MAHADEVAN & CO.,
CHARTERED ACCOUNTANTS

Flat No. 302, Samvai Towers,
3-5-694/1, New Narayanaguda,
Hyderabad - 500029,
Ph No. 040-23261770.

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Rainbow Speciality Hospitals Private Limited** (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its 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 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 financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors report, if we conclude that there is a material misstatement we are required to report that fact to the matter to those charged with governance.

Management's and Board of Directors' Responsibilities for the 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 financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

Management's and Board of Directors' Responsibilities for the Financial Statements (continued)

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a) The Company has no pending litigations as at 31 March 2022 which would impact its financial position.

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

    c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

        - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
        - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has not declared any Dividend in the previous year and hence no payment was made during the year. The Board of Directors of the Company have not proposed any dividend for the year and therefore the provisions of Section 123 of the Act are not applicable for the year.

(C) According to the information and explanations given to us, the director's appointment does not contain remuneration clause hence the provisions of Sec.197 of the Act are not applicable for the time being.

for **MAHADEVAN & CO**
Chartered Accountants
Firm's Registration No. 01925S

P. Ravindranath R

MAHADEVAN & CO. Chartered Accountants (FRN.001925S) HYDERABAD

P.Ravindranath Reddy
Partner
Membership No. 021149
UDIN: 22021149AJSHDC4009

Place: Hyderabad
Date: 26 May 2022

Annexure B to the Independent Auditors' report on the financial statements of RAINBOW SPECIALITY HOSPITALS PRIVATE LIMITED for the period ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of **RAINBOW SPECIALITY HOSPITALS PRIVATE LIMITED** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

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

for **MAHADEVAN & CO**
Chartered Accountants
Firm's Registration No. 01925S

MAHADEVAN & CO. Chartered Accountants (FRN.001925S) HYDERABAD

P.Ravindranath Reddy
Partner
Membership No. 021149
Date: 26 May 2022
UDIN: 22021149AJSHDC4009
Place: Hyderabad
Date: 26 May 2022

(i) *(a)* The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i) (a) (b) The Company has maintained proper records showing full particulars of intangible assets.

(i) *(b)* According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of **two years**. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(i) *(c)* The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(i) *(d)* According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(i) *(e)* According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(ii)(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records as has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, read with the Companies (Cost Records and Audit) Rules, 2014 is not applicable to the Company for the time being as the Turnover in the previous year has not exceeded Rs.35 crores.

(vii) **(a)** The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of two to three days.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

vii(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

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

(ix) **(a)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(ix)(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(ix (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(ix (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(ix (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

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

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

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

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

(xi)(c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.

(xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the [standalone] financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(xiv) (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(xvi)(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(xvi)(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(xvi)(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii). There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the [standalone] financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xx)(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

for **MAHADEVAN & CO**
Chartered Accountants
Firm's Registration No. 01925S

P.Ravindranath Reddy
Partner
Membership No. 021149
UDIN: 22021149AJSHDC4009

Place: Hyderabad
Date: 26 May 2022

Rainbow Speciality Hospitals Private Limited
Financial Statements
Balance Sheet as at 31 March 2022
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
a. Property, Plant and equipment	B8(a)	128.59	137.02
b. Capital work-in-progress	B8(a) & B8(b)	-	-
c. ROU of asset	1.9	138.18	154.44
d. Intangible assets	B8(b)	0.83	0.95
e. Other financial assets	B10	1.65	6.73
f. Deferred tax assets (net)	B11	-	10.53
g. Income tax assets (net)	B17	7.99	2.58
h. Other non-current assets	B12	20.58	0.48
Total non-current assets		**297.82**	**312.74**
Current assets			
a. Inventories	B13	7.13	6.36
b. Financial assets			
(i) Investments	B14	-	27.37
(ii) Trade receivables	B15	10.80	6.40
(iii) Cash and bank balances	B16(a)	14.73	11.15
(iv) Bank balances other than (iii) above	B16(b)	30.76	37.79
c. Other current assets	B18	2.68	2.70
Total current assets		**66.10**	**91.77**
TOTAL ASSETS		**363.92**	**404.51**
EQUITY AND LIABILITIES			
EQUITY			
a. Equity share capital	B1	180.00	180.00
b. Other equity	B2	(16.68)	(37.56)
		163.32	**142.44**
LIABILITIES			
Non-current liabilities			
a. Financial liabilities			
(i) Lease liabilities	1.9	142.39	150.06
b. Provisions	B3	0.89	0.64
c. Deferred tax Liability (net)	B11	1.10	
Total non-current liabilities		**144.38**	**150.70**
Current liabilities			
a. Financial liabilities			
(i) Borrowings	B4	-	66.83
(ii) Lease liabilities	1.9	7.67	6.98
(iii) Trade payables	B5	39.74	30.52
(iv) Other financial liabilities	B6	1.29	1.33
b. Other current liabilities	B7	7.26	5.71
c. Provisions	B8	0.26	0.00
Total current liabilities		**56.22**	**111.37**
TOTAL EQUITY AND LIABILITIES		**363.92**	**404.51**

The Notes referred to above form an integral part of the Financial Statements
As per our report of even date.

For MAHADEVAN & CO.,
Chartered Accountants
FRN 001925S

P.Ravindranath Reddy
Partner
M.No.021149

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

Dr Ramesh Kancharla
Managing Director
DIN:00212270

Dr Dinesh Kumar Chirla
Director
DIN: 01395841

R Gowrisankar
Chief Financial Officer

Ashish Kapil
Company Secretary

Date : 26 May 2022
Place: Hyderabad

Rainbow Speciality Hospitals Private Limited
Financial Statements
Statement of profit and loss for the year ended 31 March 2022
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	P1	298.29	189.88
Other income	P2	2.13	3.32
Total Income		**300.42**	**193.20**
Expenses			
Medical consumables and pharmacy items consumed	P3	64.17	44.96
Employee benefits expenses	P4	30.56	27.53
Finance costs	P5	16.98	11.88
Depreciation and amortisation expense	P6	40.98	31.55
Other expenses	P7	115.57	103.56
Total expenses		**268.26**	**219.49**
Profit before tax		**32.16**	**(26.29)**
Tax expense			
- Current tax			-
- Deferred tax		11.54	(7.16)
Total Tax expense		11.54	(7.16)
Profit for the year		**20.62**	**(19.13)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit and loss			
Re-measurement gain on defined benefit plans		0.34	0.33
Deferred tax effect of re-measurement of defined benefit plans		(0.08)	(0.08)
Other Comprehensive Income for the year net of Tax		0.26	0.25
Total Comprehensive Income for the year		**20.88**	**(18.88)**
Earning per Equity share (Nominal value of share Rs.10 each)			
- Basic and Diluted	P8	1.16	(1.05)

The Notes referred to above form an integral part of the Financial Statements

This is the Statement of Profit and Loss referred to in our Report of even date.

For MAHADEVAN & CO.,
Chartered Accountants
FRN 001925S

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

P.Ravindranath Reddy
Partner
M.No.021149

Dr Ramesh Kancharla
Director
DIN:00212270

Dr Dinesh Kumar Chirla
Director
DIN: 01395841

R Gowrisankar
Chief Financial Officer

Ashish Kapil
Company Secretary
Membership No.: A31782

Date : 26 May 2022
Place: Hyderabad

Rainbow Speciality Hospitals Private Limited
Financial Statements
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/Loss as per Statement of Profit and Loss		32.16	(26.28)
Adjustments for:			-
Depreciation and amortisation expenses		40.98	31.55
Interest income		(1.46)	(2.66)
Finance Cost		16.98	11.88
Dividend Income		(0.59)	(0.36)
Operating profit / (loss) before working capital changes		**88.07**	**14.13**
Changes in working capital:			
Adjustment for (increase) / decrease in operating assets:			
- Inventories		(0.77)	5.19
- Trade receivables		(4.40)	6.42
- Financial and other assets		(0.33)	(1.32)
- Trade payables		9.25	(13.82)
- Financial liabilities, provisions and others		2.36	161.79
- Other Current assets		0.02	7.85
- Other Noncurrent assets		(0.26)	-
Cash generated from operations		93.94	180.24
Income tax / tax deducted at source (paid) / refunds		(5.41)	1.17
Net cash flow used in operating activities	[A]	**88.53**	**181.41**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangibles including capital advances and capital work-in-progress		(36.02)	(159.03)
Investment in mutual funds redeemed/ (placed), net		27.37	(19.41)
Bank deposits placed with maturity of more than three months, net		12.68	54.50
Dividend received		0.59	0.36
Interest received		1.22	4.96
Net cash flow from/ (used in) investing activities	[B]	**5.84**	**(118.62)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liability (including related interest)		(21.60)	(10.80)
Repayment of short-term borrowings		(51.45)	(33.63)
Finance cost		(17.74)	(11.87)
Net cash flow from/ (used in) financing activities	[C]	**(90.79)**	**(56.30)**
Net increase / (decrease) in cash and cash equivalents [A+B+C]		3.58	6.49
Cash and cash equivalents at the beginning of the year		11.15	4.66
Cash and cash equivalents at the end of the year		**14.73**	**11.15**
Cash and cash equivalents at the end of the year comprises:			
i. Cash on hand		0.25	0.33
ii. Balances with banks		14.48	10.82
Cash and cash equivalents		**14.73**	**11.15**

For MAHADEVAN & CO.,
Chartered Accountants
FRN 001925S

MAHADEVAN & CO. Chartered Accountants (FRN.001925S) HYDERABAD

P-Ravindranath R

P.Ravindranath Reddy
Partner
M.No.021149

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

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

Dr Ramesh Kancharla
Director
DIN:00212270

Dr Dinesh Kumar Chirla
Director
DIN: 01395841

R Gowrisankar
Chief Financial Officer

Ashish Kapil
Company Secretary
Membership No.: A31782

Date : 26 May 2022
Place: Hyderabad

Rainbow Speciality Hospitals Private Limited
Financial Statements
Statement of changes in Equity for the year ended 31 March 2022
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

Particulars	Equity share capital	Other equity		Total
		Reserves and surplus		
		Retained earning	Other comprehensive income	
Balance as at 1 April 2021	180.00	(37.81)	0.25	(37.56)
Profit for the year	-	20.62	0.26	20.88
Balance as at 31 March 2022	**180.00**	**(17.19)**	**0.51**	**(16.68)**

Particulars	Equity share capital	Other equity		Total
		Reserves and surplus		
		Retained earning	Other comprehensive income	
Balance as at 1 April 2020	180.00	(18.68)	-	(18.68)
Profit for the year	-	(19.13)	0.25	(18.88)
Balance as at 31 March 2021	**180.00**	**(37.81)**	**0.25**	**(37.56)**

For MAHADEVAN & CO.,
Chartered Accountants
FRN 001925S

MAHADEVAN & CO. Chartered Accountants (FRN.001925S) HYDERABAD

P.Ravindranath Reddy
Partner
M.No.021149

Date : 26 May 2022
Place: Hyderabad

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

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

Dr Ramesh Kancharla
Director
DIN:00212270

Dr Dinesh Kumar Chirla
Director
DIN: 01395841

R Gowrisankar
Chief Financial Officer

Ashish Kapil
Company Secretary
Membership No.: A31782

1. Significant accounting policies

1.1 Corporate information

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

1.2 Basis of preparation and measurement

(i) Statement of compliance

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

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

The financial statements were approved by the Board of Directors and authorized for issue on 26 May 2022.

(ii) Basis of Measurement:

The Financial Statements have been prepared on historical cost basis except for the following items:

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

(iii) Functional and Presentation Currency

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

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

(iv) Use of estimates and judgements:

In preparing these Financial Statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following notes:

- Lease Classification and identification of lease component [refer note 1.9]

Assumptions and estimation uncertainties

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

- measurement of defined benefit obligations; key actuarial assumptions. [note P4]
- useful life of tangible and intangible assets [note B9 (a and b)]

(v) Current versus Non-current classification

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

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

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.

Rainbow Speciality Hospitals Pvt. Ltd. ★ Hyderabad

(v) Current versus Non-current classification (continued)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i. it is expected to be settled in the Company's normal operating cycle;
ii. it is held primarily for the purpose of being traded;
iii. it is due to be settled within 12 months after the reporting date; or
iv. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of fresh instruments do not affect its classification.

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

Operating cycle

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

(vi) Measurement of fair values

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

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

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

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

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

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

(vi) Measurement of fair values (continued)

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

1.3 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.

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Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

1.3 Significant accounting policies (continued)

Financial assets (continued)

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities:

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

iii. Derecognition

Financial assets:

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

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

Financial liabilities:

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

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

Offsetting

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

Rainbow Speciality Hospitals Pvt. Ltd. ★ Hyderabad

1.3 Significant accounting policies (continued)

b. Property, plant and equipment

i. Recognition and measurement:

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

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

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

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

ii. Subsequent costs:

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

iii. Depreciation:

Depreciation on Property, plant and equipment (other than for those class of assets specifically mentioned below) is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act 2013 and additions and deletions are restricted to the period of use. Depreciation is charged to statement of profit and loss.

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

Rainbow Speciality Hospitals Pvt. Ltd. ★ Hyderabad

1.3 Significant accounting policies (continued)

iii. Depreciation (continued)

If the Management's estimate of the useful life of a property, plant and equipment is different than that envisaged in the aforesaid Schedule, depreciation is provided based on the Management's estimate of the useful life. Pursuant to this policy, depreciation on the following class of property, plant and equipment has been provided at the rates based on the following useful lives of property, plant and equipment as estimated by Management which is different from the useful life prescribed under Schedule II of the Companies Act, 2013.

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

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

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

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

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

c. Intangible assets and amortisation:

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

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

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

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

Rainbow Speciality Hospitals Pvt. Ltd. ★ Hyderabad

1.3 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 and trade receivables. At each reporting date, the Company assesses whether these financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

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

Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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

ii. Impairment of non-financial assets

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

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

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

1.3 Significant accounting policies (continued)

ii. Impairment of non-financial assets (continued)

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

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

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

e. Investments

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

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

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

f. Inventories

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

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

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

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

1.3 Significant accounting policies (continued)

g. Employee benefits

i. Short-term employee benefits

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

ii. Post-employment benefit

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

1.3 Significant accounting policies (continued)

g. Employee benefits (continued)

Compensated absences

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

h. Revenue recognition

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

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

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

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

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

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

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

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

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

1.3 Significant accounting policies (continued)

h. Revenue recognition (continued)

Contract balances:

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

i. Leases

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

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

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

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

Company as a lessee

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

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

1.3 Significant accounting policies (continued)

i. Leases (continued)

i) Right-of-use assets

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

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

ii) Lease Liabilities

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

In calculating the present value of lease payments, the lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate as at the commencement of lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Rainbow Speciality Hospitals Pvt. Ltd. ★ Hyderabad

1.3 Significant accounting policies (continued)

i. Leases (continued)

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

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

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

j. Income-tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax:

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

Deferred tax is also recognised for:
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.

- temporary differences related to investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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1.3. Significant accounting policies (continued)

j. Income tax (continued)

Deferred tax (continued)

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

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

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

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

k. Earnings per share

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

l. Provisions

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

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

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

1.3. Significant accounting policies (continued)

l. Provisions (continued)

Onerous Contracts

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

m. Contingent liabilities and contingent assets

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

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

n. Borrowings

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

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

o. Foreign currencies

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

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1.3. Significant accounting policies (continued)

p. Statement of cash flows

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

q. Cash and cash equivalents

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

r. Events after reporting date

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

s. Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

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1.3. Significant accounting policies (continued)

s. Standards issued but not effective (continued)

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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Rainbow Specialty Hospitals Private Limited
Financial Statements
Notes to Financial Statements for the year ended 31 March 2022
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

B9 (a) Property, plant and equipment

	Buildings (leasehold)	Medical equipments	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Computers	Total
Cost / Deemed Cost								
Balance as at 01 April 2020	34.60	112.98	8.83	6.62	2.59	2.21	3.03	170.86
Additions	-	6.06	-	1.03	0.75	-	0.68	8.52
Disposals/ adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	**34.60**	**119.04**	**8.83**	**7.65**	**3.34**	**2.21**	**3.71**	**179.38**
Balance as at 01 April 2021	34.60	119.04	8.83	7.65	3.34	2.21	3.71	179.38
Additions	-	5.25	-	0.34	1.35	8.18	0.91	16.03
Disposals/ adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	**34.60**	**124.29**	**8.83**	**7.99**	**4.69**	**10.39**	**4.62**	**195.41**
Accumulated Depreciation								
Balance as at 01 April 2020	2.65	13.03	0.48	1.21	0.63	0.31	0.87	19.18
Depreciation for the year	3.26	16.59	0.59	0.63	0.59	0.44	1.08	23.18
Disposals/ adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	**5.91**	**29.62**	**1.07**	**1.84**	**1.22**	**0.75**	**1.95**	**42.36**
Balance as at 01 April 2021	5.91	29.62	1.07	1.84	1.22	0.75	1.95	42.36
Depreciation for the year	3.26	17.17	0.59	0.74	0.67	0.73	1.30	24.46
Disposals/ adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	**9.17**	**46.79**	**1.66**	**2.58**	**1.89**	**1.48**	**3.25**	**66.82**
Net carrying amount								
As at 31 March 2022	**25.43**	**77.50**	**7.17**	**5.41**	**2.80**	**8.91**	**1.37**	**128.59**
As at 31 March 2021	**28.69**	**89.42**	**7.76**	**5.81**	**2.12**	**1.46**	**1.76**	**137.02**

Rainbow Speciality Hospitals Pvt. Ltd. ★ Hyderabad

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

B9 (b) Other intangible assets

	Computer Software	Capital work-in-progress
Cost / Deemed Cost		
Balance as at 1 April 2020	1.54	-
Additions	0.35	0.35
Disposals/ adjustments	-	(0.35)
Balance as at 31 March 2021	**1.89**	**-**
Balance as at 1 April 2021	1.89	-
Additions	0.15	-
Disposals/ adjustments	-	-
Balance as at 31 March 2022	**2.04**	**-**
Accumulated Depreciation		
Balance as at 1 April 2020	0.70	-
Depreciation for the year	0.24	
Disposals/ adjustments	-	
Balance as at 31 March 2021	**0.94**	**-**
Balance as at 1 April 2021	0.94	-
Depreciation for the year	0.27	-
Disposals/ adjustments	-	-
Balance as at 31 March 2022	**1.21**	**-**
Net carrying amount		
As at 31 March 2022	**0.83**	**-**
As at 31 March 2021	**0.95**	**-**

Rainbow Speciality Hospitals Pvt. Ltd. * Hyderabad

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

	As at 31 March 2022	As at 31 March 2021
B10. Other financial assets		
Security deposits - considered good	1.65	1.32
Other bank balances		
(i) In deposits with original maturity more than 12 months	-	5.41
	1.65	6.73
B11.Deferred Tax Asset/Liabilities		
Opening Balance	-	3.45
- IND AS 116 Adjustments	35.83	39.52
- Provision allowed under tax on payments	0.29	0.15
- On account of unabsorbed losses and depreciation	0.17	12.19
- On account of provision for doubt ful debts	3.03	-
- OCI Income	-	-
Total:	39.32	55.31
Deferred Liability		
- IND AS 116 Adjustments	34.78	38.63
- OCI Income	0.08	0.08
- Tangible and intangible assets (Depreciation)	5.56	6.08
Total:	40.42	44.79
Deferred tax asset, net	(1.10)	10.52
B12. Other non-current assets		
Capital advances	20.32	0.48
Prepaid expenses	0.26	-
	20.58	0.48
B13. Inventories		
Medical consumables ans pharmacy items	7.13	6.36
	7.13	6.36
B14. Current Investments (at fair value through Profit and loss account)		
- HDFC Liquid Fund - Growth - Direct Plan Nil (As at 31 March 2021: 8,737.78 units)	-	27.36
- HDFC overnight Mutual fund Nil (As at 31 March 2021: 4.81 units)	-	0.01
	-	27.37
B15. Trade receivables		
- Trade receivables considered good - unsecured	14.17	11.79
- Unbilled revenue considered good - unsecured	8.69	6.07
	22.86	17.86
Allowance for expected credit loss	(12.06)	(11.46)
	10.80	6.40

Trade Receivables ageing schedule:

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
(i) Undisputed Trade receivables – considered good	13.09	0.39	-	9.38	22.86
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Total	**13.09**	**0.39**	**-**	**9.38**	**22.86**

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
(i) Undisputed Trade receivables – considered good	6.39	0.97	10.50	-	17.86
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Total	**6.39**	**0.97**	**10.50**	**-**	**17.86**

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

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

	As at 31 March 2022	As at 31 March 2021
B16. Cash and bank balances		
a. Cash and cash equivalents		
Cash on hand	0.25	0.33
Balance with banks		
- On current accounts	14.48	10.82
	14.73	**11.15**
b. Bank balances other than cash and cash equivalents		
Deposit accounts (with original maturity of 12 months or less)	29.68	36.95
Interest accrued but not due on fixed deposits	1.08	0.84
	30.76	**37.79**
B17. Income tax assets (net)		
Advance tax and Tax Deducted at Source Receivable	7.99	2.58
	7.99	**2.58**
B18. Other current assets		
Advances recoverable in cash or kind	1.32	0.88
Advances to employees	0.22	0.17
Balances with government authorities	0.31	0.51
Prepaid expenses	0.83	1.14
	2.68	**2.70**

Rainbow Speciality Hospitals Pvt. Ltd. ★ Hyderabad

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

	As at 31 March 2022	As at 31 March 2021
B1. SHARE CAPITAL		
A. AUTHORISED:		
2,00,00,000 (31 March 2020: 2,00,00,000) equity shares of Rs. 10 each	200.00	200.00
ISSUED, SUBSCRIBED AND PAID UP:		
1,80,00,000 (31 March 2020: 1,00,000) equity shares of Rs. 10 each fully paid up	180.00	180.00

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

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	(Rs.)	Number of shares held	(Rs.)
At the beginning of the year	1,80,00,000	180.00	1,80,00,000	180.00
Issued during the year	-	-	-	-
At the end of the year	**1,80,00,000**	**180.00**	**1,80,00,000**	**180.00**

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

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% holding	Number of shares held	% holding
Rainbow Children's Medicare Private Limited	1,41,85,247	78.81%	1,51,50,000	84.17%
Nageswar Rao Koneti	20,00,000	11.11%	20,00,000	11.11%
Heelalige Munipapa Chinnaswamy Reddy	9,64,753	5.36%	-	0.00%
Others	8,50,000	4.72%	8,50,000	4.72%
	1,80,00,000	**100.00%**	**1,80,00,000**	**100.00%**

D. Details of shares held by promoters

Description	31 March 2022			31 March 2021		
	Number of shares	% holding	% of change during the period/year	Number of shares	% holding	% of change during the period/year
Equity shares: **Rainbow Children's Medicare Limited (formerly Rainbow Children's Medicare Private Limited)**	1,41,85,247	78.81%	-6.37%	1,51,50,000	84.17%	8.06%
Total	**1,41,85,247**	**78.81%**	**-6.37%**	**1,51,50,000**	**84.17%**	**8.06%**

Rainbow Speciality Hospitals Pvt. Ltd. ★ Hyderabad

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

	As at 31 March 2022	As at 31 March 2021
B2. Other equity		
Retained Earnings		
Balance at the commencement of year	(37.81)	(18.68)
Add: Surplus as per statement of Profit and Loss	20.62	(19.13)
Balance at the end of year	(17.19)	(37.81)
Other Comprehensive Income		
Balance at the commencement of year	0.25	-
Remeasurement of defined benefit obligation, net of tax	0.26	0.25
Balance at the end of year	0.51	0.25
Total	**(16.68)**	**(37.56)**

B3. Long-term provisions

Provision for employee benefits		
- Gratuity (Refer note 1.1)	0.89	0.64
	0.89	**0.64**

B4. Short-term borrowings - Unsecured

(i) Loans and Advances from Related parties (refer note A below) - Unsecured	-	51.45
Interest accrued but not due on borrowings	-	15.38
	-	**66.83**

A. Loans and Advances from Related Parties represent amounts received from Holding Company Rainbow Children's Medicare Limited (formerly Rainbow Children's Medicare Private Limited). This inter corporate loan shall carry a interest at the rate of 9.5% p.a. The terms of repayment shall be agreed upon mutually on time to time.

B5. Trade payables

- due to micro and small enterprises	1.47	-
- due to other than micro and small enterprises	38.27	30.52
	39.74	**30.52**

As at 31 March, 2022

Particulars	Outstanding for following periods from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	1.47	-	-	-	1.47
ii) Others	7.48	30.61	-	0.19	-	38.27
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
Total	**7.48**	**32.08**	**-**	**0.19**	**-**	**39.74**

As at 31 March 2021

Particulars	Outstanding for following periods from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	-	-	-	-	-
ii) Others	3.97	26.33	0.22	-	0.00	30.52
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
Total	**3.97**	**26.00**	**0.22**	**-**	**0.00**	**30.52**

B6. Other financial liabilities

Other Payables		
- Employee payables	1.29	1.29
- Others	-	0.04
	1.29	**1.33**

*Interest accrued but not due on borrowings is amount payable to holding company.

B7. Other current liabilities

- Statutory dues	1.38	0.71
- Advances from customers	5.88	5.00
	7.26	**5.71**

B8. Short-term provisions

Provision for employee benefits		
- Gratuity (Refer note 1.1)	0.00	0.00
- Compensated absences (Refer note 1.1)	0.26	-
	0.26	**0.00**

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
P1. Revenue from operations		
Revenue from hospital services	286.99	178.17
Revenue from pharmacy	7.99	7.76
Revenue from medical service fees	3.06	3.67
Other operating income	0.25	0.28
	298.29	**190.00**
P2. Other income		
Interest on fixed deposits	1.46	2.66
Dividend on Mutual Funds	0.59	0.36
Liabilities no longer required written back	0.00	0.27
Income from financial assets carried at amortised cost	0.08	0.04
	2.13	**3.33**
P3. Medical consumables and pharmacy items consumed		
Opening stock	6.36	11.54
Add: Purchases during the year	64.94	39.77
Less: Closing stock	7.13	6.36
	64.17	**44.95**
P4. Employee benefit expenses		
Salaries, wages and bonus	28.47	25.5
Contribution to provident and other funds (Refer note 1.1)	1.59	1.64
Staff welfare expenses	0.50	0.37
	30.56	**27.53**
P5. Finance costs		
Interest on		
- Unwinding of interest on lease liabilities (refer note :1.9)	14.62	6.28
- ICD	2.36	5.60
	16.98	**11.88**
P6. Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note B8(a))	24.45	23.18
Amortisation of other intangible assets (Refer note B8 (b))	0.27	0.24
Amortisation of right of use asset (Refer Note 1.9)	16.26	8.13
	40.98	**31.55**

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Rainbow Speciality Hospitals Private Limited
Financial Statements
Notes to Financial Statements for the year ended 31 March 2022
(All amounts are in millions of Indian Rupees, except share data and unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
P7. Other expenses		
Bank charges	0.52	0.53
Business promotion and advertisement	5.47	1.53
Canteen expenses	5.09	3.81
Communication expenses	0.62	0.60
Contract wages	8.32	8.13
Hospital maintenance	1.59	1.28
Housekeeping expenses	0.53	0.13
Annual Day expenses	0.20	-
Insurance	0.33	0.38
Investigations	0.08	0.31
Laundry charges	0.39	0.14
Miscellaneous expenses	0.31	0.42
Power & Fuel	10.20	9.29
Printing and stationary	0.71	0.59
Professional and consultancy	1.17	0.64
Provision for doubtful debts	0.59	7.82
Professional Fees paid to Doctors	61.46	50.17
Rates and taxes	3.32	2.54
Rent	0.04	6.20
Repairs and maintenance	12.88	7.36
Travelling and conveyance	0.33	0.36
Water charges	1.45	1.33
	115.57	**103.56**

Note-P8
Earnings Per Share (EPS)

i) Net Profit after tax as per Statement of Profit and Loss	20.88	(18.88)
ii) Weighted Average number of equity shares used as denominator for calculating EPS	18.00	18.00
iii) Basic and Diluted Earnings per share	1.16	(1.05)
iv) Face Value per equity share	10	10

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

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

1.1 Employee benefits

The employee benefit schemes are as under:

a) Defined contribution benefit plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund and Employee state insurance (ESI), which is a defined contribution plan. The contribution is charged to the Statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident fund and ESI for the year ended 31 March 2022 amounts to Rs.1.30 million and Rs. 0.29 million respectively (31 March 2021 : Rs.1.23 million and Rs. 0.41 million respectively).

b) Defined benefit plans

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

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Opening defined benefit obligation	0.64	0.36
Service cost	0.54	0.59
Interest cost	0.04	0.02
Actuarial gain	(0.34)	(0.33)
Benefits paid	-	-
Remeasurements due to actuarial gain/(loss) arising from change in demographic assumptions	-	-
Benefit obligation at the end of the year	**0.88**	**0.64**
Short-term provision (Refer note B7)	0.00	0.00
Long-term provision (Refer note B4)	0.89	0.64

Gratuity expense recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	0.54	0.59
Interest on defined benefit obligation	-	-
Net actuarial gain recognised in the year	(0.34)	(0.33)
Net gratuity expenses	**0.20**	**0.28**

Re-measurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial gain on defined benefit obligation	(0.34)	(0.33)
Experience Adjustments	-	-
Actuarial gain recognised in other comprehensive income	**(0.34)**	**(0.33)**

Summary of actuarial assumptions

Financial assumptions at balance sheet date:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	7.25% p.a	6.85% p.a
Salary escalation rate	8% p.a	8% p.a
Attrition rate		
Age 21 to 30	10% p.a	10% p.a
Age 31 to 40	5% p.a	5% p.a
Age 41 to 50	3% p.a	3% p.a
51 and above	2% p.a	2% p.a
Retirement Age	58 years	58 years

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

1.1 **Employee benefits (continued)**

Maturity profile of defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
1st following year	0.00	0.00
Year 2 to 5	0.17	0.09
Year 6 to 9	0.26	0.18
For 10 years and above	3.08	2.23

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

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

Sensitivity analysis

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

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	0.82	0.96	0.59	0.70
Salary escalation rate (50 bps movement)	0.96	0.82	0.70	0.59

Expected contributions to the plan for the next annual reporting year

Expected contribution to post-employment benefit plans for the next year ending 31 March 2023 is Rs. 0.00 million (31 March 2022: Rs. 0.00 million)

The weighted average duration of the defined benefit obligation is 15.46 years (31 March 2021: 16.60 years)

Rainbow Speciality Hospitals Pvt. Ltd. Hyderabad

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

1.2 Related party disclosures

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

Name of the parties	Relationship
Rainbow Children's Medicare Limited (formely Rainbow Children's Medicare private Limited)	Holding Company
Dr Ramesh Kancharla	Managing Director
Dr.Dinesh Kumar Chirla	Director
Dr.Nageswar Rao Koneti	Director
Dr.Tapan Kumar Dash	Director (resigned w.e.f 28 February 2021)
Mr. Pawan Kumar Mittal	Company Secretary (resigned w.e.f 31 March 2021)
Ms. Pratusha Channamalla	Company Secretary (appointed w.e.f 01 September 2021, resigned w.e.f 25.05.2022)
Mr. Ashish Kapil	Company Secretary (appointed w.e.f 25 May 2022)
Mr. R. Gowrisankar	Chief Financial Officer (appointed w.e.f 25 May 2022)
Rainbow Women & Children's Hospitals Pvt. Ltd.	Enterprises where KMP exercise significant Influence
Rainbow Children's Hospital Private Limited	Enterprises where KMP exercise significant Influence
Rosewalk Healthcare Private Limited	Enterprises where KMP exercise significant Influence
Rainbow Fertility Private Limited	Enterprises where KMP exercise significant Influence
Rainbow CRO Private Limited	Enterprises where KMP exercise significant Influence
Ravindranath G E Medical Associates Private Limited	Enterprises where relative of KMP exercise significant Influence

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

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i)	Interest on ICD to Holding Company	2.36	5.60
ii)	Interest on ICD repaid to Holding Company	17.75	-
iii)	ICD repaid to Holding Company	51.45	38.50
iv)	Investment in sharecapital	-	14.50
v)	Purchases from Holding Company	2.63	8.10
vi)	Sales to Holding Company	2.34	3.85
vii)	Medical Service Fee to Holding Company	0.70	4.20
viii)	Other Payables to Holding Company	-	3.85
ix)	Services received from Ravindranath G E Medical Associates Private Limited	0.07	-
x)	Professional fee paid to Dr.Nageswar Rao Koneti*	11.60	8.72
xi)	Professional fee paid to Dr.Tapan Kumar Dash*	-	7.12

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

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

	Particulars	As at 31 March 2022	As at 31 March 2021
i)	ICD Payable to Holding Company	-	51.45
ii)	Interest on ICD payable to Holding Company	-	15.38
iii)	Investment by Holding Company	141.85	137.00
iv)	Trade Payables to Holding Company	-	6.12
v)	Other Payables to Holding Company	-	4.00
vi)	Trade Payables to Ravindranath G E Medical Associates Private Limited	0.01	-
vii)	Trade Receivables from Holding Company	-	4.70

d) Terms and conditions of transactions with related parties:

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

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

1.3 Segment information

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

1.4 Capital Commitments

Particulars	As at 31 March 2022	As at 31 March 2021
- Estimated amount of contracts remaining to be executed on capital account and not	16.64	0.31

1.5 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

	Particulars	As at 31 March 2022	As at 31 March 2021
a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	1.47	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 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

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

1.6 Financial risk management objectives and policies

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

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

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

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

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

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

b) Interest rate risk

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

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

Interest rate sensitivity

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

	Increase/decrease in interest rate	Effect on profit before tax
Year ended 31 March 2022		
INR	+1%	-
INR	-1%	-
Year ended 31 March 2021		
INR	+1%	(0.51)
INR	-1%	0.51

c) Credit risk

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

d) Liquidity risk

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

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended 31 March 2022						
Borrowings	-	-	-	-	-	-
Loans from Related parties	-	-	-	-	-	-
Other payables	-	-	-	-	-	-
Year ended 31 March 2021						
Borrowings						
Loans from Related parties	51.45	-	-	-	-	51.45
Other payables	-	-			-	-

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

1.7 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.
For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity

The capital structure was as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Total equity attributable to the equity shareholders of the Company	180.00	180.00
As a percentage of total capital	100%	77.77%
Long term borrowings including current maturities	-	-
Short term borrowings	-	51.45
Total borrowings	-	51.45
As a percentage of total capital	0.00%	22.23%
Total capital (equity and borrowings)	180.00	231.45

1.8 Impact of Covid 19 on Business

As a result of the outbreak of Covid -19 there was a marginal impact on the operations of the Company during the month of March'2020 in view of the lockdown imposed by the Government authorities. The Management of the Company perceives that the operations of the Company will become normal in due course of time and it has adequate resources to remain in operation for the foreseeable future, and have therefore continued to adopt the going concern basis in preparing the financial statements. Based on current estimates the Management expects that there will be no significant impact on the carrying amount of Inventories, Receivables and other financial assets.. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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1.9 Leases

A **Transition Note**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2020, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts which the company has entered into during the year using the modified retrospective method . Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount from the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. The company did not have any Long Term Lease Agreements for the year ended March 31, 2020 and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2021.

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

Particulars	**Category of ROU Assets**
	Premises
Balance as at 1 April 2020	-
Prepayments	-
Additions	162.52
Deletions	-
Balance as at 31 March 2021	**162.52**
Balance as at 1 April 2021	**162.52**
Prepayments	-
Additions	-
Deletions	-
Balance as at 31 March 2022	**162.52**
Accumulated amortisation	
Balance as at 1 April 2020	-
Depreciation charge for the year	8.08
Impairment loss	-
Deletions	-
Balance as at 31 March 2021	**8.08**
Balance as at 1 April 2021	**8.08**
Depreciation charge for the year	16.26
Impairment loss	-
Deletions	-
Balance as at 30 March 2022	**24.34**
Balance as at 31 March 2021	**154.44**
Balance as at 31 March 2022	**138.18**

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

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

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Short- term lease expense	0.04	6.20
Low value lease expense	-	-
Variable lease expense	-	-
Total	**0.04**	**6.20**

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

1.9 Leases(continued)

D Following are the changes in the lease liabilities

Particulars	Lease liabilities
Balance as at 1 April 2020	-
Reclassified on account of adoption of Ind AS 116	-
Additions	161.56
Finance cost accrued during the year	6.28
Deletions	-
Payment of lease liabilities	(10.80)
Balance as at 31 March 2021	**157.04**
Non-current lease liabilities	150.06
Current lease liabilities	6.98
Balance as at 1 April 2021	157.04
Reclassified on account of adoption of Ind AS 116	-
Additions	-
Finance cost accrued during the year	14.62
Deletions	-
Payment of lease liabilities	(21.60)
Balance as at 31 March 2022	**150.06**
Non-current lease liabilities	142.39
Current lease liabilities	7.67

E The following is the cash outflow on leases

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Payment of lease liabilities	21.60	10.80
Interest on lease liabilities	14.62	6.28
Short-term lease expense	0.04	6.20
Low value lease expense	-	-
Variable lease expenses other than short term	-	-
Total cash outflow on leases	**36.26**	**23.28**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	7.67	6.98
1 to 5 years	75.50	55.09
Over 5 years	66.88	87.99

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

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

1.10 Additional Regulatory Information:

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

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

Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Current Assets	66.10	91.77
Current Liabilities	56.22	111.37
Ratio	**1.18**	**0.82**
% Change from previous year	**42.68%**	

Reason for change more than 25%:
This ratio has increased from 0.82 in March 2021 to 1.18 in March 2022 mainly due to repayment of borrowings taken from holding

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

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Total debt	-	66.83
Total equity	163.32	142.44
Ratio	-	**0.47**
% Change from previous year	**N.A**	

Reason for change more than 25%:
This ratio has decreased from 0.47 in March 2021 to nil in March 2022 mainly due to full repayment of borrowings taken from holding

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Profit after tax	**20.62**	**(19.13)**
Add: Non cash operating expenses and finance cost	**57.96**	**43.43**
-Depreciation and amortizations	40.98	31.55
-Finance cost	16.98	11.88
Earnings available for debt services	**78.58**	**24.30**
Interest cost on borrowings	2.36	5.60
Principal repayments	51.45	38.50
Total Interest and principal repayments	**53.81**	**44.10**
Ratio	**1.46**	**0.55**
% Change from previous year	**165.02%**	

Reasons for change more than 25%:
This ratio has increased from 0.55 in March 2021 to 1.46 in March 2022 mainly due to increase in profit for the year.

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

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Net profit after tax	20.62	(19.13)
Equity	163.32	142.44
Ratio	**0.13**	-
% Change from previous year	**N.A**	

Reason for change more than 25%: Not Applicable

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

Ratios as per the Schedule III requirements (Continued)

e) Inventory Turnover Ratio = Cost of goods sold divided by closing inventory

Particulars	As at 31 March 2022	As at 31 March 2021
Cost of goods sold	64.17	44.95
Closing Inventory	7.13	6.36
Inventory Turnover Ratio	**9.00**	**7.07**
% Change from previous year	**27.34%**	

Reason for change more than 25%:
This ratio has increased from 7.07 in March 2021 to 9.00 in March 2022 mainly due to increase volume of sales which in turn increase cost of goods sold.

f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Credit Sales	37.81	22.83
Closing Trade Receivables	10.80	6.40
Ratio	**3.50**	**3.57**
% Change from previous year	**-1.87%**	

Reason for change more than 25%: Not Applicable

g) Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Credit Purchases	64.94	39.77
Closing Trade Payables	39.74	30.52
Ratio	**1.63**	**1.30**
% Change from previous year	**25.40%**	

Reason for change more than 25%: Not Applicable
This ratio has increased from 1.30 in March 2021 to 1.63 in March 2022 mainly due to increase in volume of sales during the year.

h) Net capital Turnover Ratio = Sales divided by Working capital whereas working capital= current assets - current liabilities

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Sales	298.29	189.88
Working Capital	9.88	(19.60)
Ratio	30.19	-
% Change from previous year	**N.A**	

Reason for change more than 25%: Not Applicable

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

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Net profit after tax	20.62	(19.13)
Sales	298.29	189.88
Ratio	0.07	-
% Change from previous year	**N.A**	

Reason for change more than 25%: Not Applicable

Rainbow Speciality Hospitals Pvt. Ltd. ★ Hyderabad

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

Ratios as per the Schedule III requirements (Continued)

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

Particulars	As at 31 March 2022	As at 31 March 2021
Profit before tax (A)	32.16	(26.29)
Finance Costs (B)	16.98	11.88
Other Income (C)	2.13	3.32
EBIT (D) = (A)+(B)-(C)	**47.01**	**(17.73)**
Capital Employed (Pre Cash) (J)=(E)-(F)-(G)-(H)-(I)	**292.97**	**254.62**
Total Assets (E)	363.92	404.51
Current Liabilities (F)	56.22	111.37
Current Investments (G)	-	27.37
Cash and Cash equivalents (H)	14.73	11.15
Bank balances other than cash and cash equivalents (I)	-	-
Ratio (D)/(J)	0.16	-
% Change from previous year	**N.A**	

Reason for change more than 25%: Not Applicable

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

Rainbow Speciality Hospitals Pvt. Ltd. ★ Hyderabad

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

1.11 The financial statements are presented in Rs. millions (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 millions are given below:

Rs. in '000

Note	Description	As at 31 March 2022	As at 31 March 2021
B8	**Short-term provisions**		
	Provision for employee benefits		
	- Gratuity	1.57	1.01
P2	**Other income**		
	Liabilities no longer required written back	0.06	270.00

As per our report of even date attached.

For MAHADEVAN & CO.,
Chartered Accountants
FRN 001925S

MAHADEVAN & CO. Chartered Accountants (FRN.001925S) HYDERABAD

P. Ravindranath Reddy

P.Ravindranath Reddy
Partner
M.No.021149

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

Dr. Ramesh Kancharla
Director
DIN:00212270

Dr.Dinesh Kumar Chirla
Director
DIN: 01395841

R Gowrisankar
Chief Financial Officer

Ashish Kapil
Company Secretary
Membership No.: A31782

Date : 26 May 2022
Place: Hyderabad