

B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited') (hereinafter referred to as the "Company") for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition

Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

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

and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results 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 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 standalone annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results represent the



Independent Auditor's Report (Continued)

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

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.

Other Matter(s)

- a. The standalone annual financial results include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/W-100024



Jhahanwijha Shyamsukha

Partner

Membership No.: 064550

UDIN:23064550BGYJJX3134

Hyderabad

14 May 2023

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

CIN: L85110TG1998PLC029914

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

Corporate Office : 8-2-19/1/a, Dault Arcade, Karvy lane, Road No.11, Banjara Hills, Hyderabad, Telangana-500034

Tel: +91 40 4969 2244, e-mail : companysecretary@rainbowhospitals.in

Statement of Audited Standalone Financial Results for the quarter and year ended 31 March 2023

Particulars	(Rs. in Millions except per share data)				
	Quarter ended			Year ended	
	31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
	Audited Refer Note 3	Unaudited	Audited Refer Note 4	Audited	Audited
INCOME					
1. Revenue from operations	3,027.29	2,907.18	2,011.47	11,139.90	9,245.95
2. Other income	86.42	82.40	65.98	312.29	208.19
3. Total income [1+2]	3,113.71	2,989.58	2,077.45	11,452.19	9,454.14
4. EXPENSES					
a. Medical consumables and pharmacy items consumed	408.08	384.70	320.32	1,501.22	1,877.98
b. Employee benefits expense	382.37	366.22	298.91	1,360.38	1,094.12
c. Finance costs	133.07	128.58	154.86	520.89	500.05
d. Depreciation and amortisation expense	215.70	210.25	206.87	837.08	769.87
e. Professional fees to doctors	676.81	686.05	496.48	2,554.04	1,857.80
f. Other expenses	582.14	452.13	426.01	1,903.94	1,456.88
Total expenses	2,398.17	2,227.93	1,903.45	8,677.55	7,556.70
5. Profit before exceptional items and tax [3-4]	715.54	761.65	174.00	2,774.64	1,897.44
6. Exceptional items (Refer Note 9)	-	-	-	46.30	-
7. Profit before tax [5-6]	715.54	761.65	174.00	2,728.34	1,897.44
8. Tax expenses:					
a. Current tax	209.63	223.92	55.47	811.41	575.48
b. Deferred tax credit	(49.93)	(31.04)	(25.90)	(142.00)	(100.95)
Total tax expense	159.70	192.88	29.57	669.41	474.53
9. Profit for the period/year [7-8]	555.84	568.77	144.43	2,058.93	1,422.91
10. Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Re-measurement (loss) / gain on defined benefit plans	(4.94)	3.26	3.88	4.83	13.02
Income tax effect	1.24	(0.82)	(0.98)	(1.22)	(3.28)
Other comprehensive income for the period/year, net of tax	(3.70)	2.44	2.90	3.61	9.74
11. Total comprehensive income for the period/year [9+10]	552.14	571.21	147.33	2,062.54	1,432.65
12. Paid-up equity share capital (Face value of Rs. 10 each)	1,015.02	1,015.02	1,049.98	1,015.02	1,049.98
13. Other equity				9,868.86	5,312.95
14. Earning per share (face value of share Rs.10 each) (Not annualised for the quarters)					
a. Basic (Rs)	5.51	5.63	1.61	20.40	15.18
b. Diluted (Rs)	5.51	5.63	1.57	20.40	14.87



Notes :

- The standalone financial results of Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited') ("the Company") have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the relevant rules thereunder and in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The above results for the quarter and year ended 31 March 2023 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 May 2023. The statutory auditors have expressed an unmodified audit opinion on these results.
- The standalone figures for the quarter ended 31 March 2023 are the balancing figures between the audited year to date standalone figures of the current financial year and the published unaudited year to date standalone figures up to the third quarter of the current financial year.
- The standalone figures for the quarter ended 31 March 2022 are the balancing figures between the published audited standalone figures in respect of the full previous financial year and the unpublished audited year to date standalone figures up to the third quarter of the previous financial year.
- The Board of Directors of the Company on 14 May 2023, recommend dividend for the financial year 2022-23 Rs.3 per Equity Share of Rs.10 each aggregating to Rs.304.51 million. The payment is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.
- During the year, the Board of Directors of the Company in their meeting held on 04 April 2022, approved conversion of (i) 1,146,771 0.0001% Series A Compulsorily Convertible Preference Shares of face value of Rs. 48 each into 1,146,771 Equity Shares of Rs. 10 each and (ii) 1,133,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of Rs. 48 each into 1,133,309 Equity Shares of Rs. 10 each, at a conversion ratio of 1:1, ranking pari passu with the existing Equity Shares of the Company.
- 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 Rs. 48 each and (ii) 1,133,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of Rs. 48 each and increased 10,944,384 Equity Shares of Rs. 10 each amounting to Rs. 109,443,840. The same is approved by the members of the Company in their Annual General Meeting held on 15 September 2022.
- During the year, the Company has completed Initial Public Offering of 29,168,579 Equity Shares of face value of Rs. 10 each of the Company for at an issue price of Rs. 542 per equity share (including a share premium of Rs. 532 per equity share, eligible employees bidding in the employee's reservation portion were offered a discount of Rs. 20 per equity share) aggregating to Rs. 15,808.49 million comprising a fresh issue of 5,167,679 Equity Shares aggregating to Rs. 2,800.00 million and an offer for sale of 24,000,900 Equity shares aggregating to Rs. 13,008.49 million. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f. 10 May 2022.

The Company has received a net amount of Rs. 2,661.40 million (net of Company's share of IPO expenses Rs. 138.60 million which are proportionately allocated between company and selling shareholders as per the respective offer size) from proceeds out of fresh issue of Equity Shares. The Company's share of IPO Expenses Rs. 138.60 million has been adjusted with securities premium as per Companies Act , 2013.

Details of utilisation of IPO proceeds:

(Rs. in Millions)

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 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.
Total	2,661.40	727.29	1,934.11	

Net IPO proceeds which were unutilised as at 31 March 2023 were temporarily invested in fixed deposits and held in current account with banks.

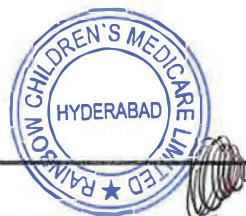
- The Board of Directors of Rosewalk Healthcare Private Limited, wholly owned subsidiary (RHPL) in their meeting held on 27 September 2022, approved the conversion of Compulsory convertible debentures (CCD) 729,209 of face value of Rs.10 each and allotted equivalent number of Equity shares of face value Rs. 10 each to its holding company. Further, 31,000,000 equity shares of face value of Rs.10 each has been allotted on rights basis to its holding company. The total investment of holding company in RHPL as at 31 March 2023 is Rs. 324.11 million (before impairment loss). During the year, management has carried out an impairment evaluation and has recognised Rs.46.30 million as an impairment loss on investment. With aforesaid proceeds RHPL has repaid borrowings including interest of Rs. 312.67 million to its holding company.
- 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 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.
- 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 Rs.169.87 million paid in November 2022 and Rs. 238.16 million paid in May 2023. The Company is awaiting for the final allotment letter from HSVP.
- The Company is primarily engaged in the business of rendering medical and healthcare services which is the only reportable business segment as per INDAS 108 - 'Operating Segments'.
- The standalone financial results for the year ended 31 March 2023, are available on the BSE Limited website (URL: www.bseindia.com), the National Stock Exchange of India Limited website (URL: www.nseindia.com) and on the company's website (URL: www.rainbowhospitals.in).

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

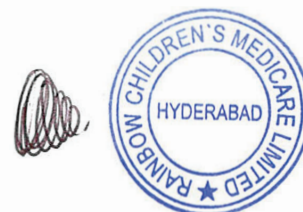


Dr. Ramesh Kancharla
Chairman and Managing Director
DIN: 00212270

Standalone Statement of Assets and Liabilities		
(Rs. in Millions)		
Particulars	As at	
	31 March 2023	31 March 2022
	Audited	Audited
ASSETS		
Non-current assets		
a. Property, plant and equipment	4,650.50	3,996.54
b. Capital work-in-progress	208.98	46.00
c. Right-of-use of assets	4,231.17	4,119.34
d. Other intangible assets	33.09	12.68
e. Intangible assets under development	19.08	11.63
f. Financial assets		
(i) Investments	465.45	201.74
(ii) Loans	437.53	797.60
(iii) Other financial assets	2,255.36	548.16
g. Deferred tax assets (net)	255.84	115.06
h. Income tax assets (net)	21.51	48.90
i. Other non-current assets	290.83	157.35
Total non-current assets	12,869.34	10,055.00
Current assets		
a. Inventories	176.74	138.81
b. Financial assets		
(i) Investments	581.33	220.98
(ii) Trade receivables	578.38	412.72
(iii) Cash and cash equivalents	102.36	80.45
(iv) Bank balances other than (iii) above	253.56	1,671.00
(v) Loans	-	2.47
(vi) Other financial assets	2,874.33	172.50
c. Other current assets	151.55	99.71
Total current assets	4,718.25	2,798.64
TOTAL ASSETS	17,587.59	12,853.64
EQUITY AND LIABILITIES		
EQUITY		
a. Equity share capital	1,015.02	1,049.98
b. Other equity	9,868.86	5,312.95
TOTAL EQUITY	10,883.88	6,362.93
LIABILITIES		
Non-current liabilities		
a. Financial liabilities		
(i) Borrowings	-	273.11
(ii) Lease liabilities	5,291.63	4,992.05
b. Provisions	68.02	55.69
Total non-current liabilities	5,359.65	5,320.85
Current liabilities		
a. Financial liabilities		
(i) Borrowings	-	143.53
(ii) Lease liabilities	91.27	68.33
(iii) Trade payables		
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	328.94	223.89
b. Other current liabilities	101.73	128.87
c. Provisions	18.18	14.02
d. Current tax liabilities (net)	0.83	-
Total current liabilities	1,344.06	1,169.86
TOTAL EQUITY AND LIABILITIES	17,587.59	12,853.64



Standalone Statement of Cash Flows			(Rs. in Millions)	
Particulars	Year ended	Year ended		
	31 March 2023	31 March 2022		
	Audited	Audited		
Cash flows from operating activities				
Profit before tax	2,728.34	1,897.44		
Adjustments:				
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)		
	3,886.47	2,992.51		
Adjustments for working capital:				
(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)		
Cash generated from operations	3,931.02	2,760.84		
Income tax paid, net	(783.19)	(620.24)		
Net cash from operating activities (A)	3,147.83	2,140.60		
Cash flows from investing activities				
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		
Net cash (used in) investing activities (B)	(4,602.76)	(1,692.00)		
Cash flows from financing activities				
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 Rs. 138.60 million)	2,661.40	263.42		
Dividend paid	(202.93)	(92.48)		
Net cash from/(used in) financing activities (C)	1,476.84	(411.33)		
Net increase in cash and cash equivalents (A+B+C)	21.91	37.27		
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 a)	102.36	80.45		
Notes:				
a) Components of cash and cash equivalents	As at	As at		
	31 March 2023	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	-		
	102.36	80.45		



B S R & Associates LLP

Chartered Accountants

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Tel: +91 407 182 2000
Fax: +91 407 182 2399

Independent Auditor's Report

To the Board of Directors of Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited')

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results 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"), for the year ended 31 March 2023, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities
 1. Rainbow Speciality Hospitals Private Limited;
 2. Rosewalk Healthcare Private Limited;
 3. Rainbow C R O Private Limited;
 4. Rainbow Fertility Private Limited;
 5. Rainbow Children's Hospital Private Limited; and
 6. Rainbow Women & Children's Hospital Private Limited.
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group 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

Independent Auditor's Report (Continued)

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

financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, along with the consideration of reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results 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 annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the 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 is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements on



Independent Auditor's Report (Continued)

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

whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results 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 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 annual financial results 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 annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, 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 sub paragraph (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matter(s)

- a. The consolidated annual financial results include the audited financial results of six subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 669.62 millions as at 31 March 2023, total revenue (before consolidation adjustments) of Rs. 638.95 millions and total net profit after tax (before consolidation adjustments) of Rs. 48.58 millions and net cash inflows (before consolidation adjustments) of Rs. 32.41 millions for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been furnished to us by the management.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter

B S R & Associates LLP

Independent Auditor's Report (Continued)

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

with respect to our reliance on the work done and the reports of the other auditors.

- b. The consolidated annual financial results include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024



Jhahanwijha Shyamsukha

Partner

Membership No.: 064550

UDIN:23064550BGYJJZ6409

Hyderabad

14 May 2023

Statement of Audited Consolidated Financial Results for the quarter and year ended 31 March 2023

Particulars	(Rs. in Millions except per share data)				
	Quarter ended			Year ended	
	31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
	Audited	Unaudited	Audited	Audited	Audited
	Refer Note 3		Refer Note 4		
INCOME					
1. Revenue from operations	3,169.66	3,064.04	2,124.47	11,735.74	9,737.58
2. Other income	88.98	83.71	61.86	308.65	189.37
3. Total income [1+2]	3,258.64	3,147.75	2,186.33	12,044.39	9,926.95
4. EXPENSES					
a. Medical consumables and pharmacy items consumed	427.33	402.38	337.61	1,582.78	1,947.29
b. Employee benefits expense	405.92	384.40	317.13	1,440.61	1,160.71
c. Finance costs	140.73	136.31	162.78	551.95	532.03
d. Depreciation and amortisation expense	227.30	231.80	222.82	902.68	832.63
e. Professional fees to doctors	719.28	736.56	535.36	2,723.05	2,037.60
f. Other expenses	637.06	473.14	453.04	2,025.53	1,543.23
Total expenses	2,557.62	2,364.59	2,028.74	9,226.60	8,053.49
5. Profit before tax [3-4]	701.02	783.16	157.59	2,817.79	1,873.46
6. Tax expenses:					
a. Current tax	213.94	233.30	55.62	840.82	576.13
b. Deferred tax credit	(51.55)	(32.58)	(20.63)	(146.80)	(89.40)
Total tax expense	162.39	200.72	34.99	694.02	486.73
7. Profit for the period/year [5-6]	538.63	582.44	122.60	2,123.77	1,386.73
8. Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Re-measurement gain on defined benefit plans	(4.44)	2.50	4.19	5.58	13.63
Income tax effect	1.26	(0.72)	(1.02)	(1.24)	(3.36)
Other comprehensive income for the period/year, net of tax	(3.18)	1.78	3.17	4.34	10.27
9. Total comprehensive income for the period/year [7+8]	535.45	584.22	125.77	2,128.11	1,397.00
Profit for the period/year attributable to:					
Owners of the Company	535.95	579.17	121.94	2,108.34	1,382.66
Non-controlling interests	2.68	3.27	0.66	15.43	4.07
Profit for the period/year	538.63	582.44	122.60	2,123.77	1,386.73
Other comprehensive income for the period/year attributable to:					
Owners of the Company	(3.18)	1.85	3.15	4.32	10.23
Non-controlling interests	-	(0.07)	0.02	0.02	0.04
Other comprehensive income for the period/year	(3.18)	1.78	3.17	4.34	10.27
Total comprehensive income for the period/year attributable to:					
Owners of the Company	532.77	581.02	125.09	2,112.66	1,392.89
Non-controlling interests	2.68	3.20	0.68	15.45	4.11
Total comprehensive income for the period/year	535.45	584.22	125.77	2,128.11	1,397.00
10. Paid-up equity share capital (Face value of Rs. 10 each)	1015.02	1,015.02	1,049.98	1,015.02	1,049.98
11. Other Equity				9584.09	4978.06
12. Earning per share (face value of share Rs.10 each) (Not annualised for the quarters)					
a. Basic (Rs)	5.31	5.74	1.36	20.89	14.75
b. Diluted (Rs)	5.31	5.74	1.33	20.89	14.45



Notes :

- The consolidated financial results of Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited') ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules thereunder and in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The above consolidated financial results for the quarter and year ended 31 March 2023 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 May 2023. The statutory auditors have expressed an unmodified audit opinion on these results.
- The consolidated figures for the quarter ended 31 March 2023 are the balancing figures between the published audited year to date consolidated figures of the current financial year and the published unaudited year to date consolidated figures up to the third quarter of the current financial year.
- The consolidated figures for the quarter ended 31 March 2022 are the balancing figures between the published audited consolidated figures in respect of the full previous financial year and the unpublished audited year to date consolidated figures up to the third quarter of the previous financial year.
- The Board of Directors of the Company on 14 May 2023, recommend dividend for the financial year 2022-23 Rs.3 per Equity Share of Rs.10 each aggregating to Rs.304.51 million. The payment is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.
- During the year, the Board of Directors of the Company in their meeting held on 04 April 2022, approved conversion of (i) 1,146,771 0.0001% Series A Compulsorily Convertible Preference Shares of face value of Rs. 48 each into 1,146,771 Equity Shares of Rs. 10 each and (ii) 1,133,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of Rs. 48 each into 1,133,309 Equity Shares of Rs. 10 each, at a conversion ratio of 1:1, ranking pari passu with the existing Equity Shares of the Company.
- 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 Rs. 48 each and (ii) 1,133,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of Rs. 48 each and increased 10,944,384 Equity Shares of Rs. 10 each amounting to Rs. 109,443,840. The same is approved by the members of the Company in their Annual General Meeting held on 15 September 2022.
- During the year, the Company has completed Initial Public Offering of 29,168,579 Equity Shares of face value of Rs. 10 each of the Company for at an issue price of Rs. 542 per equity share (including a share premium of Rs. 532 per equity share, eligible employees bidding in the employee's reservation portion were offered a discount of Rs. 20 per equity share) aggregating to Rs. 15,808.49 million comprising a fresh issue of 5,167,679 Equity Shares aggregating to Rs. 2,800.00 million and an offer for sale of 24,000,900 Equity shares aggregating to Rs. 13,008.49 million. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f 10 May 2022.

The Company has received a net amount of Rs. 2,661.40 million (net of Company's share of IPO expenses Rs. 138.60 million which are proportionately allocated between company and selling shareholders as per the respective offer size) from proceeds out of fresh issue of Equity Shares. The Company's share of IPO Expenses Rs. 138.60 million has been adjusted with securities premium as per Companies Act, 2013.

Details of utilisation of IPO proceeds:

(Rs. in Millions)

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 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.
Total	2,661.40	727.29	1,934.11	

Net IPO proceeds which were unutilised as at 31 March 2023 were temporarily invested in fixed deposits and held in current account with banks.

- 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 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.
- 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 Rs.169.87 million paid in November 2022 and Rs. 238.16 million paid in May 2023. The Company is awaiting for the final allotment letter from HSVP.
- The consolidated financial results for the year ended 31 March 2023, are available on the BSE Limited website (URL: www.bseindia.com), the National Stock Exchange of India Limited website (URL: www.nseindia.com) and on the Company's website (URL: www.rainbowhospitals.in).
- The Group is principally engaged in a single business segment viz., rendering medical and healthcare services. Further the business operation of the group are concentrated in India, and hence, the group is considered to operate only in one geographical segment.
- The consolidated financial results include the financial results of Rainbow Children's Medicare Limited ('parent company') and the financial results of its subsidiaries, Rainbow C R O Private Limited, Rainbow Fertility Private Limited, Rainbow Women & Children's Hospital Private Limited, Rainbow Speciality Hospitals Private Limited, Rosewalk Healthcare Private Limited and Rainbow Children's Hospital Private Limited (together called as the "Group").



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

Dr. Ramesh Kancharla
Chairman and Managing Director
DIN: 00212270

Place : Hyderabad
Date : 14 May 2023

Consolidated Statement of Assets and Liabilities

(Rs. in Millions)

Particulars	As at	
	31 March 2023	31 March 2022
	Audited	Audited
ASSETS		
Non-current assets		
a. Property, plant and equipment	4,836.14	4,186.93
b. Capital work-in-progress	208.83	45.97
c. Right-of-use of assets	4,441.23	4,353.94
d. Goodwill	-	29.87
e. Other intangible assets	33.74	13.69
f. Intangible assets under development	19.04	11.59
g. Financial assets		
(i) Investments	0.03	0.03
(ii) Loans	437.53	507.26
(iii) Other financial assets	2,343.56	555.92
h. Deferred tax assets (net)	259.57	113.95
i. Income tax assets (net)	55.01	57.70
j. Other non-current assets	291.97	178.58
Total non-current assets	12,926.65	10,055.43
Current assets		
a. Inventories	187.60	148.23
b. Financial assets		
(i) Investments	581.32	220.98
(ii) Trade receivables	583.36	404.07
(iii) Cash and cash equivalents	154.10	99.79
(iv) Bank balances other than (iii) above	300.95	1,752.36
(v) Other financial assets	2,874.33	172.50
c. Other current assets	154.72	104.13
Total current assets	4,836.38	2,902.06
TOTAL ASSETS	17,763.03	12,957.49
EQUITY AND LIABILITIES		
EQUITY		
a. Equity share capital	1,015.02	1,049.98
b. Other equity	9,584.09	4,978.06
Equity attributable to owners of the Company	10,599.11	6,028.04
Non-controlling interest	50.06	34.61
TOTAL EQUITY	10,649.17	6,062.65
LIABILITIES		
Non-current liabilities		
a. Financial liabilities		
(i) Borrowings	-	273.11
(ii) Lease liabilities	5,598.57	5,312.37
b. Provisions	70.81	57.49
Total non-current liabilities	5,669.38	5,642.97
Current liabilities		
a. Financial liabilities		
(i) Borrowings	-	143.53
(ii) Lease liabilities	104.65	80.06
(iii) Trade payables		
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	337.28	229.77
b. Other current liabilities	109.44	139.65
c. Provisions	18.19	14.52
d. Current tax liabilities (net)	30.08	0.60
Total current liabilities	1,444.48	1,251.87
TOTAL EQUITY AND LIABILITIES	17,763.03	12,957.49



Consolidated Statement of Cash Flows			(Rs. in Millions)	
Particulars	Year ended 31 March 2023	Year ended 31 March 2022		
	Audited	Audited		
Cash flows from operating activities				
Profit before tax	2,817.79	1,873.46		
Adjustments:				
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)		
	4,057.95	3,083.56		
Adjustments for working capital:				
(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)		
Cash generated from operations	4,080.91	2,864.04		
Income tax paid	(808.65)	(626.76)		
Net cash from operating activities (A)	3,272.26	2,237.28		
Cash flows from investing activities				
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) 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 unquoted equity instruments	-	88.20		
Loans given	-	(197.13)		
Loans realised	92.50	3.96		
Net cash (used in) investing activities (B)	(4,652.00)	(1,753.45)		
Cash flows from financing activities				
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 Rs. 138.60 million)	2,661.40	263.42		
Net consideration received on dilution of investment in subsidiary	-	10.95		
Net cash from/(used in) financing activities (C)	1,434.05	(440.62)		
Net increase in cash and cash equivalents (A+B+C)	54.31	43.21		
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 a)	154.10	99.79		
Notes:				
a) Components of cash and cash equivalents	As at 31 March 2023	As at 31 March 2023		
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	-		
	154.10	99.79		

