

# B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City  
Orwell, B Wing, 6th Floor, Unit-3  
Sy. No. 83/1, Plot No. 2, Raidurg  
Hyderabad-500081, India.

Telephone : +91 40 7182 2000  
Fax : +91 40 7182 2399

## INDEPENDENT AUDITORS' REPORT

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

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

### Opinion

We have audited the standalone financial statements of Rainbow Children's Medicare Private Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in director's report, but does not include the standalone financial statements and our auditors' report thereon. The director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

### **Other Information (continued)**

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

### **Management's Responsibility for the Standalone Financial Statements**

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

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 said Order.
  - (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.

*AS*

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

- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 2.30(A) to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

*for B S R & Associates LLP*

*Chartered Accountants*

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



**Akhil Kapadiya**

*Partner*

Membership No.: 212991

Place : Hyderabad

Date : 20 June 2019

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

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of Independent Auditor's report to the Members of Rainbow Children's Medicare Private Limited, ('the Company') on the Standalone financial statements for the year ended 31 March 2019, we report that:

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

Amount in Rs. crores

Total number of cases (number of sale deeds)	Whether leasehold or freehold	Gross block as on 31 March 2019	Net block as on 31 March 2019
1	Freehold	3.31	3.31

- ii. The inventories have been physically verified by the Management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noted on verification between the physical stocks and book records were not material.
- iii. The Company has granted unsecured loans to four companies covered in the Register maintained under Section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion and according to the information and explanations given to us, the terms and conditions on which unsecured loans have been granted is not, prima facie, prejudicial to the interest of the Company.
  - (b) According to the information and explanations given to us, for the unsecured loans granted, terms and conditions with respect to repayment of principal and payment of interest are not stipulated. We are therefore unable to make specific comment on the regularity of repayment of principal and payment of interest

The Company has not granted any loans, secured or unsecured to firms, limited liability partnership or other parties covered in the Register maintained under Section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans given and investments made. The Company has not granted any loan or made any investment to the parties covered under Section 185 of the Act. Further, the Company has not provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of provisions of Sections 73, 74, 75 and 76 of the Act and Rules framed thereunder.

9

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

- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Duty of customs, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in few cases. As explained to us, the Company did not have any dues on account of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Duty of customs, Income-tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Service tax, Goods and Services tax and Duty of customs which have not been deposited with appropriate authorities on account of any dispute. However, the Company disputes the dues in respect of Income-tax, Sales tax and Value added tax as set out below.

<b>Name of the statute</b>	<b>Nature of the dues</b>	<b>Amount (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income tax	346,120	Financial year 2010-2011	Commissioner of Income tax, Hyderabad
Income Tax Act, 1961	Income tax	54,020 (61,110 is paid under protest)	Financial year 2012-2013	Deputy Commissioner of Income tax, Hyderabad
Income Tax Act, 1961	Income tax	2,380,010 (476,100 is paid under protest)	Financial year 2013-2014	Commissioner of Income tax Appeals, Hyderabad
Central Sales Tax Act, 1956	Sales tax	1,762,396	Financial year 2015-2016	Commercial Tax Officer, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	4,190,722	Financial year 2014-2015 and 2015-2016	Commercial Tax Officer, Hyderabad
Andhra Pradesh Tax on Luxuries Act, 1987	Luxury tax	18,553,033 (8,304,243 is paid under protest)	Financial year 2010-2011 to 2013-2014	Commercial Tax Officer, Hyderabad

**Rainbow Children's Medicare Private Limited**

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

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

3

**Rainbow Children's Medicare Private Limited**

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

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

*for B S R & Associates LLP*

*Chartered Accountants*

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



**Akhil Kapadiya**

*Partner*

Membership No.: 212991

Place : Hyderabad

Date : 20 June 2019



**Annexure B to the Independent Auditors' report on the Standalone financial statements of Rainbow Children's Medicare Private Limited for the year ended 31 March 2019.**

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

**(Referred to in paragraph 1 (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to Standalone financial statements of Rainbow Children's Medicare Private Limited ("the Company") as at 31 March 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to Standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

**Annexure B to the Independent Auditors' report on the Standalone financial statements of Rainbow Children's Medicare Private Limited for the year ended 31 March 2019 (continued)**

**Auditors' Responsibility (continued)**

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

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

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

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

*for* **B S R & Associates LLP**

*Chartered Accountants*

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



**Akhil Kapadiya**

*Partner*

Membership No.: 212991

Place : Hyderabad

Date : 20 June 2019

**Rainbow Children's Medicare Private Limited**

**Balance sheet**

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

Particulars	Note	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Plant, property and equipment	2.1(a)	329.28	287.98
b. Capital work-in-progress	2.1(a) and (b)	21.02	11.65
c. Intangible assets	2.1(b)	3.45	4.78
d. Financial assets			
(i) Investments	2.2	1.44	0.03
(ii) Other financial assets	2.3	34.65	37.30
e. Income tax assets (net)	2.4	3.98	4.03
f. Other non-current assets	2.5	12.05	26.28
<b>Total non-current assets</b>		<b>405.87</b>	<b>372.05</b>
<b>Current assets</b>			
a. Inventories	2.6	6.95	5.98
b. Financial assets			
(i) Investments	2.7	3.19	0.14
(ii) Trade receivables	2.8	28.56	15.39
(iii) Cash and cash equivalents	2.9	4.97	3.46
(iv) Bank balances other than cash and cash equivalent	2.9	64.49	32.53
(v) Loans	2.10	24.79	5.07
(vi) Other financial assets	2.11	9.33	6.11
c. Other current assets	2.12	6.47	4.34
d. Assets held for sale	2.1(a)	0.79	-
<b>Total current assets</b>		<b>149.54</b>	<b>73.02</b>
<b>Total assets</b>		<b>555.41</b>	<b>445.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a. Equity share capital	2.13	54.91	54.91
b. Other equity	2.14	358.85	304.41
		<b>413.76</b>	<b>359.32</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	2.15	49.73	10.13
b. Provisions	2.16	5.63	5.16
c. Deferred tax liabilities, net	2.29(d)	1.70	-
<b>Total non-current liabilities</b>		<b>57.06</b>	<b>15.29</b>
<b>Current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	2.17	-	2.30
(ii) Trade payables	2.18		
a) Total outstanding dues to micro and small enterprises		-	-
b) Total outstanding dues to other than micro and small enterprises		33.59	24.29
(ii) Other financial liabilities	2.19	36.15	34.85
b. Provisions	2.20	0.77	0.61
c. Current tax liabilities (net)	2.21	5.18	1.77
d. Other current liabilities	2.22	8.89	6.64
<b>Total current liabilities</b>		<b>84.58</b>	<b>70.46</b>
<b>Total liabilities</b>		<b>555.41</b>	<b>445.07</b>
Significant accounting policies	1		
Notes to the standalone financial statements	2		
The notes referred to above form an integral part of the standalone financial statements			

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

  
**Akhil Kapadiya**  
Partner  
Membership no.: 212991

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

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

  
**R Gowrisankar**  
Chief Financial Officer



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

  
**Pawan Kumar Mittal**  
Company Secretary

Place: Hyderabad  
Date: 20 June 2019

Place: Hyderabad  
Date: 20 June 2019

Place: Hyderabad  
Date: 20 June 2019

**Rainbow Children's Medicare Private Limited**

**Statement of profit and loss**

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

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Revenue</b>			
Revenue from operations	2.23	542.80	401.83
Other income	2.24	8.50	9.80
<b>Total revenue</b>		<b>551.30</b>	<b>411.63</b>
<b>Expenses</b>			
Medical consumables and pharmacy items consumed	2.25	80.23	59.99
Employee benefits expense	2.26	100.61	88.13
Finance costs	2.27	2.74	1.88
Depreciation and amortisation expense	2.1	36.03	28.07
Other expenses	2.28	252.37	186.58
<b>Total expenses</b>		<b>471.98</b>	<b>364.65</b>
<b>Profit before tax</b>		<b>79.32</b>	<b>46.98</b>
<b>Tax expense</b>			
	2.29		
- Current tax		17.93	10.50
- Tax pertaining to earlier years		0.06	-
- Deferred tax		1.70	-
<b>Profit after tax</b>		<b>59.63</b>	<b>36.48</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement gain on defined benefit plans		0.57	0.50
Deferred tax effect of re-measurement of defined benefit plans	2.29	(0.20)	(0.11)
<b>Total Comprehensive Income for the year</b>		<b>60.00</b>	<b>36.87</b>
<b>Earning per share (face value of share Rs 10 each)</b>			
- Basic	2.37	13.51	8.14
- Diluted	2.37	12.90	7.89

Significant accounting policies

1

Notes to the standalone financial statements

2

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

As per our Report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



**Akhil Kapadiya**

Partner

Membership no.: 212991

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

CIN: U85110TG1998PTC029914



**Dr. Ramesh Kancharla**

Chairman & Managing Director

DIN: 00212270



**R Gowrisankar**

Chief Financial Officer

Place: Hyderabad

Date : 20 June 2019





**Dr. Dinesh Kumar Chirla**

Director

DIN: 01395841



**Pawan Kumar Mittal**

Company Secretary

Place: Hyderabad

Date : 20 June 2019

Place: Hyderabad

Date : 20 June 2019

**Rainbow Children's Medicare Private Limited**

**Statement of cash flow**

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net profit before tax	79.32	46.98
Adjustments:		
Depreciation and amortisation	36.03	28.07
Dividend income	(0.14)	(0.02)
Foreign exchange gain	-	(0.12)
Interest income	(7.01)	(8.71)
Finance cost	3.99	1.53
Bad debts and provision for doubtful debts	2.85	1.25
Gain on sale of property, plant and equipment	(0.03)	(0.37)
Liabilities no longer required written back	(1.32)	(0.57)
<b>Operating cash flows before working capital changes</b>	<b>113.69</b>	<b>68.04</b>
(Increase)/ decrease in inventories	(0.97)	0.76
Increase in trade receivables	(16.02)	(2.95)
Increase in financial and other assets	(4.28)	(16.12)
Increase in trade payables	10.61	5.38
Increase in financial liabilities and provisions	7.37	6.13
Cash generated from operations	110.40	61.24
Income-taxes paid, net	(14.53)	(13.32)
<b>Net cash flow from operating activities (A)</b>	<b>95.87</b>	<b>47.92</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangibles including capital advances and capital work-in-progress	(80.09)	(151.40)
Proceeds from sale of property, plant and equipment	0.03	0.44
Investments in subsidiaries	(1.41)	(0.00)
Bank deposits redeemed with maturity of more than three months, net	(26.51)	93.50
Interest received	5.28	9.71
Dividend received	0.14	0.02
Investment in mutual funds redeemed/ (placed), net	(3.04)	5.38
Inter-corporate deposit placed during the year	(31.13)	(0.01)
Inter-corporate deposit realised during the year	11.41	0.08
<b>Net cash used in investing activities (B)</b>	<b>(125.32)</b>	<b>(42.28)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings	39.62	0.73
Repayment of long term borrowings	-	(0.63)
Interest paid	(0.80)	(1.70)
Dividend paid during the year on equity and preference shares, including taxes	(5.57)	(3.48)
(Repayments of)/ proceeds from short term borrowings, (net)	(2.30)	(2.40)
<b>Net cash flow/ (used in) financing activities (C)</b>	<b>30.95</b>	<b>(7.48)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1.51</b>	<b>(1.84)</b>
Cash and cash equivalents at the beginning of the year	3.46	5.30
Cash and cash equivalents at the end of the year (Note 1)	<b>4.97</b>	<b>3.46</b>

**Note 1:**

**Components of cash and cash equivalents as at [Refer note 2.9]**

	As at 31 March 2019	As at 31 March 2018
Cash on hand	0.71	0.34
Balance with banks:		
- Current accounts	4.26	3.12
	<b>4.97</b>	<b>3.46</b>

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



**Akhil Kapadiya**  
Partner

Membership no.: 212991

Place: Hyderabad  
Date: 20 June 2019

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



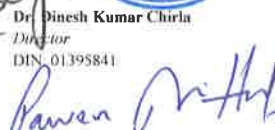
**Dr. Ramesh Kancharla**  
Managing Director  
DIN: 00212270

  
**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 20 June 2019



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

  
**Pawan Kumar Mittal**  
Company Secretary

Place: Hyderabad  
Date: 20 June 2019

**Rainbow Children's Medicare Private Limited**

**Statement of changes in equity**

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

Particulars	Equity share capital		Other equity			Total Other equity
			Reserves and surplus			
	Securities premium	General reserve	Debtore redemption reserve	Retained earning	Other comprehensive income	
Balance as at 1 April 2017	20.23	4.44	2.50	112.68	0.06	305.70
Profit for the year	-	-	-	36.48	-	36.48
Shares issued during the year	34.68	-	-	-	-	-
Appropriations	-	-	-	-	-	-
Amount utilised during the year	(34.68)	-	-	-	-	(34.68)
Proposed dividend on equity shares (31 March 2017: Rs. 2.5 per share)	-	-	-	(2.32)	-	(2.32)
Tax on proposed equity dividend	-	-	-	(0.47)	-	(0.47)
Proposed dividend on Series A CCPS	-	-	-	(0.29)	-	(0.29)
Proposed dividend on Series B CCPS	-	-	-	(0.28)	-	(0.28)
Tax on proposed Series A CCPS dividend	-	-	-	(0.06)	-	(0.06)
Tax on proposed Series B CCPS dividend	-	-	-	(0.06)	-	(0.06)
Remeasurement of defined benefit liability	-	-	-	(0.06)	0.50	0.50
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(0.11)	(0.11)
<b>Balance as at 31 March 2018</b>	<b>54.91</b>	<b>4.44</b>	<b>2.50</b>	<b>145.68</b>	<b>0.45</b>	<b>304.41</b>

Particulars	Equity share capital		Other equity			Total Other equity
			Reserves and surplus			
	Securities premium	General reserve	Debtore redemption reserve	Retained earning	Other comprehensive income	
Balance as at 1 April 2018	54.91	4.44	2.50	145.68	0.45	304.41
Profit for the year	-	-	-	59.63	-	59.63
Transferred during the year	-	-	10.00	-	-	10.00
Appropriations:	-	-	-	(10.00)	-	(10.00)
Amount transferred to debtore redemption reserve	-	-	-	(4.40)	-	(4.40)
Tax on proposed equity dividend	-	-	-	(0.90)	-	(0.90)
Proposed dividend on Series A CCPS	-	-	-	(0.11)	-	(0.11)
Proposed dividend on Series B CCPS	-	-	-	(0.11)	-	(0.11)
Tax on proposed Series A CCPS dividend	-	-	-	(0.02)	-	(0.02)
Tax on proposed Series B CCPS dividend	-	-	-	(0.02)	-	(0.02)
Remeasurement of defined benefit liability	-	-	-	(0.02)	0.57	0.57
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(0.20)	(0.20)
<b>Balance as at 31 March 2019</b>	<b>54.91</b>	<b>4.44</b>	<b>12.50</b>	<b>189.75</b>	<b>0.82</b>	<b>358.85</b>

Significant accounting policies

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

*(Signature)*

Akhil Kapadiya

Partner

Membership no.: 212991

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

*(Signature)*

Ramesh Kamcharia

Chairman & Managing Director

DIN: 00212270

*(Signature)*

R Gowrisankar

Chief Financial Officer



*(Signature)*

Dr. Anish Kumar Chirra

Director

DIN: 01395841

*(Signature)*

Fawan Kumar Mittal

Company Secretary

Place Hyderabad

Date 20 June 2019

Place Hyderabad

Date : 20 June 2019

Place Hyderabad

Date : 20 June 2019

## **Rainbow Children's Medicare Private limited**

### **Notes to standalone financial statements**

#### **1. Significant accounting policies**

##### **1.1 Company overview**

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

##### **1.2 Basis of preparation**

###### **a. State of compliance:**

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

###### **b. New and amended standards adopted by the Company:**

Effective 1 April 2018, Ind AS 115 "Revenue from Contracts with Customers" (hereafter "Ind AS 115") introduced a 5-step approach to revenue recognition, which establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 "Revenue", Ind AS 11 "Construction Contracts" and related interpretations.

The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the profit or loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11.

Management reviewed and assessed the Company's existing policy for recognising the revenue at 1 April 2018 and concluded that, apart from more extensive disclosures for the Company's revenue transactions, the initial application of Ind AS 115 has had no significant impact on the Company's statement of financial position as at 31 March 2019 and its statement of profit or loss and other comprehensive income for the year then ended. Consequently, there were no adjustments as at 1 April 2018.

###### **c. Functional and Presentation Currency**

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





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

**1. Significant accounting policies (continued)**

**d. Basis of measurement**

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

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

**e. Use of estimates and judgements:**

In preparing these standalone Ind AS financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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

**Judgments**

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone Ind AS financial statements is included in the following notes:

- lease classification [Note 2.34]

**Assumptions and estimation uncertainties**

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

- recognition of deferred tax assets: availability of future taxable profits against which tax losses carried forward can be used. [Note 2.29(d)]
- measurement of defined benefit obligations; key actuarial assumptions. [Note 2.32]
- Useful life of intangible assets [Note 2.1(b)]
- Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally generated intangible assets.
- Impairment of financial assets.
- recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources. [ Note 2.30]
- Useful life of property, plant and equipment. [Note 2.1(a)]





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

**1. Significant accounting policies (continued)**

**f. Current / Non current classification**

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

**Assets**

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

- 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 equity instruments do not affect its classification.

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

**Operating cycle**

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

**g. Measurement of fair values**

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



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

**1. Significant accounting policies (continued)**

**g. Measurement of fair values (continued)**

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

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Financial instruments [Note 2.46]

**1.3 Significant accounting policies**

**a. Financial Instruments**

**i. Recognition and initial measurement**

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**ii. Classification and subsequent measurement**

**Financial assets:**

*Financial assets carried at amortised cost*

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

*Financial assets at fair value through other comprehensive income*

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



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

**1. Significant accounting policies (continued)**

**a. Financial Instruments (continued)**

**ii. Classification and subsequent measurement (continued)**

**Financial assets (continued)**

*Financial assets at fair value through profit or loss*

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

**Financial liabilities:**

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

**Investment in subsidiaries, joint venture and associates:**

Investment in subsidiaries, joint venture and associates is carried at cost in the financial statements.

**iii. Derecognition**

**Financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

**Financial liabilities:**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.



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

**1. Significant accounting policies (continued)**

**b. Property, plant and equipment**

**i. Recognition and measurement:**

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

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

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

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

**ii. Subsequent costs:**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

**iii. Depreciation:**

Depreciation on property, plant and equipment (other than for those class of assets specifically mentioned below) is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013 and additions and deletions are restricted to the period of use. If the Management's estimate of the useful life of a property, plant and equipment is different than that envisaged in the aforesaid Schedule, depreciation is provided based on the Management's estimate of the useful life. Pursuant to this policy, depreciation on the following class of property, plant and equipment has been provided at the rates based on the following useful lives of property, plant and equipment as estimated by Management which is different from the useful life prescribed under Schedule II of the Companies Act, 2013:



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

**1. Significant accounting policies (continued)**

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

**iv. Depreciation (continued)**

<b>Description</b>	<b>Useful life (in years) by management</b>	<b>Useful life (in years) under Schedule II of the Act</b>
Medical equipment*	7 years	13 years
Plant and equipment	15 years	15 years
Office equipment	5 years	5 years
Vehicles*	5 years	8 years
Computers	3 years	3 years
Furniture and Fixtures	10 years	10 years

\*For these classes of assets, based on technical evaluation, the Management believes that the useful lives as given above best represents the period over which management expects to use these assets. Hence, the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

Individual assets costing Rs. 5000 or less are depreciated fully in the year of purchase.

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

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

**c. Intangible assets and amortisation:**

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

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





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

**1. Significant accounting policies (continued)**

**d. Impairment of assets**

**i. Impairment of financial assets**

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

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company measures loss allowances at an amount equal to lifetime expected credit losses.

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

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

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

*Write-off*

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

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

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

**e. Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition has to be classified as current investments. Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e. equity shares, preference shares, convertible debentures, etc. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

*Investment in subsidiaries, joint venture and associates*

Investment in subsidiaries, joint venture and associates is carried at cost in the financial statements.



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

**1. Significant accounting policies (continued)**

**f. Employee benefits**

**i. Short-term employee benefits**

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

**ii. Post-employment benefit**

*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

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

*Defined benefit plans*

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

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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

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



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

**1. Significant accounting policies (continued)**

**f. Employee benefits (continued)**

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

*Defined benefit plans (continued)*

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.

**g. Revenue recognition**

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

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

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

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

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

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

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

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





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

**1. Significant accounting policies (continued)**

**h. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the date of inception is deemed to be 1 April 2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

*As a lessee*

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of total lease expense over the term of the lease.

*As a lessor*

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**i. 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.



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

**1. Significant accounting policies (continued)**

**i. Income-tax (continued)**

**Deferred tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised for:

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

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

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

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

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.

**Minimum Alternate Tax (MAT)**

MAT under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exist



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

**1. Significant accounting policies (continued)**

**j. Earnings per share**

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

**k. 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.

**l. 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.

**m. 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.



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

**1. Significant accounting policies (continued)**

**m. Borrowings (continued)**

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.

**n. Foreign currencies**

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

**o. Cash flow statement**

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

**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 financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Where bank overdrafts/ cash credits which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**q. Assets held for sale**

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

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





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

**1. Significant accounting policies (continued)**

**r. Recent accounting pronouncements:**

**Standards issued but not effective on Balance sheet date:**

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain IND AS. The Standard / amendments are applicable to the Company with effect from 1 April 2019.

**i. Ind AS 116, Leases**

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17. The Company has initiated detail study to ascertain the impact, if any, on its standalone financial statements due to adoption Ind AS 116 and the same is not reasonably estimable at present.

**ii. Other Amendments**

The MCA has notified below amendments which are effective 1 April 2019:

- Appendix C to Ind AS 12, Income Taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on preliminary work, the Company does not expect these amendments to have any significant impact on its standalone financial statements.



Rainbow Children's Medicare Private Limited

Notes to standalone financial statements

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

2.1(a) Property, plant and equipment

Cost	Freehold land (refer note (i) below)	Buildings (leasehold)	Medical equipments	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Computers	Total	Capital work-in-progress
Balance as at 1 April 2017	3.31	90.07	39.79	24.20	14.76	6.47	4.33	2.80	185.73	6.82
Additions	-	81.99	31.73	15.83	12.70	3.99	0.75	1.88	148.87	8.45
Disposals/capitalisation	-	-	(1.50)	-	-	-	(0.60)	-	(2.10)	(3.65)
Balance as at 31 March 2018	3.31	172.06	70.02	40.03	27.46	10.46	4.48	4.68	332.50	11.62
Balance as at 1 April 2018	3.31	172.06	70.02	40.03	27.46	10.46	4.48	4.68	332.50	11.62
Additions	-	38.81	17.95	11.41	3.87	1.94	1.30	1.23	76.29	15.33
Disposals/capitalisation	-	0.00	-	-	(0.01)	-	(0.17)	(0.19)	(0.19)	(5.96)
Reclassification to non current assets held for sale (Refer note (ii) below)	-	(1.64)	-	-	-	-	-	-	(1.64)	-
Balance as at 31 March 2019	3.31	209.23	87.95	51.44	31.12	12.40	5.61	5.90	406.96	20.99
Accumulated Depreciation										
Balance as at 1 April 2017	-	6.56	6.07	1.62	1.92	1.74	1.05	1.17	20.13	-
Depreciation for the year	-	8.37	8.20	2.19	2.88	2.24	1.14	1.41	26.43	-
Disposals	-	-	(1.44)	-	-	-	(0.60)	-	(2.04)	-
Balance as at 31 March 2018	-	14.93	12.83	3.81	4.80	3.98	1.59	2.58	44.52	-
Balance as at 1 April 2018	-	14.93	12.83	3.81	4.80	3.98	1.59	2.58	44.52	-
Depreciation for the year	-	10.95	12.17	3.35	3.10	2.24	1.18	1.18	34.17	-
Disposals	-	(0.00)	-	-	(0.00)	-	(0.16)	(0.00)	(0.16)	-
Reclassification to non current assets held for sale (Refer note (ii) below)	-	(0.85)	-	-	-	-	-	-	(0.85)	-
Balance as at 31 March 2019	-	25.03	25.00	7.16	7.90	6.22	2.61	3.76	77.68	-
Net carrying amount										
As at 31 March 2019	3.31	184.20	62.95	44.28	23.22	6.18	3.00	2.14	329.28	20.99
As at 31 March 2018	3.31	157.13	57.19	36.22	22.66	6.48	2.89	2.10	287.98	11.62

Note:

(i) The Company vide sale agreement dated 3 September 2010 was allotted 1 acre of land by Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") for setting up a children hospital at Health city, Chinagadli, Vishakhapatnam to facilitate socio economic development within 2 years from the date of possession of land i.e by October 2012. The Company had paid an amount of Rs. 3.09 towards acquisition of the said land and incurred an additional amount of Rs. 0.22 towards other incidental charges. As per the Clause 8(c) of the land agreement entered with APIIC, the construction of proposed hospital was required to be completed within 2 years from the date of taking the possession of the land, otherwise the land will need to be returned back to APIIC. The Company had filed an application with APIIC seeking extension of the timelines for development of the Project based on indicative project plan till August 2014. 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.

During the year, 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. Management is awaiting the extension order and believes that the order will be received and the condonation fee payable, if any, shall not be significant.

The agreement for sale between APIIC and the Company had been executed on 3 September 2010. The final sale deed will be issued after commencement of regular commercial production.

(ii) With effect from 1 April 2019, the Company has transferred its right to use the leasehold premises situated at Road no. 10 Banjara Hills, Hyderabad in favour of Rainbow Specialty Hospitals Private Limited. Accordingly, leasehold assets aggregating to Rs. 0.79 (Gross block: Rs. 1.64). Accumulated depreciation: Rs. 0.85) will also be transferred to Rainbow Specialty Hospitals Private Limited. The Company has accordingly classified these assets as "Non Current Assets held for sale". These assets are measured at lower of their carrying amount and fair value less cost to sell.

(iii) The Company has commenced its operations for the Chennai unit w.e.f 1 November 2019.

(iv) Borrowing cost of Rs. 1.48 (31 March 2018: Nil) have been included in additions to capital work-in progress.

(v) Refer note 2.48 for details of assets pledged as security.



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

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

**2.1(b) Other intangible assets**

	Software	Capital work-in-progress
<b>Cost</b>		
<b>Balance as at 1 April 2017</b>	6.54	0.52
Additions	1.41	-
Disposals	-	(0.49)
<b>Balance as at 31 March 2018</b>	<b>7.95</b>	<b>0.03</b>
<b>Balance as at 1 April 2018</b>	7.95	0.03
Additions	0.54	0.01
Disposals	-	(0.01)
<b>Balance as at 31 March 2019</b>	<b>8.49</b>	<b>0.03</b>
<b>Accumulated Depreciation</b>		
<b>Balance as at 1 April 2017</b>	1.53	-
Amortisation for the year	1.64	-
Disposals	-	-
<b>Balance as at 31 March 2018</b>	<b>3.17</b>	-
<b>Accumulated Depreciation</b>		
<b>Balance as at 1 April 2018</b>	3.17	-
Amortisation for the year	1.86	-
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>5.03</b>	-
<b>Net carrying amount</b>		
<b>As at 31 March 2019</b>	<b>3.45</b>	<b>0.03</b>
<b>As at 31 March 2018</b>	<b>4.78</b>	<b>0.03</b>



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

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

	As at 31 March 2019	As at 31 March 2018
<b>Note 2.2 : Investment (non-current)</b>		
(Valued at cost unless stated otherwise)		
<b>Investments in unquoted equity instruments - Trade (at cost)</b>		
<b>(i) In subsidiaries (at cost)</b>		
(a) Rainbow Children's Hospital Private Limited 9,999 shares of Rs.10 each, fully paid up (31 March 2018: 9,999 shares)	0.01	0.01
(b) Rainbow Women & Children's Hospitals Private Limited 9,999 shares of Rs.10 each, fully paid up (31 March 2018: 9,999 shares)	0.01	0.01
(c) Rainbow Speciality Hospitals Private Limited 9,999 shares of Rs.10 each, fully paid up (31 March 2018: 9,999 shares)	0.01	0.01
(d) Rosewalk Healthcare Private Limited* 4,317,377 shares of Rs.10 each, fully paid up (31 March 2018: Nil shares)	1.22	-
<b>(ii) In other company (at fair value through Other comprehensive income)</b>		
Vamana Solar Private Limited 2,600 shares of Rs.10 each, fully paid up (31 March 2018: 2,600 shares) -Refer note 2.49	0.00	0.00
<b>Investments in debentures (at cost)</b>		
Rosewalk Healthcare Private Limited* 729,209 Compulsorily convertible debentures of Rs.10 each, fully paid up (31 March 2018: Nil)	0.19	-
	<b>1.44</b>	<b>0.03</b>
Aggregate book value of unquoted non-current investments	1.44	0.03
* The Company vide share purchase agreement dated 18 December 2018 has acquired 100% stake in Rosewalk Healthcare Private Limited and accordingly Rosewalk Healthcare Private Limited has become a wholly owned subsidiary. Refer note 2.33		
<b>2.3 Other financial assets</b>		
Bank deposits (due to mature after 12 months from the reporting date)*	-	5.45
Interest accrued on deposits	-	0.01
Security deposits	34.65	31.84
	<b>34.65</b>	<b>37.30</b>
*Includes Rs. Nil (31 March 2018: Rs. 5.41) towards margin money deposits against bank guarantees and cash credit limits. Refer note 2.48 for details of assets pledged as security.		
<b>2.4 Income tax assets (net)</b>		
Advance tax [net of provisions: Rs. 25.09 (31 March 2018: Rs. 25.04)]	3.98	4.03
	<b>3.98</b>	<b>4.03</b>
<b>2.5 : Other non-current assets</b>		
Capital advances *	6.53	18.63
Prepaid expenses	4.59	6.93
Amounts paid under protest	0.93	0.72
	<b>12.05</b>	<b>26.28</b>
* Includes Rs. 0.06 (31 March 2018: Rs. 5.76) given to related parties. Refer note 2.33		





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

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

	As at 31 March 2019	As at 31 March 2018
<b>2.6 : Inventories</b>		
(valued at the lower of cost or net realisable value)		
Medical consumables and pharmacy items	6.95	5.98
	<b>6.95</b>	<b>5.98</b>
Refer note 2.48 for details of assets pledged as security.		
<b>2.7 : Current investments (at fair value through Profit and loss account)</b>		
Birla Sunlife Cash Plus-Daily Dividend-Direct Plan 150,396.21 units (31 March 2018: 7,649.44 units)	1.51	0.08
HDFC Liquid Fund-Direct Plan-Dividend-Daily Reinvestment 9,956.47 units (31 March 2018 : 32.36 units)	1.02	0.00
IDFC Cash Fund - Daily Dividend - Direct Plan* 17.86 units (31 March 2018: 330.16 units)	0.00	0.02
IDFC Cash Fund - Growth - Direct Plan 314.05 units (31 March 2018: 0.99 units)	0.02	0.00
Sundaram Money Fund - Direct Plan- Daily Dividend 5,699.32 units (31 March 2018: 5,425.64 units)	0.01	0.01
Tata Liquid Fund - Direct Plan - Daily Dividend 837.20 units (31 March 2018: 154.10 units)	0.09	0.02
Axis Liquid Fund - Direct Daily Dividend - CFDR 5,385.58 units (31 March 2018: 66.30 units)	0.54	0.01
SBI Premier Liquid Fund - Direct Plan - Daily Dividend* 31.39 units (31 March 2018: 18.15 units)	0.00	0.00
	<b>3.19</b>	<b>0.14</b>
Aggregate market value of quoted current investments	3.19	0.14
*Refer note 2.49		
<b>2.8 : Trade receivables</b>		
(Unsecured, considered good)		
Trade receivables	33.18	17.32
Less: Loss allowance	(4.62)	(1.93)
	<b>28.56</b>	<b>15.39</b>
<b>Break up of security details</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	28.56	15.39
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables - credit impaired	4.62	1.93
<b>Total</b>	<b>33.18</b>	<b>17.32</b>
Loss allowance	(4.62)	(1.93)
<b>Total trade receivables</b>	<b>28.56</b>	<b>15.39</b>

(a) Refer note 2.48 for details of assets pledged as security.

(b) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.44



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

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

	As at 31 March 2019	As at 31 March 2018
<b>2.9 : Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	0.71	0.34
Balance with banks		
- On current accounts	4.26	3.12
	<u>4.97</u>	<u>3.46</u>
<b>Other bank balances</b>		
Deposit account (due to mature within 12 months of the reporting date)*	64.49	32.53
	<u>69.46</u>	<u>35.99</u>

\*Includes Rs. 23.57 (31 March 2018: Rs. 30.40) towards margin money deposits against bank guarantees and cash credit limits.

(a) Refer note 2.48 for details of assets pledged as security.

(b) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.44

**(c) Details of bank balances / deposits**

Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	4.26	3.12
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	64.49	32.53
Bank deposits due to mature after 12 months of the reporting date included under 'Other financial assets' (refer note 2.3)	-	5.45

**2.10 Loans**

(Unsecured, considered good)

To related parties (Refer note 2.33)		
- Inter corporate deposits (ICD)*	18.71	0.22
To other than related parties		
- ICD*	6.08	4.85
	<u>24.79</u>	<u>5.07</u>

\* Unsecured ICDs aggregating to Rs. 24.79 (31 March 2018: Rs. 5.07) were given to five parties at an interest rate ranging from 9.5% to 10.5% p.a (31 March 2018: 8% to 9.5% p.a). These loans were given towards the working capital/ capital expenditure requirements of the respective parties and are repayable on demand.



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

	As at 31 March 2019	As at 31 March 2018
<b>2.11 Other financial assets</b> (Unsecured, considered good)		
Contract assets (unbilled revenue)	6.40	4.92
Interest accrued on		
- fixed deposits	1.68	0.90
- ICD**	1.25	0.29
	<u>9.33</u>	<u>6.11</u>

\*\* Refer note 2.33 for interest on unsecured loans given to related parties.

**Note 2.12 : Other current assets**

Advances recoverable in cash or kind***	2.15	1.25
Prepaid expenses	4.05	2.81
Staff advances	0.22	0.19
Balances with government authorities	0.05	0.09
	<u>6.47</u>	<u>4.34</u>

\*\*\* Includes Rs. Nil (31 March 2018: Rs. 0.01) recoverable from related parties. Refer note 2.33 for advances given to related parties.



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

As at  
31 March 2019      As at  
31 March 2018

**Note 2.13 : Share capital**

**Authorised**

59,055,616 (31 March 2018: 59,055,616) equity shares of Rs. 10 each	59.06	59.06
1,146,771 (31 March 2018: 1,146,771) 0.0001% Series A Compulsorily Convertible Preference Shares (Series A CCPS) of Rs. 48 each	5.50	5.50
1,133,309 (31 March 2018: 1,133,309) 0.0001% Series B Compulsorily Convertible Preference Shares (Series B CCPS) of Rs. 48 each	5.44	5.44
	<b>70.00</b>	<b>70.00</b>

**Issued, subscribed and paid-up**

43,958,924 (31 March 2018: 43,958,924) equity shares of Rs. 10 each, fully paid-up	43.96	43.96
1,146,771 (31 March 2018: 1,146,771) Series A CCPS of Rs. 48 each, fully paid-up	5.51	5.51
1,133,309 (31 March 2018: 1,133,309) Series B CCPS of Rs. 48 each, fully paid-up	5.44	5.44
	<b>54.91</b>	<b>54.91</b>

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
<b>(i) Equity shares of Rs. 10 each, fully paid-up</b>				
At the commencement of the year	43,958,924	43.96	9,279,671	9.28
Add: Bonus shares issued during the year	-	-	34,679,253	34.68
	<b>43,958,924</b>	<b>43.96</b>	<b>43,958,924</b>	<b>43.96</b>
<b>(ii) Series A CCPS of Rs. 48 each, fully paid-up</b>				
At the commencement of the year	1,146,771	5.51	1,146,771	5.51
Add: Shares issued during the year	-	-	-	-
At the end of the year	<b>1,146,771</b>	<b>5.51</b>	<b>1,146,771</b>	<b>5.51</b>
<b>(iii) Series B CCPS of Rs. 48 each, fully paid-up</b>				
At the commencement of the year	1,133,309	5.44	1,133,309	5.44
Add: Shares issued during the year	-	-	-	-
At the end of the year	<b>1,133,309</b>	<b>5.44</b>	<b>1,133,309</b>	<b>5.44</b>

**b) Rights, preferences and restrictions attached**

**i) Equity shares :**

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

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



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements (continued)**

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

**Note 2.13 : Share capital (continued)**

**b) Rights, preferences and restrictions attached (continued)**

**ii) Series A CCPS:**

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

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

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

**iii) Series B CCPS:**

On 4 February 2016, the Company had allotted 1,133,309 Series B CCPS of Rs 48 each, fully paid up vide agreement dated 24 December 2015 ('the Series B agreement') entered with CDC India Opportunities Limited. As per the Series B agreement, at the discretion of the Series B CCPS holders, each Series B CCPS is convertible into one equity share of Rs 10 each, fully paid-up, at any time before the end of 18th year from the date of its allotment. In case the Series B CCPS holders do not opt for conversion, they shall be converted into 1,133,309 equity shares of Rs 10 each, fully paid-up at the end of 18th year from the date of its allotment.

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

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

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

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	%	Number of shares	%
<b>(i) Equity shares of Rs. 10 each, fully paid-up</b>				
- Dr. Ramesh Kancharla	20,013,742	45.53%	20,013,742	45.53%
- CDC Group Plc	8,486,105	19.30%	8,486,105	19.30%
- Dr. Dinesh Kumar Chirla	4,800,000	10.92%	4,800,000	10.92%
- CDC India Opportunities Limited	3,899,927	8.87%	3,899,927	8.87%
- Adarsh Kancharla	2,311,950	5.26%	2,311,950	5.26%
<b>(ii) Series A CCPS of Rs. 48 each, fully paid-up</b>				
- CDC Group Plc	1,146,771	100%	1,146,771	100%
<b>(iii) Series B CCPS of Rs. 48 each, fully paid-up</b>				
- CDC India Opportunities Limited	1,133,309	100%	1,133,309	100%

d) During the five financial years ended 31 March 2019, no shares have been bought back.

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



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements (continued)**

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

**Note 2.14 : Other equity**

Particulars	Securities premium	General reserve	Debenture redemption reserve	Retained earning	Other comprehensive income	Total other equity
Balance as at 1 April 2017	186.02	4.44	2.50	112.68	0.06	305.70
Profit for the year	-	-	-	36.48	-	36.48
Shares issued during the year	-	-	-	-	-	-
Appropriations:	-	-	-	-	-	-
Amount utilised during the year	(34.68)	-	-	-	-	(34.68)
Proposed dividend on equity shares (31 March 2017: Rs 2.5 per share)	-	-	-	(2.32)	-	(2.32)
Tax on proposed equity dividend	-	-	-	(0.47)	-	(0.47)
Proposed dividend on Series A CCPS	-	-	-	(0.29)	-	(0.29)
Proposed dividend on Series B CCPS	-	-	-	(0.28)	-	(0.28)
Tax on proposed Series A CCPS dividend	-	-	-	(0.06)	-	(0.06)
Tax on proposed Series B CCPS dividend	-	-	-	(0.06)	-	(0.06)
Remeasurement of defined benefit liability	-	-	-	-	0.50	0.50
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(0.11)	(0.11)
<b>Balance as at 31 March 2018</b>	<b>151.34</b>	<b>4.44</b>	<b>2.50</b>	<b>145.68</b>	<b>0.45</b>	<b>304.41</b>

Particulars	Securities premium	General reserve	Debenture redemption reserve	Retained earning	Other comprehensive income	Total other equity
Balance as at 1 April 2018	151.34	4.44	2.50	145.68	0.45	304.41
Profit for the year	-	-	-	59.63	-	59.63
Transferred during the year	-	-	10.00	-	-	10.00
Appropriations:	-	-	-	-	-	-
Amount transferred to debenture redemption reserve	-	-	-	(10.00)	-	(10.00)
Proposed dividend on equity shares (31 March 2018: Rs 1 per share)	-	-	-	(4.40)	-	(4.40)
Tax on proposed equity dividend	-	-	-	(0.90)	-	(0.90)
Proposed dividend on Series A CCPS	-	-	-	(0.11)	-	(0.11)
Proposed dividend on Series B CCPS	-	-	-	(0.11)	-	(0.11)
Tax on proposed Series A CCPS dividend	-	-	-	(0.02)	-	(0.02)
Tax on proposed Series B CCPS dividend	-	-	-	(0.02)	-	(0.02)
Remeasurement of defined benefit liability	-	-	-	-	0.57	0.57
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(0.20)	(0.20)
<b>Balance as at 31 March 2019</b>	<b>151.34</b>	<b>4.44</b>	<b>12.50</b>	<b>189.75</b>	<b>0.82</b>	<b>358.85</b>

**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 Statement of profit or loss.

**Securities premium reserve**

Securities premium reserve is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. During the last year, the same has been utilised for issue of bonus shares.

**Debenture redemption reserve**

The Company had issued Non-convertible debentures. As per the provisions of Section 71(4) of the Act and Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend to its shareholders.

**Dividend**

After the reporting dates, dividend of Re 1 (31 March 2018: Re 1) per equity share and preference share were proposed by the directors subject to approval at the annual general meeting, the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.



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

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

	As at 31 March 2019	As at 31 March 2018
<b>2.15 : Borrowings (non-current)</b>		
Secured		
(a) From banks (at amortised cost)		
vehicle loans (refer note A below)	0.57	1.10
(b) From others (at amortised cost)		
500 (31 March 2018: 100) 9.5% redeemable non-convertible debentures (NCD) of Rs. 1,000,000 each (secured) (refer note B below)	49.16	9.03
	<b>49.73</b>	<b>10.13</b>

**A.** Vehicle loans from banks represents loans taken from HDFC Bank Limited amounting to Rs. 0.57 (31 March 2018: Rs. 1.10) disclosed under long-term borrowings and Rs. 0.72 (31 March 2018: Rs. 0.71) disclosed under current maturities of long-term debts are secured by hypothecation of vehicles financed by respective banks and carry interest rates in the range of 8.17% p.a. to 11.20% p.a. These loans are repayable in equated monthly installments with the last installment falling due on 5 June 2022.

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

- 10 NCD allotted on 5 October 2016 aggregating to Rs. 1.00
- 90 NCD allotted on 9 February 2017 aggregating to Rs. 9.00
- 400 NCD allotted on 4 July 2018 aggregating to Rs. 40.00

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

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

- Year 0 to 4 - Nil
- Year 4 and 5 - 10% of the amount borrowed
- Year 6 and 7 - 25% of the amount borrowed
- Year 8 - 30% of the amount borrowed

The final redemption date is 5 August 2024. These NCD's carries an interest rate of 9.50% p.a. payable in every six month (i.e. 4 April and 4 October of every year). Interest rate has been revised from 10.50% p.a. to 9.50% p.a. with effect from 5 April 2018 vide amended agreement dated 10 April 2018.

**C.** Refer note 2.48 for details of assets pledged as security.

**D.** The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.44

**2.16 : Provisions (non-current)**

Provision for employee benefits		
- Gratuity (refer note 2.32(iii))	3.76	3.21
- Compensated absences	1.87	1.95
	<b>5.63</b>	<b>5.16</b>

**2.17 : Borrowings (short term)**

Secured		
- Over draft from bank	-	2.30
	-	<b>2.30</b>

**Note**

(a) Overdraft facility from Kotak Bank Limited is secured against fixed deposits of the Company maintained with the bank upto Rs. 10.00 (principal and interest as on date). It carries floating interest rate of base rate + 1.25% i.e., 8.19% p.a. presently. Also, refer note 2.3 and 2.48

(b) Overdraft facility from HDFC Bank Limited is secured against lien marked on fixed deposits of the Company maintained with the bank. It carries floating interest rate which is equal to interest rate on deposits placed with Bank + 0.5% i.e., 7.23% p.a. presently. Also, refer note 2.3 and 2.48

(c) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.44





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

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

	As at 31 March 2019	As at 31 March 2018
<b>2.18: Trade payables</b>		
Trade payables		
- due to micro and small enterprises (refer note 2.39)	-	-
- due to other than micro and small enterprises	33.52	24.14
- to related parties (Refer note 2.33)	0.07	0.15
	<b>33.59</b>	<b>24.29</b>

The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.44

**2.19 Other financial liabilities**

Current maturities of long-term debts (refer note 2.15)	0.72	0.71
Interest accrued but not due on borrowings	2.19	0.48
Employee payables ^	14.85	13.77
Creditor for capital goods #	9.52	14.04
Purchase consideration payable	0.71	-
Provision for expenses	8.16	5.85
	<b>36.15</b>	<b>34.85</b>

^ Includes Rs. 2.1 (31 March 2018: Rs. 0.03) payable to related parties. Refer note 2.33

# Includes Rs. 0.54 (31 March 2018: Rs. 0.315) payable to related parties. Refer note 2.33

The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 2.44

**2.20 : Provisions (current)**

Provision for employee benefits		
Gratuity (refer note 2.32 (iii))	0.19	0.15
Compensated absences	0.39	0.27
	0.58	0.42
Provision for claims, other than taxes*	0.19	0.19
	<b>0.77</b>	<b>0.61</b>

**\* Movement in provision for claims, other than taxes:**

Opening balance	0.19	0.19
Add: Addition during the year	-	-
Less: Utilisation/ reversal during the year	-	-
Closing balance	<b>0.19</b>	<b>0.19</b>

Provision for claims, other than taxes represents claims pending before tribunal and based on management's estimate of claims, provision is made on prudent basis that possible outflow of resources may arise in future.

**2.21 Current tax liability (net)**

Provision for taxation [net of advance tax : Rs. 38.54 (31 March 2018: Rs. 26.32)]	5.18	1.77
	<b>5.18</b>	<b>1.77</b>

**2.22 Other current liabilities**

Contract liabilities (advance from patients)	4.33	3.30
Statutory liabilities payable	4.56	3.34
	<b>8.89</b>	<b>6.64</b>





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

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Note 2.23 : Revenue from operations</b>		
Income from medical and healthcare services		
- Revenue from hospital services (Refer note 2.47)	456.57	341.38
- Revenue from pharmacy (Refer note 2.47)	69.37	51.70
- Other operating income	16.86	8.75
	<u>542.80</u>	<u>401.83</u>
<b>Note 2.24 : Other income</b>		
Interest on		
- fixed deposits	3.95	4.64
- Inter corporate deposits (ICD)	0.95	0.11
- income form financial assets carried at amortised cost	2.11	3.97
Dividend income	0.14	0.02
Liabilities no longer required written back	1.32	0.57
Profit on sale of fixed assets	0.03	0.37
Foreign exchange gain, net	-	0.12
	<u>8.50</u>	<u>9.80</u>
<b>Note 2.25 : Medical consumables and pharmacy items consumed</b>		
Opening stock	5.98	6.74
Add: Purchases during the year	81.20	59.23
Less: Closing stock	(6.95)	(5.98)
	<u>80.23</u>	<u>59.99</u>
<b>Note 2.26 : Employee benefits expense *</b>		
Salaries, wages and bonus	93.91	82.05
Contribution to provident and other funds (Refer note 2.32 (i))	4.88	4.80
Staff welfare expenses	1.82	1.28
	<u>100.61</u>	<u>88.13</u>
* Net of amount capitalised (refer note 2.43)		
<b>Note 2.27 : Finance costs*</b>		
Interest on long-term borrowing	0.15	0.18
Interest on NCDs	2.29	1.05
Interest on short-term borrowing	0.07	0.30
Others	0.23	0.35
	<u>2.74</u>	<u>1.88</u>
* Net of amount capitalised (refer note 2.43)		



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

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Note 2.28 : Other expenses *</b>		
Professional charges	126.67	90.16
Hospital maintenance	4.20	4.18
Canteen expenses	9.48	7.02
Housekeeping expenses	5.19	4.33
Power and fuel	12.38	9.33
Lab and other investigations	8.00	5.08
Repairs and maintenance		
- Plant and equipment	3.07	2.55
- Others	8.87	7.98
Rent (refer note 2.34)	45.09	32.29
Rates and taxes	0.86	0.97
Business promotion and advertisement	11.35	8.89
Travelling and conveyance	1.74	1.15
Printing and stationary	3.49	2.85
Bad debts	0.17	0.10
Allowances for doubtful debts	2.68	1.25
Communication expenses	2.47	2.17
Insurance	0.51	0.55
Professional and consultancy (refer note 2.36)	2.40	2.40
Donations	0.05	0.01
Corporate social responsibility (refer note 2.42)	0.34	0.53
Bank charges	2.89	2.39
Foreign exchange loss, net (refer note 2.49)	0.00	-
Miscellaneous expenses	0.47	0.40
	<b>252.37</b>	<b>186.58</b>
* Net of amount capitalised (refer note 2.43)		
<b>Note 2.29 : Tax expense, net</b>		
Current tax	17.93	10.50
Tax in respect of earlier years	0.06	-
	17.99	10.50
Deferred tax expense	1.70	-
	<b>19.69</b>	<b>10.50</b>
<b>a. Reconciliation of effective tax rate</b>		
Accounting profit before taxes	<b>79.32</b>	<b>46.98</b>
Enacted tax rates	34.94%	34.61%
Tax expense at enacted rates	27.72	16.26
Income not subject to tax	-	(19.42)
Expenses not deductible for tax	0.26	0.30
Unrecognised deferred tax assets, net	(1.70)	13.41
Change in tax rate	(6.52)	-
Others	(0.12)	(0.05)
Tax in respect of earlier years	0.06	-
	<b>19.70</b>	<b>10.50</b>



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

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

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

	As at 31 March 2019	As at 31 March 2018
Income tax assets, net	3.98	4.03
Current tax liabilities, net	(5.18)	(1.77)
<b>Net current income tax asset/ (liability) at the end of the year</b>	<b>(1.20)</b>	<b>2.26</b>

c. The gross movement in the net income tax assets is as follows:

Net income tax assets at the beginning of the year	2.26	(0.46)
Income tax paid	14.73	13.22
Income tax expense for the year	(17.99)	(10.39)
Income tax expense on other comprehensive income	(0.20)	(0.11)
<b>Net income tax assets at the end of the year</b>	<b>(1.20)</b>	<b>2.26</b>

d. Recognition of deferred tax assets and liabilities

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

	As at 31 March 2019	As at 31 March 2018
<b>Deferred tax liability</b>		
Expenses of depreciation on the fixed assets under income-tax, 1961 over depreciation under Companies Act	25.31	4.75
<b>Total deferred tax liability</b>	<b>25.31</b>	<b>4.75</b>
<b>Deferred tax asset</b>		
Provision for impairment on receivables	1.61	0.68
Provision for employee benefits	2.17	1.95
Provision for bonus	2.95	0.27
Unabsorbed depreciation losses carried forward*	-	1.85
Minimum alternate tax credit entitlement (including INR 13.88 pertaining to earlier period)**	16.88	-
<b>Total deferred tax asset</b>	<b>23.61</b>	<b>4.75</b>
<b>Net deferred tax liabilities</b>	<b>1.70</b>	<b>-</b>

(ii) Movement in temporary differences

Particulars	Balance as at 1 April 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Balance as at 31 March 2019
Provision for impairment on receivables	0.68	0.93	-	1.61
Provision for employee benefits	1.95	0.22	0.20	2.17
Provision for bonus	0.27	2.68	-	2.95
Tax losses carried forward	-	-	-	-
Unabsorbed depreciation losses carried forward*	1.85	(1.85)	-	-
Minimum alternate tax credit entitlement (including INR 13.88 pertaining to prior period)**	-	16.88	-	16.88
Expenses of depreciation on the fixed assets under income-tax, 1961 over depreciation under Companies Act	(4.75)	(20.56)	-	(25.31)
	-	(1.70)	0.20	(1.70)

Particulars	Balance as at 1 April 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018
Provision for impairment on receivables	-	0.68	-	0.68
Provision for employee benefits	-	1.95	0.11	1.95
Provision for bonus	-	0.27	-	0.27
Unabsorbed depreciation losses carried forward *	-	1.85	-	1.85
Expenses of depreciation on the fixed assets under income-tax, 1961 over depreciation under Companies Act	-	(4.75)	-	(4.75)
	-	-	0.11	-

\* During the previous year deferred tax asset on account of unabsorbed carried forward depreciation losses has been recognised only to the extent of deferred tax liability because it was not probable that future taxable profit will be available against which the Company can use the benefit therefrom

\*\* Upto 31 March 2018, considering the unabsorbed business losses, MAT credit entitlement aggregating to INR 13.88 crores was not recognised on a prudent basis as the Management believed that the Company may not be able to utilise MAT credit within the stipulated period. However during the year, the Company has absorbed its entire accumulated losses and accordingly MAT credit entitlement aggregating to INR 16.88 (including INR 13.88 relating to prior period) has been recognised considering that it will be utilised in the subsequent years.



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

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

**Note 2.30 : Contingent liabilities and commitments****A) Contingent liabilities**

Particulars	As at	As at
	31 March 2019	31 March 2018
(i) Demands under dispute		
- Income-tax matters under dispute	0.28	0.28
- Value Added Tax and Central Sales Tax demand under dispute	0.60	0.60
- Luxury tax demand under dispute	1.86	1.48
(ii) Claims against the Company not acknowledged as debt	7.12	1.84
<p>iii) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February, 2019, in the case of Surya Roshani Limited &amp; others v/s Employee Provident Fund Organisation (EPFO), set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly provided the liability for the month of March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO and hence disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.</p>		

iv) Condonation fee payable by the Company to Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") in the event of grant of extension of timelines to complete the proposed project at Vishakapatnam at the rate of 10% of prevailing land cost, the impact of which is presently not ascertainable. Also, Refer note 2.1(a)(i).

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before tax authorities and including matters mentioned above. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required.

**B) Commitments****i) Capital commitments**

Particulars	As at	As at
	31 March 2019	31 March 2018
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	18.86	22.08

**ii) Other commitments**

a) Dividend on CCPS not provided for (including taxes) aggregating to Rs 0.00 (31 March 2018: Rs 0.00)

**Note 2.31 :** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

**Note 2.32 : Employee benefits**

**A. The employee benefit schemes are as under:**

**i) Provident fund and Employee state insurance (ESI):**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund and ESI, which is a defined contribution plan. The contribution are charged to the Statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident fund and ESI for the year amount to Rs. 3.44 and Rs. 1.44 respectively (31 March 2018: Rs. 3.28 and Rs. 1.52 respectively)

**ii) Compensated absences:**

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year end limited to 30 days. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the Statement of profit and loss.

**iii) Gratuity**

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days' salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of Rs. 0.20.

The following table sets out the status of the unfunded gratuity plan as required under Ind AS 19 "Employee Benefits" prescribed by Companies (Accounting Standards) Rules, 2006, ('the Rules'):

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

Particulars	As at	As at
	31 March 2019	31 March 2018
Opening defined benefit obligation	3.36	2.43
Service cost	1.18	1.25
Interest cost	0.26	0.18
Actuarial gain	(0.57)	(0.50)
Benefits paid	(0.27)	-
<b>Benefit obligation at the end of the year</b>	<b>3.96</b>	<b>3.36</b>
Short-term provision (Refer note 2.20)	0.19	0.15
Long-term provision (Refer note 2.16)	3.76	3.21

**Gratuity expense recognised in the Statement of profit and loss**

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Current service cost	1.18	1.25
Interest on defined benefit obligation	0.26	0.18
Net actuarial gain recognised in the year	(0.57)	(0.50)
<b>Net gratuity expenses</b>	<b>0.87</b>	<b>0.92</b>

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

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Actuarial gain on defined benefit obligation	(0.57)	(0.50)
Return on plan assets excluding interest income	-	-
<b>Actuarial gain recognised in Other comprehensive income</b>	<b>(0.57)</b>	<b>(0.50)</b>

**Summary of actuarial assumptions**

Financial assumptions at balance sheet date

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
Discount rate	7.65% p.a.	7.85% p.a.
Salary escalation rate	8% p.a.	8% p.a.
Attrition rate		
Age 21 to 30	10% p.a.	10% p.a.
Age 31 to 40	5% p.a.	5% p.a.
Age 41 to 50	3% p.a.	3% p.a.
51 and above	2% p.a.	2% p.a.
Retirement Age	58 years	58 years



**Maturity profile of defined benefit obligation**

Particulars	As at	
	31 March 2019	31 March 2018
1st following year	0.19	0.15
Year 2 to 5	0.83	0.89
Year 6 to 9	0.98	0.84
For 10 years and above	11.77	9.70

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

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

**Sensitivity analysis**

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

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	3.71	4.22	3.16	3.58
Salary escalation rate (50 bps movement)	4.23	3.72	3.56	3.18





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

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

**Note 2.33 : Related parties****a) Names of the related parties and description of relationship:****Entities in which control exists (Subsidiaries)**

Rainbow Children's Hospital Private Limited (RCHPL)  
 Rainbow Women & Children's Hospital Private Limited (RWCHPL)  
 Rainbow Specialty Hospitals Private Limited (RSHPL)  
 Rosewalk Healthcare Private Limited (RWHPL) w e f 16 January 2019

**Key managerial personnel (KMP)**

Dr. Ramesh Kancharla, Managing Director  
 Dr. Dinesh Kumar Chirla, Whole-Time Director

**Relative of key managerial personnel**

Mrs. Padma Kancharla, wife of Dr. Ramesh Kancharla  
 Mr. Adarsh Kancharla, son of Dr. Ramesh Kancharla  
 Mr. K. Ramadhar Naidu, brother of Dr. Ramesh Kancharla

**Enterprise exercising significant influence on the Company**

CDC Group Plc  
 CDC India Opportunities Limited  
 CDC Emerging Markets Limited

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

Ravindranath GE Medical Associates Private Limited  
 Rainbow Children's Foundation (Trust)  
 Sesha Sarojini Medical Infra Private Limited

**(b) Following is the summary of significant related party transactions:**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Revenue from professional services rendered</b>		
- Ravindranath GE Medical Associates Private Limited	0.00	0.02
- Rainbow Children's Foundation (Trust)	0.29	0.20
<b>Professional services received</b>		
- Ravindranath GE Medical Associates Private Limited	0.15	0.30
<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	0.02	0.02
- Rainbow Specialty Hospitals Private Limited	0.09	0.00
- Rosewalk Healthcare Private Limited	0.12	-
<b>Inter-corporate deposits placed</b>		
- Rainbow Children's Hospital Private Limited	0.00	0.01
- Rainbow Specialty Hospitals Private Limited	9.24	0.01
- Rosewalk Healthcare Private Limited	9.25	-
<b>Inter-corporate deposit received back</b>		
- Rainbow Women & Children's Hospital Private Limited	-	0.08



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

**Note 2.33 : Related parties (continued)**

(b)Following is the summary of significant related party transactions (continued) :

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Professional fees paid</b>		
- Dr. Dinesh Kumar Chirla	1.64	1.44
- Mr. K. Ramadhar Naidu	0.55	0.48
<b>Expenses incurred on behalf of related parties</b>		
- Mr. K. Ramadhar Naidu	0.02	-
<b>Rent paid to Key managerial personnel</b>		
- Dr. Ramesh Kancharla	0.12	0.24
<b>Remuneration paid to Key managerial personnel</b>		
- Dr. Ramesh Kancharla	6.99	5.60
- Dr. Dinesh Kumar Chirla	1.22	1.21
<b>Leave Travel Allowance paid to Key managerial personnel</b>		
- Dr. Dinesh Kumar Chirla	0.02	-
<b>Civil works</b>		
- Sesha Sarojini Medical Infra Limited	7.59	6.33
<b>Issue of bonus equity shares</b>		
- Dr. Ramesh Kancharla	-	1.44
- Dr. Dinesh Kumar Chirla	-	0.36
- Mrs. Padma Kancharla	-	0.14
- Mr. Adarsh Kancharla	-	0.23
- CDC Group Plc	-	0.72
- CDC India Opportunities Limited	-	0.38
<b>Issue of 9.5% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	40.00	-
<b>Interest on 9.5% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	2.29	1.05
<b>Dividend paid during the year to KMP and relative of KMP</b>		
- Dr. Ramesh Kancharla	2.00	1.40
- Dr. Dinesh Kumar Chirla	0.48	0.30
- Mrs. Padma Kancharla	0.18	0.11
- Mr. Adarsh Kancharla	0.23	-
<b>Dividend paid (on equity share capital and Series A compulsorily convertible preference shares)</b>		
- CDC Group Plc	0.96	0.60
<b>Dividend paid (on equity share capital and Series B compulsorily convertible preference shares)</b>		
- CDC India Opportunities Limited	0.50	0.31

\*The managerial personnel are covered by the Company's gratuity policy and are eligible for compensated absences along with other employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are not determined on an individual basis.



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

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

**Note 2.33 : Related parties (continued)****c) The Company has the following amounts due from/ to the related parties:**

Particulars	As at	As at
	31 March 2019	31 March 2018
<b>Trade payables</b>		
- Ravindranath GE Medical Associates Private Limited	0.07	0.06
<b>Capital advance</b>		
- Mr K Ramadhar Naidu	0.06	0.00
- Sesha Sarojini Medical Infra Private Limited	-	5.76
<b>Capital creditors</b>		
- Sesha Sarojini Medical Infra Private Limited	0.54	0.31
<b>Long-term borrowings (before adjustments of transaction costs incurred as required as per Ind AS 109)</b>		
- CDC Emerging Markets Limited	50.00	10.00
<b>Interest accrued and not due on long-term borrowings payable</b>		
- CDC Emerging Markets Limited	2.19	0.48
<b>Remuneration payable to Key managerial personnel</b>		
- Dr. Ramesh Kancharla	2.10	1.30
<b>Professional fee payable to Key managerial personnel</b>		
- Dr. Dinesh Kumar Chirla	0.14	0.09
<b>Non-current investments in equity shares</b>		
- Rainbow Women & Children's Hospital Private Limited	0.01	0.01
- Rainbow Specialty Hospitals Private Limited	0.01	0.01
- Rainbow Children's Hospital Private Limited	0.01	0.01
- Rosewalk Healthcare Private Limited	1.22	-
<b>Non-current investments in debentures</b>		
- Rosewalk Healthcare Private Limited	0.19	-
<b>Inter corporate deposit given</b>		
- Rainbow Women & Children's Hospital Private Limited	0.20	0.20
- Rainbow Children's Hospital Private Limited	0.01	0.01
- Rainbow Specialty Hospitals Private Limited	9.25	0.01
- Rosewalk Healthcare Private Limited	9.25	-
<b>Interest accrued on inter corporate deposit</b>		
- Rainbow Women & Children's Hospital Private Limited	0.23	0.21
- Rainbow Children's Hospital Private Limited	0.00	0.00
- Rainbow Specialty Hospitals Private Limited	0.09	0.00
- Rosewalk Healthcare Private Limited	0.12	-

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



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

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

**2.34 Leases****(a) Operating lease**

The Company has certain operating leases for hospitals building, office premises and residential building under cancellable and non-cancellable operating lease agreements. Total rental expense debited to the Statement of profit and loss under cancellable operating leases is Rs. 8.56 (31 March 2018: Rs. 9.86) and under non-cancellable portion is Rs. 37.62 (31 March 2018: Rs. 22.43). Further, Rs. 1.11 (31 March 2018: Nil) has been capitalised during the year.

The future minimum lease payments in respect of non-cancellable period which are as follows:

Type of lease	As at 31 March 2019	As at 31 March 2018
Due within one year	32.79	37.32
Due later than one year and not later than five years	75.57	61.42
Due later than five years	11.06	-
<b>Total</b>	<b>119.42</b>	<b>98.74</b>

**2.35 Segment reporting**

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

Ind AS 108 "Operating Segment" ("IndAS108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "Management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) i.e. the Board of Directors. The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore "Medical and Healthcare Services". Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

Further the business operation of the Company are concentrated in India, and hence, the Company is considered to operate only in one geographical segment.

**Note 2.36 : Professional and consultancy expenses includes auditors' remuneration (excluding GST)**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory audit fees	0.25	0.25
Other services	-	0.08
Reimbursement of expenses	0.01	0.01
<b>Total</b>	<b>0.26</b>	<b>0.34</b>

**Note 2.37 : Earnings per share :**

The earnings per share has been computed as under:

Particulars	As at 31 March 2019	As at 31 March 2018
Profit for the year (A)	59.63	36.48
Less: Preference dividend for the year	0.22	0.57
Less: Tax on preference dividend	0.04	0.12
Profit available for equity shareholders (B)	59.37	35.79
<b>Shares</b>		
Number of equity shares at the beginning of the year	43,958,924	9,279,671
Add: Bonus shares issued	-	34,679,253
Total number of equity shares outstanding at the end of the year	43,958,924	43,958,924
Weighted average number of equity shares outstanding during the year – Basic (C)	43,958,924	43,958,924
Add: Weighted average number of equity shares arising out of convertible preference shares that have dilutive effect on the EPS (D)	2,280,080	2,280,080
Weighted average number of equity shares outstanding during the year – Diluted (E = C+D)	46,239,004	46,239,004
<b>Earnings per share</b>		
Earnings per share of par value Rs. 10 - Basic (Rs.) (B/(C+D))	13.51	8.14
Earnings per share of par value Rs. 10 - Diluted (Rs.) (A/E)	12.90	7.89



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

**Note 2.38 : Payment of dividend (including dividend on CCPS) in foreign currency :**

Particulars	As at	As at
	31 March 2019	31 March 2018
Number of non resident share holders	2	2
Number of shares held by non-resident shareholders		
- Equity shares	12,386,032	12,386,032
- Series A CCPS	1,146,771	1,146,771
- Series B CCPS	1,133,309	1,133,309
Amount remitted during the year (amount in crores)*		
- Equity shares	0.85	0.42
- Series A CCPS	0.11	0.29

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

**Note 2.39 : Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act')**

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the standalone Ind AS financial statements based on information received and available with the Company. Further, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid MSMED Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	As at	As at
	31 March 2019	31 March 2018
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	Nil	Nil
(b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	Nil	Nil
(d) the amount of interest accrued and remaining unpaid at the end of the each accounting year; and	Nil	Nil
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

**Note 2.40 : Unhedged foreign currency**

Foreign currency exposures not hedged by derivative instruments are as follows:

Particulars	As at		As at	
	31 March 2019		31 March 2018	
Capital creditors	-	-	EUR 4,832	INR 0.038
	USD 10,600	INR 0.074	USD 20,581	INR 0.133

Closing conversion rate as on 31 March 2019 is USD = INR 69.44 (31 March 2018 is USD = INR 64.42 and EUR = INR 79.56)

**Note 2.41 :** There are no outstanding derivative contracts as at 31 March 2019 and as at 31 March 2018.

**Note 2.42 : Corporate social responsibility**

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company.

a) Gross amount required to be spent by the Company during the year amounts to Rs. 0.75 (31 March 2018: Rs. 0.70)

b) Amount spent during the year on:

Particulars	As at	As at
	31 March 2019	31 March 2018
On purposes other than acquisition or construction of assets	-	-
On purposes other than above	0.34	0.53
<b>Total</b>	<b>0.34</b>	<b>0.53</b>
<b>Remaining amount to be spent</b>	<b>0.41</b>	<b>0.17</b>



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

**2.43 Incidental expenditure capitalised during the construction period**

During the year, the Company has capitalised the following expenses to the cost of property, plant and equipment, as they are directly attributable to construction of the asset. Consequently amounts disclosed under the respective notes are net of amounts capitalised by the Company.

Particulars	As at	As at
	31 March 2019	31 March 2018
<b>Employee benefit expenses (A)</b>	<b>2.99</b>	-
<b>Other expenses</b>		
Rent	1.11	-
Consultancy and project expenses	2.80	-
Travelling and other expenses	0.62	-
Power and fuel	0.45	-
Other general expenses	0.76	-
<b>Total (B)</b>	<b>5.74</b>	-
<b>Finance cost (C)</b>	<b>1.48</b>	-
<b>Grand total (A+B+C)</b>	<b>10.21</b>	-





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

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

**2.44 Financial risk management****Risk management framework**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Board. The Company's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**Trade and other receivables**

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

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

	Carrying amount	
	As at 31 March 2019	As at 31 March 2018
Insurance companies and Third-Party Administrator (TPA)	11.18	9.20
Central and state government (including public sector undertakings)	7.13	4.18
Corporates and individual patients	0.60	0.95
Others	14.27	2.99
	<b>33.18</b>	<b>17.32</b>

**Movement in the allowance for doubtful debts**

	As at 31 March 2019	As at 31 March 2018
Opening balance	1.93	0.69
Add: provided/ (utilised) during the year	2.69	1.24
Net remeasurement of provision	<b>4.62</b>	<b>1.93</b>

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The Company's Management is responsible for liquidity, funding as well as settlement management.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Following are the financial assets at the reporting date:

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables	28.56	15.39
Cash and cash equivalents	4.97	3.46
Other bank balances	64.49	32.54
Investments	4.63	0.17
Other financial assets	43.98	43.42
Loans	24.79	5.07
	<b>171.42</b>	<b>100.05</b>

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2019

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings - long-term	0.72	5.49	44.25	50.46
Trade payables	33.59	-	-	33.59
Other financial liabilities (excluding borrowings and trade payables)	35.43	-	-	35.43
	<b>69.74</b>	<b>5.49</b>	<b>44.25</b>	<b>119.48</b>



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

**2.44 Financial risk management (continued)**

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted

As at 31 March 2018

Particulars	within 12 months	1-5 Years	More than five years	Total carrying amount
Borrowings - long-term	0.71	2.00	8.13	10.84
Borrowings - short-term	2.30	-	-	2.30
Trade payables	24.29	-	-	24.29
Other financial liabilities (excluding borrowings and trade payables)	34.14	-	-	34.14
	<b>61.44</b>	<b>2.00</b>	<b>8.13</b>	<b>71.57</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 primarily arises from the Company's long-term borrowings and short-term investments with banks.

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

Particulars	31-Mar-19	31-Mar-18
<b>Fixed rate instruments</b>		
Financial assets (current)	89.28	43.05
Financial liabilities	50.46	13.14

**Foreign currency risk**

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

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

**Exposure to currency risk**

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

Particulars	Currency	As at 31 March 2019		As at 31 March 2018	
		Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Capital creditors	EUR	-	-	4,832	0.04
	USD	10,600	0.07	20,581	0.13

**Sensitivity analysis:**

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

	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31-Mar-19</b>				
EUR (5% movement)	-	-	-	-
USD (5% movement)	0.004	(0.004)	0.002	(0.002)
<b>31-Mar-18</b>				
EUR (5% movement)	0.002	(0.002)	0.001	(0.001)
USD (5% movement)	(0.007)	0.007	(0.004)	0.004



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

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

**2.45 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to 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 and debt includes maturities of finance lease obligations and bank overdraft.

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

Particulars	31 March 2019	31 March 2018
Total debt	50.46	13.14
Total equity	413.76	359.32
<b>Debt to equity ratio</b>	<b>12.19%</b>	<b>3.65%</b>

**2.46 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 2019**

	Note	Carrying values			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value
		Fair value through profit or loss account	Other financial assets - amortised cost	Other financial liabilities - amortised cost				
<b>Financial assets measured at fair value</b>								
Investments in mutual funds	2.7	3.19	-	-	3.19	-	3.19	
		<b>3.19</b>	-	-	<b>3.19</b>	-	<b>3.19</b>	
<b>Financial assets not measured at fair value</b>								
Other financial assets	2.3 & 2.11	-	-	-	-	-	43.98	
Trade receivables	2.8	-	-	-	-	-	28.56	
Cash and cash equivalents	2.9	-	-	-	-	-	4.97	
Investments	2.2	-	-	-	-	-	1.44	
Other bank balances	2.9	-	-	-	-	-	64.49	
Loans	2.10	-	-	-	-	-	24.79	
		-	-	-	-	-	<b>168.23</b>	
<b>Financial liabilities not measured at fair value</b>								
Borrowings	2.15 & 2.17	-	-	-	-	-	49.73	
Trade payables	2.18	-	-	-	-	-	33.59	
Other financial liabilities	2.19	-	-	-	-	-	36.15	
		-	-	-	-	-	<b>119.47</b>	



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

**2.46 Financial instruments (continued)**

As at 31 March 2018

	Note	Carrying values					Fair value
		Fair value through profit or loss account	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 mutual funds	2.7	0.14	-	-	0.14	0.14	0.14
		0.14	-	-	0.14	0.14	0.14
<b>Financial assets not measured at fair value</b>							
Other financial assets	2.3 & 2.11	-	43.42	-	43.42	-	43.42
Trade receivables	2.8	-	15.39	-	15.39	-	15.39
Cash and cash equivalents	2.9	-	3.46	-	3.46	-	3.46
Other bank balances	2.2	-	32.53	-	32.53	-	32.53
Investments	2.9	-	0.03	-	0.03	-	0.03
Loans	2.10	-	5.07	-	5.07	-	5.07
		-	99.90	-	99.90	-	99.90
<b>Financial liabilities not measured at fair value</b>							
Borrowings	2.15 & 2.17	-	-	12.42	12.42	-	12.42
Trade payables	2.18	-	-	24.29	24.29	-	24.29
Other financial liabilities	2.19	-	-	34.85	34.85	-	34.85
		-	-	71.56	71.56	-	71.56



**Rainbow Children's Medicare Private Limited****Notes to standalone financial statements****(All amounts are in crores of Indian Rupees, except share data and unless otherwise stated)****2.47 Revenue from contracts with customers****Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Income from hospital services	456.57	341.38
Income from pharmacy	69.37	51.70
<b>Total revenue from contracts with customers</b>	<b>525.94</b>	<b>393.08</b>
India	525.94	393.08
Outside India	-	-
<b>Timing of revenue recognition</b>		
Services transferred over time	456.57	341.38
Goods transferred at a point of time	69.37	51.70
<b>Total revenue from contracts with customers</b>	<b>525.94</b>	<b>393.08</b>

From 1 July 2017 onwards, excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations.

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2019 and 31 March 2018.

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Contracted price	462.16	346.81
Reduction towards variable consideration components*	5.59	5.43
<b>Revenue recognised</b>	<b>456.57</b>	<b>341.38</b>

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

**Contract balances**

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables	28.56	15.39
Contract assets (unbilled revenue)	6.40	4.92
Contract liabilities (advance from patients)	4.33	3.30

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

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

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

**Performance Obligation**

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



**Rainbow Children's Medicare Private Limited**

**Notes to standalone financial statements**

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

**2.48 Assets pledged as security**

Particulars	As at	As at
	31 March 2019	31 March 2018
<b>Charge on property, plant and equipment</b>		
Buildings (leasehold)	184.20	157.13
Medical equipments	62.95	57.19
Plant and equipments	44.28	36.22
Furniture and fixtures	23.22	22.66
Office equipments	6.18	6.48
Vehicles	3.00	2.89
Computers	2.14	2.10
<b>Total property, plant and equipment pledged as security</b>	<b>325.97</b>	<b>284.67</b>
<b>Charge on current assets</b>		
Inventories	6.95	5.98
Investments	3.19	0.14
Trade receivables	28.56	15.39
Cash and cash equivalents	4.97	3.46
Bank balances	64.49	32.53
Loans	24.79	5.07
Other financials assets	9.33	6.11
Other current assets	6.47	4.34
<b>Total current assets pledged as security</b>	<b>148.75</b>	<b>73.02</b>

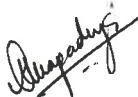
2.49 The financial statements are presented in Rs. crores (rounded off to two decimal places). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest crores are given below:

Note	Description	Rs. in '000	
		31-Mar-19	31-Mar-18
2.2	<b>Investments in unquoted equity instruments - Trade</b>		
	<b>(ii) In other company (at fair value)</b>		
	Vamana Solar Private Limited	26.00	26.00
	2,600 shares of Rs.10 each, fully paid up (31 March 2018: 2,600 shares)		
2.7	<b>Current investments (at fair value through Profit and loss account)</b>		
	0	1.00	214.73
	0	31.50	18.21
2.28	<b>Other expenses</b>		
	Foreign exchange loss, net (refer note 2.49)	15.52	

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



**Akhil Kapadiya**

Partner

Membership no : 212991

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

**Dr. Animesh Kancharla**

Chairman & Managing Director

DIN: 00212270

**R Gowrisankar**

Chief Financial Officer

Place: Hyderabad

Date : 20 June 2019



**Dr. Dinesh Kumar Chirla**

Director

DIN: 01395841

**Pawan Kumar Mittal**

Company Secretary

Place: Hyderabad

Date : 20 June 2019

Place: Hyderabad

Date : 20 June 2019