
<b>% Change from previous year</b>	<b>27.86%</b>	

#### Reason for change more than 25%:

This ratio has increased from 2.62 in March 2022 to 3.35 in March 2023 mainly due to increase in bank deposits and current investments.

### b) Debt Equity ratio = Total debt divided by Shareholder's Equity where total debt refers to sum of current & non current borrowings

Particulars	31 March 2023	31 March 2022
Total debt	-	416.64
Shareholder's Equity	10,649.17	6,062.65
<b>Ratio</b>	<b>-</b>	<b>0.07</b>
<b>% Change from previous year</b>	<b>(100.00%)</b>	

#### Reason for change more than 25%:

This ratio has decreased from 0.07 in March 2022 to Nil in March 2023 mainly due to repayment of borrowings.

### c) Debt Service Coverage Ratio = Earnings available for debt service divided by interest and lease payments + principal repayments

Particulars	31 March 2023	31 March 2022
Net Profit after tax	2,123.77	1,386.73
<b>Add: Non cash operating expenses and finance cost</b>	<b>1,454.27</b>	<b>1,365.58</b>
- Depreciation and amortizations	902.68	832.63
- Finance cost	551.95	532.03
- (Gain) / Loss on sale of property, plant and equipment	(0.36)	0.92
<b>Earnings available for debt service</b>	<b>3,578.04</b>	<b>2,752.31</b>
Interest cost on borrowings	7.29	40.18
Lease payments	594.25	516.54
Principal repayments	398.11	60.72
<b>Total Interest and principal repayments</b>	<b>999.65</b>	<b>617.44</b>
<b>Ratio</b>	<b>3.58</b>	<b>4.46</b>
<b>% Change from previous year</b>	<b>(19.73%)</b>	

#### Reasons for change more than 25%: Not Applicable

### d) Return on Equity Ratio / Return on Investment Ratio = Net profit after taxes by average shareholder's equity

Particulars	31 March 2023	31 March 2022
Net profit after taxes	2,108.34	1,382.66
Average Shareholder's Equity (excluding Non-controlling interest)	8,313.58	5,245.83
<b>Ratio</b>	<b>25.36%</b>	<b>26.36%</b>
<b>% Change from previous year</b>	<b>(3.79%)</b>	

#### Reasons for change more than 25%: Not Applicable



# Notes to the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

## e) Inventory Turnover Ratio = Cost of goods sold divided by average inventory

Particulars	31 March 2023	31 March 2022
Medical consumables and pharmacy items consumed	1,582.78	1,947.29
Average Inventory	167.92	124.60
<b>Inventory Turnover Ratio</b>	<b>9.43</b>	<b>15.63</b>
<b>% Change from previous year</b>	<b>(39.67%)</b>	

### Reason for change more than 25%:

This ratio has decreased from 15.63 in March 2022 to 9.43 in March 2023 mainly due to purchase of covid vaccines in previous year.

## f) Trade Receivables turnover ratio = Revenue from operations divided by Average Trade Receivables

Particulars	31 March 2023	31 March 2022
Revenue from operations	11,735.74	9,737.58
Average Trade Receivables	493.72	421.86
<b>Ratio</b>	<b>23.77</b>	<b>23.08</b>
<b>% Change from previous year</b>	<b>2.98%</b>	

### Reason for change more than 25%: Not Applicable

## g) Trade payables turnover ratio = Net purchases divided by Average Trade Payables

Particulars	31 March 2023	31 March 2022
Purchases	1,622.15	1,994.55
Average Trade Payables	744.29	590.50
<b>Ratio</b>	<b>2.18</b>	<b>3.38</b>
<b>% Change from previous year</b>	<b>(35.50%)</b>	

### Reason for change more than 25%:

This ratio has decreased from 3.38 in March 2022 to 2.18 in March 2023 mainly due to purchase of covid vaccines in previous year.

## h) Net capital Turnover Ratio = Revenue from operations divided by Working Capital where Working Capital= Current Assets - Current Liabilities (excluding current borrowings)

Particulars	31 March 2023	31 March 2022
Revenue from operations	11,735.74	9,737.58
Working capital	3,391.90	1,793.72
<b>Ratio</b>	<b>3.46</b>	<b>5.43</b>
<b>% Change from previous year</b>	<b>(36.28%)</b>	

### Reason for change more than 25%:

This ratio has decreased from 5.43 in March 2022 to 3.46 in March 2023 mainly due to increase in working capital which was offset by increase in revenue from operations.

# Notes to the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

## i) Net profit ratio = Net profit after taxes divided by Revenue from operations

Particulars	31 March 2023	31 March 2022
Net profit after taxes	2,123.77	1,386.73
Revenue from operations	11,735.74	9,737.58
<b>Ratio</b>	<b>18.10%</b>	<b>14.24%</b>
<b>% Change from previous year</b>	<b>27.11%</b>	

### Reason for change more than 25%:

This ratio has increased from 14.24% in March 2022 to 18.10% in March 2023 mainly due to increase in Net profit after taxes which was on account of increase in revenue from operations.

## j) Return on Capital employed (pre cash)=Earnings Before Interest and Taxes (EBIT) divided by Capital Employed (pre cash)

Particulars	31 March 2023	31 March 2022
Profit before tax (A)	2,817.79	1,873.46
Finance Costs (B)	551.95	532.03
Other Income (C)	308.65	189.37
<b>EBIT (D) = (A)+(B)-(C)</b>	<b>3,061.09</b>	<b>2,216.12</b>
<b>Capital Employed (Pre Cash) (J)=( E)-(F)-(G)-(H)-(I)</b>	<b>12,437.85</b>	<b>9,632.49</b>
Total Assets (E)	17,763.03	12,957.49
Current Liabilities (F)	1,444.48	1,251.87
Current Investments (G)	581.32	220.98
Cash and Cash equivalents (H)	154.10	99.79
Current portion of fixed deposits and accrued interest with banks (I)	3,145.28	1,752.36
<b>Ratio (D)/(J)</b>	<b>24.61%</b>	<b>23.01%</b>
<b>% Change from previous year</b>	<b>6.95%</b>	

### Reason for change more than 25%: Not Applicable

## k) Return on Investment = Income generated from invested funds divided by Average Invested Funds

Particulars	31 March 2023	31 March 2022
Dividend income	3.52	8.28
Net gain on financial assets measured at fair value through profit or loss	5.43	3.36
Interest income on bank deposits	246.25	67.55
Income generated from invested funds (A)	<b>255.20</b>	<b>79.19</b>
Average Invested Funds (B)	3,996.77	1,672.67
Ratio (A)/(B)	<b>6.39%</b>	<b>4.73%</b>
<b>% Change from previous year</b>	<b>35.10%</b>	

### Reason for change more than 25%:

The ratio has increased from 4.73% in March 2022 to 6.39% in March 2023 mainly due to increase in income generated from invested funds.

# Notes to the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

## 2.49 Subsequent events

### (a) Employee share based payment

Pursuant to the resolutions passed by the Board on 18 March 2023 and by the Shareholders on 06 May 2023, the Holding company approved 'The Rainbow Children's Medicare Limited - Employee Stock Unit Plan 2023 ("Stock Unit Plan 2023")' in compliance with the SEBI (Share Based Employee Benefits Sweat Equity) Regulations, 2021 ("SEBI SBEB SE Regulations"). The Stock Unit Plan 2023 is for issue of employee stock units to eligible employees, which may result in an issuance of a maximum number of 400,000 Equity Shares. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock unit.

(b) During the year, the Holding Company has participated in the auction held by Haryana Shahari Vikas Pradhikaran (HSVP) and won the bid for 2 land parcels in Gurugram. Subsequent to the year end, the Holding Company has received letter of intent from HSVP and has paid 25% of the land value amounting to ₹ 169.87 million paid in November 2022 and ₹ 238.16 million paid in May 2023. The Holding Company is awaiting for the final allotment letter from HSVP.

## 2.50 Other Statutory Information:

- i. The Group do not have any Benami property and neither any proceedings have been initiated or is pending against the Group for holding any Benami property.
- ii. The Group do not have any transactions with companies struck off.
- iii. The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Group has not been declared a willful defaulter by any bank or financial institution or any other lender during the current year.
- v. The Group have not advanced or loaned or invested funds to any other persons or entities 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 Group (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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 Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- ix. The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- x. The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- xi. The Group has not revalued its Property, plant and equipment (including right of use of assets) or intangible assets or both during the current or previous year.

# Notes to the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

**2.51** During the year, the Holding Company has completed Initial Public Offering of 29,168,579 Equity Shares of face value of ₹ 10 each of the Company for at an issue price of ₹ 542 per equity share (including a share premium of ₹ 532 per equity share, eligible employees bidding in the employee's reservation portion were offered a discount of ₹ 20 per equity share) aggregating to ₹ 15,808.49 million comprising a fresh issue of 5,167,679 Equity Shares aggregating to ₹ 2,800.00 million and an offer for sale of 24,000,900 Equity shares aggregating to ₹ 13,008.49 million. The equity shares of the Holding Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f 10 May 2022.

The Holding Company has received a net amount of ₹ 2,661.40 million (net of Company's share of IPO expenses ₹ 138.60 million) from proceeds out of fresh issue of Equity Shares. The Holding Company's share of IPO Expenses ₹ 138.60 million has been adjusted to securities premium.

## Details of utilisation of IPO proceeds:

Particulars	Amount as proposed in offer document	Utilisation up to 31 March 2023	Unutilised amount as at 31 March 2023	Reasons for delay in utilisation of IPO Proceeds
Early redemption of NCDs issued by our Company to CDC Emerging Markets Limited, in full	400.00	400.00	-	NA
Capital expenditure towards setting up of new hospitals and purchase of medical equipment for such new hospitals	1,700.00	327.29	1,372.71	Delay in execution of one of the project has resulted in less spend of IPO money raised against the target provided in the prospectus of Rs. 1,065 million.
General Corporate Purposes	561.40	-	561.40	As the Company is utilising the funds generated from operations, the said proceeds were not utilised.
<b>Total</b>	<b>2,661.40</b>	<b>727.29</b>	<b>1,934.11</b>	

Net IPO proceeds which were unutilised as at 31 March 2023 were temporarily invested in fixed deposits and held in current account with banks.

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

For and on behalf of the Board of Directors of

**Rainbow Children's Medicare Limited**

(formerly known as 'Rainbow Children's Medicare Private Limited')

CIN: L85110TG1998PLC029914

**Jhahanwijha Shyamsukha**

Partner

Membership Number.: 064550

**Dr. Ramesh Kancharla**

Chairman and Managing Director

DIN: 00212270

**Dr. Dinesh Kumar Chirla**

Director

DIN: 01395841

**R Gowrisankar**

Chief Financial Officer

**Ashish Kapil**

Company Secretary

Membership Number: A31782

Place: Hyderabad  
Date: 14 May 2023

Place: Hyderabad  
Date: 14 May 2023

Place: Hyderabad  
Date: 14 May 2023



## RAINBOW CHILDREN'S MEDICARE LIMITED

**Corporate Identity Number:** L85110TG1998PLC029914

**Regd. Office:** 8-2-120/103/1, Survey No. 403, Road No. 2, Banjara Hills, Hyderabad – 500034, Telangana.

**Corporate Office:** 8-2-19/1/A, Daulet Arcade, Karvy Lane, Road No. 11, Banjara Hills, Hyderabad - 500034, Telangana.

**Website:** [www.rainbowhospitals.in](http://www.rainbowhospitals.in); **E-Mail:** [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in)

**Telephone No:** +91 40 49692244

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty-fifth (25<sup>th</sup>) Annual General Meeting (“**AGM**”) of the members of Rainbow Children’s Medicare Limited (“**the Company**”) will be held on Thursday, June 29, 2023 at 11:30 A.M. IST through Video Conferencing/ Other Audio-Visual Means (“**VC/OAVM**”) facility, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial statements of the Company for the Financial Year ended March 31, 2023, the reports of the Auditors and Board of Directors thereon and the Audited Consolidated Financial statements of the Company for the Financial Year ended March 31, 2023 and the report of the Auditors thereon.
2. To declare dividend of ₹ 3/- per Equity Share for the Financial Year ended March 31, 2023.
3. To appoint a Director in place of Dr. Dinesh Kumar Chirla (DIN: 01395841), who retires by rotation and being eligible offers himself for re-appointment.
4. Appointment of M/s. S.R. Batliboi & Associates LLP (Firm Registration No. 101049W/ E300004), Chartered Accountants, as Statutory Auditors for a term of 5 (five) consecutive years and to fix their remuneration.

To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“**Act**”) read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company (the “**Board**”), approval of the Shareholders be and is hereby accorded

for the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/ E300004), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this 25<sup>th</sup> Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** approval of Shareholders be and is hereby accorded for payment of Audit fees of ₹ 55,00,000/- plus applicable taxes and reimbursement of out of pocket expenses for Financial Year 2023-24 to M/s. S.R. Batliboi & Associates LLP and the Board of Directors be and is hereby authorised to fix and pay the statutory audit fee and other charges as may be deemed fit for the remaining tenure.

### SPECIAL BUSINESS:

5. Re-appointment of Dr. Anil Dhawan (DIN: 08191702), as an Independent Director of the Company for a term of 5 (Five) years commencing from August 30, 2023.

To consider and if thought fit, to pass with or without modifications the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 (“**Act**”) including the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) (including any statutory modification(s), or re-enactment(s) thereof, for the time being in force) and other applicable provisions, if any, Dr. Anil Dhawan (DIN: 08191702), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations, being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire

by rotation, for a second term of 5 (five) consecutive years commencing from August 30, 2023.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalize and issue the letter of re-appointment to Dr. Anil Dhawan and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

6. Ratification of Remuneration payable to Cost Auditors for the Financial Year 2023-24.

To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable provisions/ statute as may be applicable from time to time, the Shareholders of the Company hereby ratifies the remuneration of

₹ 2,00,000/- (Rupees Two Lakh Only) plus applicable taxes and out of pocket expenses payable to M/s. Lavanya & Associates, Sole Proprietorship Firm (Firm Reg. No: 101257), represented by K.V.N. Lavanya, Sole Proprietor (Membership No: 31069), Cost Accountants, appointed as the Cost Auditors of the Company for the Financial Year 2023-24.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By Order of the Board  
For **Rainbow Children's Medicare Limited**

**Ashish Kapil**  
**Company Secretary and Compliance Officer**  
**M. No: A31782**

**Place:** Hyderabad  
**Date:** May 14, 2023

**Notes:**

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ("**Act**") setting out material facts concerning the business with respect to Item Nos. 4, 5 & 6 forms part of this Notice. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**") and Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this Annual General Meeting ("**Meeting**" or "**AGM**") is furnished as an Annexure to the Notice.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("**MCA**") has vide its circulars dated General Circular Nos. 14/ 2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/ 2020 dated May 5, 2020, 2/ 2021 dated January 13, 2021, 19/2021/ dated December 8, 2021, 21/ 2021 dated December 14, 2021, 2/ 2022 dated May 5, 2022 and 10/ 2022 dated December 28, 2022, read with the relevant circulars issued by the Securities and Exchange Board of India ("**SEBI**"), from time to time (hereinafter collectively referred to as "**the Circulars**"), permitted the holding of the Annual General Meeting ("**AGM**") through VC/ OAVM, without the physical presence of the Members at a common venue. Accordingly, the AGM of the Company is being held through VC/OAVM. The facility of VC/OAVM and also casting votes by a member using remote e-Voting as well as e-Voting system on the date of the AGM will be provided by National Securities Depository Limited ("**NSDL**"). The Registered Office of the Company shall be deemed Venue for the AGM.
3. Pursuant to the provisions of the MCA Circulars, Members attending the 25<sup>th</sup> AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. As the AGM is being held through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and cast their votes through e-Voting.
5. Institutional/ corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) intending to participate through their authorized representative(s) are requested to send a scanned copy (JPEG/ PDF format) of their Board resolution/ authority letter/ power of attorney, etc. authorizing their representative(s) to participate in the AGM (through VC/ OAVM) and to vote on their behalf through remote e-voting or e-voting during the AGM. The said resolution/ authority letter/ power of attorney, etc. shall be sent through registered email address to the Scrutinizer at [mail@bscslip.com](mailto:mail@bscslip.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and to the Company at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in). Institutional shareholders/ Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter, etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login on the NSDL portal.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the "NSDL" e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation in the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. In compliance with the MCA Circulars and SEBI Circulars, the Notice along with the Annual Report 2022-23 ("**Annual Report**") is being sent only by electronic mode to those Members whose email address are registered with the Company/ RTA/ Depositories. Members may please note that this Notice and Annual Report will also be available on the Company's website at [www.rainbowhospitals.in](http://www.rainbowhospitals.in) websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).  
  
However, a member is also entitled for getting the hard copy of the Notice along with the Annual Report upon making a request via. email to [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in).
8. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name will appear in the Register of Members/ list of beneficiaries received from the Depositories as on Friday, June 2, 2023.
9. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 shall be available for inspection through electronic mode, basis on the request being sent via. email to [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in)

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act and a certificate from Secretarial Auditor certifying that "Rainbow Children's Medicare Limited - Employees Stock Unit Plan 2023" is being implemented in accordance with, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB SE Regulations**") will be made available electronically for inspection by the members during the AGM.

Before the Initial Public Offering, the Members at their meeting held on November 30, 2021 approved the Rainbow Employee Stock Option Scheme 2021 ("**ESOP Scheme**") for issue of employee stock options to eligible employees, which may result in an issuance of a maximum number of 2,049,660 Equity Shares. The Company is yet to implement the ESOP Scheme under the provision of SEBI SBEB SE Regulations. Further the Company has not granted any options under the said ESOP Scheme, accordingly, the requirement of obtaining the certificate of compliance as required from the secretarial auditors of the Company under SEBI SBEB SE Regulations, is not applicable.

10. Members desiring any information/ clarification on any matter to be placed at the AGM are requested to write to the Company at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in) at least seven days before AGM from their registered email address mentioning their name, DPID Client ID/ folio no. and mobile number to enable the management to keep information ready at the AGM.
  11. The Final Dividend on equity shares as recommended by the Directors of the Company for the Financial Year ended March 31, 2023, if declared at the AGM, will be paid on or before Friday, July 28, 2023 to those members whose names appear in the Register of Members as on Thursday, June 22, 2023 i.e. the record date. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Thursday, June 22, 2023 as per the details furnished by the depositories viz. NSDL/ Central Depository Services (India) Limited ("**CDSL**") for the purpose as on that date.
  12. Pursuant to Listing Regulations, the Company is required to maintain bank details of its Members for the purpose of payment of Dividend etc. Members are requested to register/ update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode, to enable expeditious credit of the dividend to their bank accounts electronically.
  13. Members who have not claimed their Dividend / IPO refund till date are requested to do so. Details of unclaimed dividend amount/ IPO refund amount is available under investors section of the website of the Company at [www.rainbowhospitals.in](http://www.rainbowhospitals.in).
  14. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("**IEPF**"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
  15. The SEBI has mandated the submission of Permanent Account Number ("**PAN**") by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar and Share Transfer Agent ("**RTA**").
  16. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-13 to the RTA. Further, members desirous of cancelling/ varying nomination pursuant to Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH- 14 to the RTA. These forms will be made available on request.
  17. The Board of Directors of the Company have appointed Mr. K.V.S. Subramanyam, (C P No.: 4815), Practicing Company Secretary and Designated partner of M/s. BS & Company Company Secretaries LLP as Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM in a fair and transparent manner.
  18. Members can also provide their feedback on the Shareholders Services of the Company by filling the "Shareholders Satisfaction Survey" attached to this notice and emailing the same at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in) through their registered e-mail ID or sending the signed copy at the Corporate Office of the Company at 8-2-19/1/A, Daulet Arcade, Karvy Lane, Road No. 11, Banjara Hills, Hyderabad – 500034, Telangana.
- Your feedback will help the Company in improving its Shareholders Service Standards.



## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER: -

- i. To comply with the provisions of Section 108 of the Act and Rules framed thereunder, Regulation 44 of the Listing Regulations, Secretarial Standard - 2 issued by the Institute of Company Secretaries of India and MCA Circulars, the Members are provided with the facility to cast their vote electronically through remote e-voting (prior to AGM) and e-voting (during the AGM) services provided by NSDL on all resolutions set forth in this Notice.

Only those Members who will be present in the AGM through VC/ OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- ii. The remote e-voting period begins on Sunday, June 25, 2023 at 09:00 A.M. and ends on Wednesday, June 28, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- iii. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. Thursday, June 22, 2023 may cast their vote electronically.

A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, June 22, 2023. In case of joint holders, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1:** Access to the NSDL e-voting system.

**Step 2:** Cast your vote electronically on NSDL e-voting system.





#### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1.</b> Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "Login" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p><b>2.</b> If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> .</p> <p>Select "<b>Register Online for IDeAS portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</p>

Type of Shareholders	Login Method
	<p><b>3.</b> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e.</b> NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p><b>4.</b> Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1.</b> Users who have opted for CDSL Easi/ Easiest facility, they can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users of Easi/ Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</p> <p><b>2.</b> After successful login, the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <p><b>3.</b> If the user is not registered for Easi/ Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login and New System Myeasi Tab and then click on registration option.</p> <p><b>4.</b> Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature i.e., NSDL. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important notes:**

- Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.
- Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. June 22, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/ RTA. However, if you are already

registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut- off date i.e., June 22, 2023, may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. **NSDL** and **CDSL**.

Login	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
<b>a)</b> For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
<b>b)</b> For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
<b>c)</b> For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically on NSDL e-Voting system.**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
  3. Now you are ready for e-Voting as the Voting page opens.
  4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- Process for those shareholders whose email ids are not registered with the depositories for getting the electronic copy of this notice along with Annual Report, procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**
1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in).
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who wish to claim Dividends, which remain unpaid, are requested to correspond with our Registrar and Share Transfer Agent (RTA). Members are requested to note that dividend not en-cashed / claimed within seven years will be transferred to Investor Education and Protection Fund of Government of India. In view of this, members are requested to send all un-cashed dividend warrants pertaining to respective years to Company/ RTA for revalidation and en-cash them.

#### THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/ OAVM link" placed under "**Join Meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/ OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Members are requested to allow camera option and use Internet with a good speed to avoid any disturbance during the meeting.

#### General Guidelines for shareholders:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
2. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in), from June 21, 2023 (9:00 AM. IST) to June 24, 2023 (5:00 PM. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Prajakta Pawle, Officer, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or write at NSDL, 4<sup>th</sup> floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

#### Declaration of Results

1. The Scrutinizer shall provide, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or in his absence, a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.

2. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rainbowhospitals.in](http://www.rainbowhospitals.in) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. Also, the results shall be placed at the Registered and corporate office of the Company.
3. The recorded transcript of the proceeding of AGM shall be placed on the Company's website at [www.rainbowhospitals.in](http://www.rainbowhospitals.in).

#### INFORMATION AT A GLANCE

Particulars	Details
Time and date of AGM	11:30 A.M IST, Thursday, June 29, 2023
Mode	Video conference and other audio-visual means
Participation through video-conferencing	<a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>
Helpline number for VC participation	022 - 4886 7000 and 022 - 2499 7000
Cut-off date for-voting	Thursday, June 22, 2023
E-voting start time and date	Sunday, June 25, 2023 at 9:00 A.M.
E-voting end time and date	Wednesday, June 28, 2023 at 5:00 P.M.
E-voting website	<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
Name, address and contact details of e-voting service provider	Ms. Prajakta Pawle, Officer, NSDL at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> TradeWorld, 'A'Wing, 4 <sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Contact Details: 022 - 4886 7000 and 022 - 2499 7000 or send a request to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a>
Name, address and contact details of Registrar and Transfer Agent	Mr. Shaibal Haripada Roy, Assistant Vice President, KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium, Tower B, Plot 31 and 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi - 500 032 Telangana, India. Telephone: +91 40 6716 2222 Website: <a href="http://www.kfintech.com">www.kfintech.com</a>

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 4**

At the 20<sup>th</sup> Annual General Meeting (“**AGM**”) held on July 19, 2018, M/s. BSR & Associates LLP, Chartered Accountants [Firm Registration Number: 116231W/W-100024] (“**BSR**”) were re-appointed as the Statutory Auditors of the Company for a second term to hold office from the conclusion of the said 20<sup>th</sup> AGM till the conclusion of the 25<sup>th</sup> AGM. Accordingly, the BSR will complete statutory term at conclusion of this 25<sup>th</sup> AGM.

The Board of Directors of the Company (the “**Board**”) in their meeting held on May 14, 2023, based on the recommendations of the Audit Committee, subject to approval of the Members of the Company, appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/ E300004), as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this 25<sup>th</sup> AGM till the conclusion of 30<sup>th</sup> AGM.

M/s. S.R. Batliboi & Associates LLP (part of S.R. Batliboi & Associates network of audit firms), is a limited liability partnership firm of Chartered Accountants, registered with the Institute of Chartered Accountants of India. It is one of the leading firms providing audit and assurance services in India.

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants have given their consent to act as Statutory Auditors of the Company and have confirmed that their appointment, if made, will be within the limit specified under sections 139 and 141 of the Act. They have also confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. M/s. S.R. Batliboi & Associates LLP, Chartered Accountants have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

The proposed remuneration to be paid to Statutory Auditors for the financial year 2023-24 is ₹ 55 Lakhs. The said remuneration excludes applicable taxes and out of pocket expenses.

The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee. There is no material change in the remuneration proposed to be paid to Statutory Auditors for the financial year 2023-24 and the remuneration paid to the Retiring Auditors for the financial year 2022-23.

None of the Directors or KMP’s or their relatives are concerned or interested (to the extent of their shareholding in the Company, if any), financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of members by way of an Ordinary Resolution.

### **ITEM NO. 5**

The Members of the Company in their 21<sup>st</sup> Annual General Meeting (“**AGM**”) held on July 12, 2019, appointed Dr. Anil Dhawan as an Independent Director of the Company for a period of 5 (five) years commencing from August 30, 2018. Accordingly, the present term of Dr. Anil Dhawan will expire on August 29, 2023. Pursuant to Section 149, 178 read with Schedule IV of the Companies Act, 2013 (“Act”) and Listing Regulations, an Independent Director is eligible for re-appointment subject to (i) Recommendation by the Nomination and Remuneration Committee and the Board of Directors (ii) Basis of performance evaluation and (iii) Approval of shareholders by way of a special resolution for a term of upto five consecutive years.

Considering Dr. Anil Dhawan’s background, experience, expertise & the recommendation made by Nomination & Remuneration Committee and the Board of Directors, basis on the performance evaluation exercise, his re-appointment as an Independent Director for a second term of 5(five) consecutive years commencing from August 30, 2023, is proposed for approval of the shareholders.

In the opinion of the Board, Dr. Anil Dhawan is independent from the management and fulfils the conditions specified in the Act & the rules made thereunder and Listing Regulations for re-appointment as an Independent Director of the Company.

In terms of Section 160 of the Act, the Company has received a notice in writing from a member of the Company proposing the candidature of Dr. Anil Dhawan for his re-appointment to the office of Independent Director. A copy of the letter of re-appointment of Dr. Anil Dhawan setting out the terms and conditions of his re-appointment shall be available for inspection at the website of the Company at [www.rainbowhospitals.in](http://www.rainbowhospitals.in)

Dr. Anil Dhawan is not debarred from appointment/re-appointment pursuant to any order of SEBI or any other authority.

The Company has received from Dr. Anil Dhawan, (i) consent to act as Director in Form DIR-2; (ii) Notice of interest in other Companies in Form MBP-1; (iii) intimation in Form DIR-8, to the effect that he is not disqualified under Section 164(2) of the Act; (iv) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act; and (v) a certificate stating that he is not debarred from appointment pursuant to any order of SEBI or any other Authority.

Brief profile of Dr. Anil Dhawan provided as Annexure to this Notice may also be regarded as an appropriate disclosure under the Listing Regulations as amended from time to time and Secretarial Standard – 2 for General Meetings issued by the Institute of Company Secretaries of India.

Except Dr. Anil Dhawan, none of the other Directors or KMP's of the Company or their relatives are concerned or interested (to the extent of their shareholding in the Company, if any), financial or otherwise, in the resolution set out at Item No. 5 of this Notice.

The Board, recommends the resolution set forth in Item No. 5 for the approval of members by way of a Special Resolution.

#### **ITEM NO. 6**

The Board of Directors of the Company in their meeting held on May 14, 2023, on recommendation by the Audit Committee, appointed M/s. Lavanya & Associates, Sole Proprietorship Firm (Firm Reg. No: 101257), represented by Ms. K.V.N. Lavanya, Sole Proprietor (Membership No: 31069) as the Cost Auditors for the Financial Year 2023-24 at a remuneration of ₹ 2,00,000/- (Rupees Two Lakhs Only) per annum plus applicable taxes and out of pocket expenses.

As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the cost auditors is to be ratified by the members of the Company.

None of the Directors or KMP's or their relatives are concerned or interested (to the extent of their shareholding in the Company, if any), financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board considers the remuneration payable to the Cost Auditors as fair and recommends the resolution contained in Item No. 6 of the accompanying notice for approval of the members as an Ordinary Resolution.

By Order of the Board  
For **Rainbow Children's Medicare Limited**

**Ashish Kapil**  
**Company Secretary and Compliance Officer**  
**M. No: A31782**

**Date:** May 14, 2023

**Place:** Hyderabad



**Brief Profile of Director pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard for General Meetings (SS-2) are as mentioned below:**

Name	Dr. Dinesh Kumar Chirla	Dr. Anil Dhawan
DIN	01395841	08191702
Date of Birth (Age in Years)	December 19, 1969 (53 Years)	November 7, 1961 (61 Years)
Date of First Appointment to the Board	December 14, 2005	August 30, 2018
Brief Resume, Qualification Nature of Expertise and skill set require in specific functional areas	<p>Dr. Dinesh Kumar Chirla holds Bachelor of Medicine and Bachelor of Surgery (“MBBS”) degree from Marathwada University, Doctor of Medicine in paediatrics from Dr. Babasaheb Ambedkar Marathwada University, Doctor of Medicine in Neonatology from the University of Mumbai. He is a member of the Royal College of Paediatrics and Child Health, London. He is on the Specialist Register in Neonatology at the Specialist Training Authority of the Medical Royal Colleges, London and was a fellow in Neonatology at Mercy Hospital for Women. He was also a Clinical Fellow (Specialist Registrar) in the Paediatric Intensive Care Unit at the United Bristol Healthcare NHS Trust. He has over 19 years of experience in the healthcare industry. He is elected as a Fellow of National Neonatology Forum and is awarded with the Best Paediatric Neonatologist at “The Doctors Awards – 2019, Doctors The Living Gods.”</p> <p>He possesses appropriate skill, experience and knowledge required for the role of Whole-time Director of the Company.</p>	<p>Dr. Anil Dhawan, aged 61 years, holds MBBS degree from the Himachal Pradesh University. He has been awarded with Shri Devi Chand Memorial Gold Medal and the Dr. Kranti Mohan Sharma Memorial Prize for securing first position in MBBS. He also holds a degree of MD in paediatrics from the Post Graduate Institute of Medical Education and Research (PGIMER), Chandigarh. He passed the examination of Educational Commission for Foreign Medical Graduates (USMLE) and held the license to practice in USA.</p> <p>He is the fellow member of the Royal College of Paediatrics and Child Health (FRCPCH).</p> <p>Dr. Dhawan has over 30 years rich experience in the Healthcare Industry. He worked as paediatric hepatologist at Kings College Hospital, London UK. Presently, he is associated with Kings College Hospital, London UK as Director Research and Innovation and the Director of Paediatric Liver GI and Nutrition Center and Mowat Labs.</p> <p>Dr. Dhawan is an Independent Director of our Company and is also Chairman of CSR Committee.</p> <p>He possesses appropriate skill, experience and knowledge required for the role of Independent Director of the Company.</p>
Shareholding (as on the date of this Notice) in the Company either directly or in form of beneficial interest for any other person	66,33,310 Equity Shares	Nil
Relationship with other Directors & KMP's	None	None
No. of Meetings of the Board attended during the year 2022-23	9 (Nine) Meetings	9 (Nine) Meetings

Name	Dr. Dinesh Kumar Chirla	Dr. Anil Dhawan
Directorships held in other Companies (Excluding Foreign Companies)	<ul style="list-style-type: none"> <li>• Rainbow Children's Hospital Private Limited</li> <li>• Rainbow Speciality Hospitals Private Limited</li> <li>• Rainbow Women &amp; Children's Hospital Private Limited</li> <li>• Rainbow Fertility Private Limited</li> <li>• Rainbow Advanced Health Sciences Private Limited</li> <li>• Rosewalk Healthcare Private Limited</li> </ul>	None
Listed Companies from which the person has resigned from the directorship in the past three years	Nil	Nil
Membership/ Chairmanship of Committees of other companies	Nil	Nil
Terms and conditions of appointment/ re-appointment and Remuneration sought to be paid/ last drawn	<p><b>Terms and conditions of appointment and Remuneration sought to be paid:</b></p> <p>Same as approved by the Shareholders in their Extra Ordinary General Meeting held on November 30, 2021.</p> <p><b>Remuneration last drawn:</b></p> <p>As mentioned in the Corporate Governance Report.</p>	<p><b>Terms and conditions of appointment and Remuneration sought to be paid:</b></p> <p>Entitled for:</p> <ul style="list-style-type: none"> <li>• Sitting fee as approved by the Board of Directors in their meeting held on October 22, 2021.</li> <li>• Commission as approved by the Shareholders in their Extra Ordinary General Meeting held on November 3, 2021.</li> </ul> <p><b>Remuneration last drawn:</b></p> <p>As mentioned in the Corporate Governance Report.</p>

By Order of the Board  
For **Rainbow Children's Medicare Limited**

**Date:** May 14, 2023  
**Place:** Hyderabad

**Ashish Kapil**  
**Company Secretary and Compliance Officer**  
**M. No: A31782**



## RAINBOW CHILDREN'S MEDICARE LIMITED

**Corporate Identity Number:** L85110TG1998PLC029914

**Regd. Office:** 8-2-120/103/1, Survey No. 403, Road No. 2, Banjara Hills, Hyderabad – 500034, Telangana.

**Corporate Office:** 8-2-19/1/A, Daulet Arcade, Karvy Lane, Road No. 11, Banjara Hills, Hyderabad - 500034, Telangana.

**Website:** [www.rainbowhospitals.in](http://www.rainbowhospitals.in); **E-Mail:** [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in)

**Telephone No:** +91 40 49692244

## SHAREHOLDER SATISFACTION SURVEY

Dear Member,

As part of our constant endeavour to improve shareholder service, we seek your feedback on this Shareholder `s Satisfaction Survey. Please spare a few minutes of your valuable time to fill this questionnaire.

Name of Sole/First Shareholder :

DP ID & Client ID/Folio Number :

Email ID :

Kindly rate your responses on specified service areas listed below on the following scale:

S.No	Area	Rating				
		5	4	3	2	1
1.	Overall Service Rating of RTA					
2.	Response to queries/grievances by Company/RTA					
3.	Receipt of various documents from the Company i.e. Annual Report, ECS Intimation etc.					
4.	Quality of disclosures to Stock Exchanges/on Company Website					
5.	Quality and content of Annual Report					
<b>5- Excellent ; 4-Very Good ; 3-Good ; 2-Satisfactory; 1-Need Improvement</b>						

Do you have any grievance which has not been addresses so far :  Yes  No

If yes, please provide a brief summary of the grievance.

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Any suggestions for improving the quality of Investor Services

.....

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(SIGNATURE OF THE MEMBER)

**THANK YOU FOR YOUR SUPPORT. YOUR FEEDBACK IS IMPORTANT TO US.**







**Rainbow<sup>®</sup>  
Children's  
Hospital**

It takes a lot to treat the little.

**RAINBOW CHILDREN'S MEDICARE LIMITED**

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