



August 24, 2022

National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051.  
Symbol: RAINBOW

BSE Limited  
Corporate Relationship Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001.  
Scrip Code: 543524

**Sub: Submission of Annual Report for the Financial Year 2021-22.**

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2021-22.

We request you to kindly take the same on record.

Thanking You,

Yours Faithfully,

For Rainbow Children's Medicare Limited

**Ashish Kapil**

**Company Secretary and Compliance Officer**



Encl.: As above.

## Rainbow Children's Medicare Limited

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

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

**Hyderabad:** Banjara Hills - 040 22334455 | Secunderabad - 040 42462200 | Kondapur IP - 040 42462400 |  
Kondapur OP - 040 42462100 | Hyder Nagar - 040 42462300 | L B Nagar - 040 71111333

**Vijayawada:** Currency Nagar - 0866 6669666 | Governorpet - 0866 6650250 | **Chennai:** Guindy - 044 40122444

**Bengaluru:** Marathahalli - 080 71112345 | Bannerghatta Road - 080 25512345 | Hebbal - 080 35061555

**Delhi:** Malviya Nagar - 011 66888866 | **Visakhapatnam:** Health City, Chinagadili - 0891 3501601 | Siripuram - 0891 3501555



Nurturing  
**Future**

Integrated Annual Report 2021-2022







## OUR VISION

Our aim at Rainbow Children's Hospitals is to provide high standards of care for the mother, fetus, newborn and children so that none of them is deprived of a tertiary care facility.

## OUR MISSION

The measure of our success is in the number of smiling faces.



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## ABOUT THE REPORT

The report covers all the financial, non-financial, operational and social activities of Rainbow Children’s Medicare Limited, henceforth referred to as Rainbow. The corporate umbrella of Rainbow consists of the Holding and Subsidiary Companies namely - Rainbow, Rainbow Children’s Hospital Private Limited, Rainbow Speciality Hospitals Private Limited, Rainbow Women & Children’s Hospital Private Limited, Rosewalk Healthcare Private Limited, Rainbow C R O Private Limited and Rainbow Fertility Private Limited.

This is the first integrated Annual Report of Rainbow for the financial year ended 31st March 2022. The report is based on the Value Reporting Foundation’s six principles and six capitals along with the Sustainability Accounting Standards Board’s (SASB) sustainability accounting standards for the healthcare delivery companies. The impacts have been further linked to UN’s Sustainability Development Goals. The 6 capitals considered in integrated report are Financial Capital, Manufactured Capital, Human Capital, Intellectual Capital, Relationship Capital and Natural Capital along with the disclosures as per the SASB standards.



# BUSINESS OVERVIEW

## ABOUT US

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Rainbow Children's Medicare Limited is a leading chain of pediatric multi-speciality and obstetrics & gynecology hospitals in India, operating 14 hospitals and three clinics in six cities, with a total bed capacity of 1,500 beds.



## IT TAKES A LOT TO TREAT THE LITTLE

A lot of effort, care and positivity and Rainbow leaves no stone unturned! Basing the operations on this principle, Rainbow started as a paediatric speciality hospital with 50 beds in Hyderabad with a strong clinical expertise and subsequently expanded to multi-speciality, obstetrics and gynaecology.

The leading hospital for children and women commemorates more than two decades of excellence. The core specialities are pediatrics (including new-born and pediatric intensive care), pediatric multi-specialty care, pediatric quaternary care (including organ transplantation); and obstetrics and gynaecology, (including normal and





complex obstetric care, multi-disciplinary fetal care, perinatal genetic and fertility care). In essence, Rainbow Hospitals offers end to end services starting from mother to fetus to new born infant to child.



## FY22 KEY HIGHLIGHTS

**14**

Hospitals

**1500**

Beds Capacity

**640+**

Doctors

**3**

Outpatient Clinics

**5**

States

**6**

Cities

**840K+**

Outpatient Visits

**66K+**

In-patient Admissions

**10.1K+**

ICU Admissions

**4K+**

Surgical Procedures

**12.6K+**

Annual deliveries



# CHAIRMAN'S MESSAGE



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

## Dear Shareholders,

I am delighted to present the first Integrated Annual Report of Rainbow Children's Medicare Ltd (Rainbow) for FY 2021-22. This report captures our unique business model in delivering healthcare services for Children.

FY22 was an eventful year as we successfully completed the IPO and Rainbow was listed as a public limited company on NSE & BSE on 10th May 2022. I welcome the new institutional & retail investors to the Rainbow family of shareholders. I would like to thank the market intermediaries and the Team Rainbow for working assiduously in an uncertain environment to complete the IPO successfully.

During the initial days of my career, I noticed the huge need for quality paediatric healthcare in India. As I garnered experience while working at established paediatric centres in the United Kingdom, like Kings College Hospital and Great Ormond Street for Children Hospital, London, I was convinced that India needed similar advanced paediatric care.

Consequently, I returned to India to set up Rainbow as India's first paediatric multi-speciality hospital and added comprehensive perinatal care in 2007, to address high risk pregnancies and multidisciplinary foetal care.

### Rainbow as an organisation embraces three fundamental principles:

- A multi-disciplinary approach, coupled with technology and an advanced support system to take care of sick children.
- A unique doctor engagement model, with full time 24X7 consultant led service to ensure superior patient outcomes.
- Child centric approach which includes children focused

environment, specifically designed play areas, soothing colour schemes, child safety gadgets and children friendly doctors and medical staff.

Rainbow believes in teamwork across the organisation, starting with doctor engagement to ensure seamless service round the clock. A collaborative approach has been embedded in the hospital culture and we strongly believe in the Aristotelian dictum that the whole can be greater than the sum of the parts. This ideology has been espoused across our 14 hospitals and 3 clinics in 6 cities.

The Hub and Spoke model is now established in Hyderabad and this model is now gradually gaining traction in Bengaluru. Rainbow runs one of the country's largest academic training programmes in the private sector, for DNB in paediatrics and Fellowship programme in paediatric super specialities. Rainbow is an ardent believer in the concept of ESG and has over the years taken the required initiatives and invested time, effort and resources. The results are encouraging with regard to water conservation, reduction in power consumption and we have secured three EDGE certificates.

Notwithstanding the challenging environment in the wake of Covid-19, RCML's consolidated financial & operating performance in FY22 was significantly better as compared to FY21. Revenue for FY22 increased to ₹ 9,737 million (₹ 6,500 million), a growth of 50%. Likewise, operating EBIDTA for FY22 increased to ₹ 3,049 million (₹ 1,628 million), an increase of 87%. Profit after Tax for FY22 increased to ₹ 1,387 million (₹ 396 million), a growth of 250%. Your Board recommended a final dividend of 20% (₹ 2 per equity share) for FY 22.

It is an obvious premise that we need healthy children to strive for a nation

of healthy and productive adults. Hence, we can daresay that children's healthcare is the very foundation of a healthy nation. United States of America has over 250 children's hospitals i.e. one children's hospital for every 20 adult hospitals, and 97% of all children's operations are done in children's hospitals. India is still at a nascent stage in providing paediatric multi-speciality and quaternary care. Rainbow is determined to play its part in building and enhancing access to multi-speciality paediatric care in our country.

We continue to undertake bold and innovative initiatives which we believe will help us scale new peaks in the years to come. We are committed to make Rainbow even more dynamic and robust, especially in paediatric multi-speciality and quaternary care. We plan to add 1000 beds in the next five years mostly in geographies which we currently operate.

I once again, sincerely thank all stakeholders for reposing their unwavering belief in us, during our two decade-long journey and supporting us in reaching new milestones. I wish to communicate that I fervently believe that more exciting times lie ahead for Rainbow, and I urge all the stakeholders continue with me on this journey. I would like to quote the immortal lines of my favourite poet Robert Frost in this regard,

*The woods are lovely, dark and deep,  
But I have promises to keep,  
And miles to go before I sleep.*

Warm regards,

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



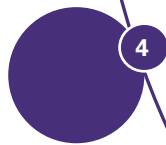
# BUSINESS MODEL

## Focused child centric healthcare network

Widest suite of pediatric, women and perinatal care within dedicated children friendly hospital.



More details on page 18-21



## Unique doctor engagement model

Rainbow has adopted full-time exclusive consultant model.

The striking feature is 24/7 consultant led healthcare delivery.



More details on page 30-31





### Multi-disciplinary approach

Collaborative multi-disciplinary team approach to deliver better clinical outcomes.



More details on page 22-28

### Hub and Spoke model for wider city coverage

The hospital has a hub and spoke model with the largest centre operating as a hub and the remaining centres operating as the spokes. At the hub centre, comprehensive outpatient and inpatient facilities are provided, with a focus on tertiary and quaternary care, and at the spoke centres, secondary care in pediatric, obstetrics and gynaecology and emergency services are taken care of.



More details on page 15



# STRATEGIES & COMPETITIVE ADVANTAGES

## REVIEW OF STRATEGIES AND OUTCOMES

<p>Strategic Priority 1</p> <p><b>Strengthen tertiary and quaternary pediatric services in our existing hospitals</b></p> <p><b>Key Performance Indicator FY22</b></p> <p>Started Organ Transplantation work at our Hyderabad Hub.</p> <p><b>Expected outcomes</b></p> <p>Expanding the Tertiary and Quaternary Care Facility at Bangalore, New Delhi and Chennai Hubs.</p> <p>To commence Pediatric Heart and Lung Transplant Programme at our Hyderabad Heart Centre.</p>	<p>Strategic Priority 2</p> <p><b>Further grow our comprehensive perinatal services offered under “Birthright by Rainbow”</b></p> <p><b>Key Performance Indicator FY22</b></p> <p>Achieved 12,150 deliveries in FY 21 and 12,603 Deliveries in FY 22.</p> <p><b>Expected outcomes</b></p> <p>Comprehensive perinatal care program will be built across all hospitals.</p> <p>Modern offerings coupled with better access and amenities across all hospitals.</p>
<p>Strategic Priority 3</p> <p><b>Grow our presence through hub and spoke networks across key geographic clusters</b></p> <p><b>Key Performance Indicator FY22</b></p> <p>Vikrampuri Spoke Hospital was shifted to a larger building to provide easier access and better ambience to patients.</p> <p><b>Expected outcomes</b></p> <p>In FY23 two spokes i.e. one at OMR Chennai and one at Financial District, Hyderabad will commence operations. We are in the process of commencing 5 more hospitals i.e. two at National Capital Region, one at Bangalore, one at Chennai and one at Hyderabad.</p>	<p>Strategic Priority 4</p> <p><b>Initiatives to drive performance efficiencies</b></p> <p><b>Key Performance Indicator FY22</b></p> <p>Improvements in financial and operating performance.</p> <p><b>Expected outcomes</b></p> <p>Centralized procurement function enables the organization to drive efficiency.</p> <p>All functions are continuously evaluated to drive efficiency in service and improve operating performance.</p>

Strategic Priority 5

### IT infrastructure initiatives Digital

#### Key Performance Indicator FY22

Rainbow embraced digitization in 2015. Now the next phase of digitization is going on to provide timely and efficient service covering larger population.

#### Expected outcomes

Upgradation of HIS to strengthen backend operations.

Investment in robotic process automation to reduce manual errors and improve overall efficiency

Strategic Priority 6

### Digital healthcare initiatives to address patient convenience, operational efficiencies and expand reach

We are implementing new age CRM software for enhanced customer engagement and superior customer experience

New Rainbow Mobile APP and redesigned user friendly website shall be made available



# INVESTMENT RATIONALE

Rainbow's value essentially is in delivering impeccable paediatric healthcare. What started as a paediatric speciality care hospital, has transformed into a comprehensive perinatal care centre addressing the health needs of not only babies and children, but also of pregnant women and new mothers.

One of the largest sectors of Indian economy, both in terms of revenue as well as employment, the healthcare sector has gained utmost importance in the last few months. The pandemic has not only thrown up challenges to this sector, but also bestowed it with immense growth opportunities. And this has created a full-grown mature scenario in the healthcare sector for investments. For hospitals, the "value" that gets delivered to the customers, in this case the patients, is a measurable deliverable and a tool of determining the success and growth of the hospital.

## Market Factors

**Demographics of India** – A large chunk of the Indian population is children, who would be the country's future workforce. Thus, India offers a large addressable paediatric market.

**Indian healthcare industry** – Very few multi speciality paediatric hospital chains in India are conceptualizing and focussing on children's health requirements.

**Urbanization** – Increasing urbanization, along with growing awareness of health issues amongst parents is leading to increased dependency on healthcare service providers for early diagnosis and treatment.

**Insurance** – Growing health insurance penetration to propel demand for paediatrics and neonatal care.

## Focused on Child Centric Healthcare

**Comprehensive perinatal care provider, with synergies between pediatric and obstetrics and gynaecology services** – Very few hospitals provide end-to-end services for women and children in terms of facilities right from conception, through delivery of the baby, into his/her childhood till adolescence – in effect a one stop centre. In fact, Rainbow operational model corresponds to global quality standards, which is helping the group grow by 20% CAGR Y-O-Y for the last five years.

## Multi-Disciplinary Approach

**Strong clinical expertise** – in managing complex diseases in almost all specialities including paediatric cardiology, paediatric neurology, paediatric nephrology, paediatric oncology to name a few, and a strong weightage assigned to critical care.

## Maintaining Operational Edge

**Hub and Spoke business model** – This business model provides an edge to capture the patient base within a radius of few kilometres from the hub hospital. This model provides comprehensive and accessible paediatric as well as perinatal services. Also, it has helped migrate from a single secondary care hospital to an established provider of tertiary and quaternary care services.

**Asset Light Model** – Rainbow operates an asset light approach, with minimal debt, delivering strong operational as well as financial performance.

**Initiatives to drive performance efficiencies** - The fundamental mission of the group is to optimise the cost of healthcare delivery so as to make it affordable for patients and simultaneously contribute to the growth in its profitability. This requires a streamlining of the procurement processes by focusing on

- Centralized and standardized procurement of medical equipment, consumables and pharmaceuticals
- Leveraging the scale of operations for more economical sourcing
- Using technology to have real time visibility, assess supplier performance and access other relevant information.

## Uniqueness in Management of Medical Talent

**Doctor Fulltime Engagement Model** – Rainbow hospital has a proven doctor engagement model with round the clock health services.

**Ability to maintain high standards of workforce** – Sustaining experienced professionals like doctors, nurses and the extended team is very critical for continued growth of operations.

## Eye On Growth

**Bed Capacity** – Rainbow has recorded a multi fold increase in the number of beds from 50 in 1999 to 1500 in 2022, representing a CAGR of 16.7%. The number of hospitals has risen from 1 to 14 over the same period. There has been a tremendous increase in bed capacity of the hospital units since 2017. A total of 780 beds were added in the last five fiscals across eight new centres.

**Brownfield investments** – Further, the hospital has expansion plans for seven hospitals and intends to increase the number of hospitals in the next three fiscals in the existing cities (Hyderabad, Bengaluru, Chennai and NCR), wherein the premises for these proposed hospitals are expected to be finalised soon.

**Greenfield Investments** – The group also aims for expansion through development of greenfield assets. There is a dedicated in-house team that looks exclusively into capital expenditure procurement and project, and to supplement it, there is a network of selected vendors like architects and project management consultants.

**Digital healthcare initiatives** – The digital focus is to provide customized healthcare services as well as to digitize the whole hospital experience. The “Rainbow Children’s Hospital” mobile application is one of the core aspects of the digital strategy, which would be soon driven by an AI-enabled content management engine. Thus, there is potential to establish a hybrid model of healthcare delivery, with virtual outpatient consultations and subsequent inpatient admissions, if needed, at the network hospitals.

## Best in Class Execution Record

**Asset development** – This has led to an increase in the number of centres across South India. The hospital, as on today, has fourteen centres traversing all of South India and National Capital Region.

**Progressive operational and financial performance** – Among the key players in the maternity and pediatric healthcare delivery sector, Rainbow had the highest number of hospital beds, as of 2022. Further, amongst these players, Rainbow also had the highest operating income and RoCE.

**Experienced senior management team with strong institutional shareholder support** –

A highly skilled and experienced senior management / leadership team has been the engine driving a strong performance and credible long –term investor like CDC Group Plc has provided a strong and stable support for growth.

## ESG in the DNA

**Corporate governance policies** – This is the backbone of Rainbow’s operations. The management team ensures adherence to medical protocols, standards for strong corporate governance appropriate to the size and nature of the business and quality assurance and control systems.

**Focus on ESG – EDGE Certification** – In 2018, Rainbow became the first hospital in South Asia to achieve the IFC’s EDGE certification for green buildings. EDGE enables significant saving on power and water consumption, responsible waste management and minimal greenhouse gases emission thus reducing energy bills.

**NABH Certification** – Seven of Rainbow’s hospitals are certified with the Indian quality seal of the National Accreditation Board of Hospitals (NABH), which supports best practice in medical and patient care; two more hospitals are actively pursuing for NABH accreditation.

**JCI Certification** – Rainbow fertility centre. Kondapur is India’s first fertility centre to be accredited by JCI.



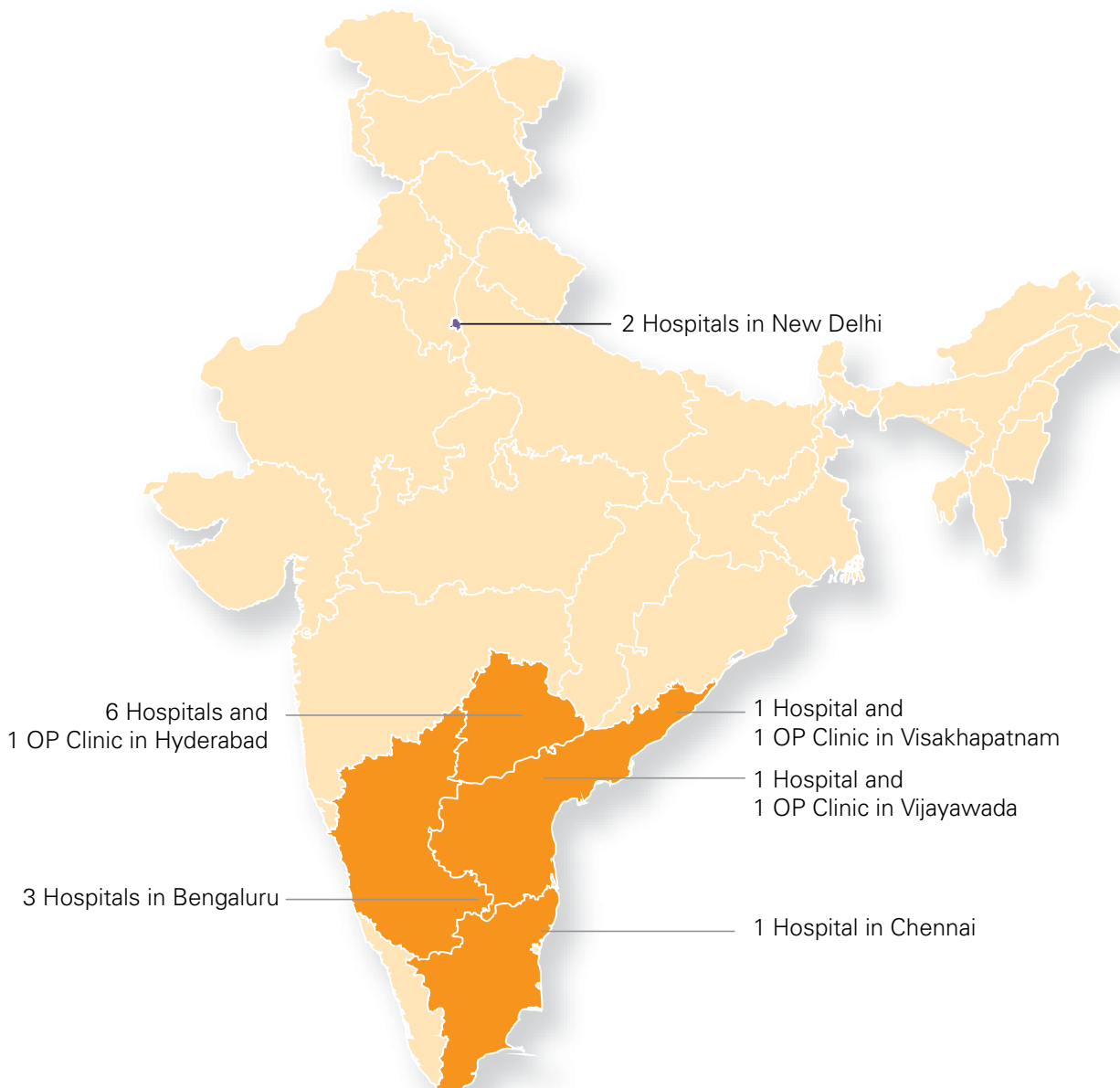
# MANUFACTURED CAPITAL

UN SDG Linkage



Rainbow takes pride in being one of the leading corporate pediatric hospitals in India with fourteen hospitals and three outpatient clinics spanning six cities, namely, Hyderabad, Vijayawada, Bengaluru, Delhi, Chennai and Visakhapatnam.

The first pediatric speciality was established in 1999 on Children’s Day in Hyderabad, under the able leadership of its Founding Promoter, Dr. Ramesh Kancharla. Rainbow has fourteen hospitals and three clinics in six cities, out of which, seven hospitals are accredited by NABH (National Accreditation Board for Hospitals & Healthcare Providers), two in the process of obtaining NABH certification, one clinic is accredited by JCI and three hospitals are certified by EDGE (Excellence in Design for Greater Efficiencies) by GBCI (Green Business Certification Inc, USA).

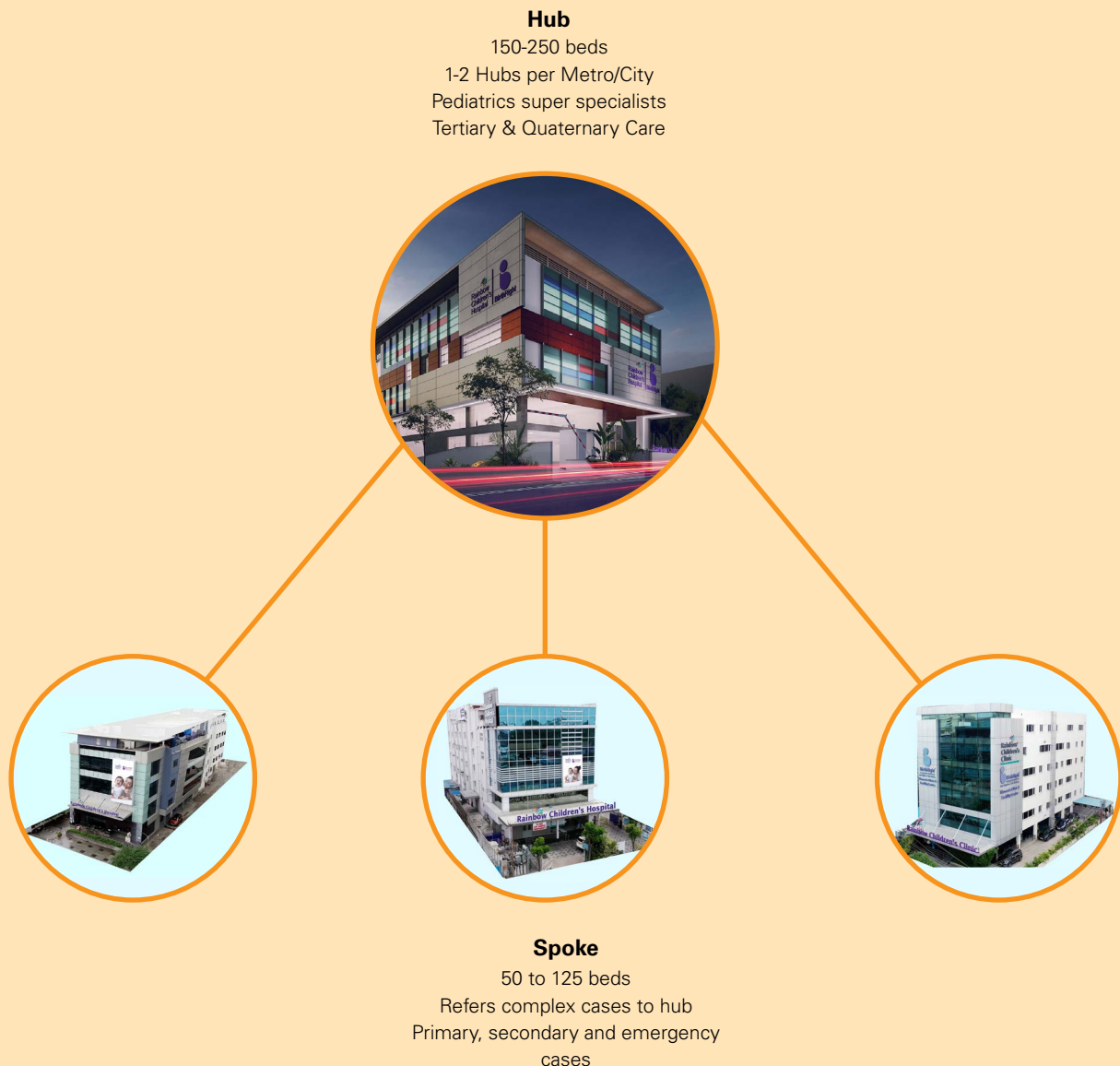


## CITY LEVEL HUB AND SPOKE MODEL

Hub-and-spoke model has been proven to be the efficient when it comes to Rainbow. This model has been implemented at Hyderabad, with Banjara Hills hospital (comprising 250 beds) being the hub and that is complemented by four spokes at four locations in Hyderabad, namely Secunderabad, LB Nagar, Kondapur and Hydernagar.

At the hub hospital, comprehensive outpatient and inpatient care is provided, with a focus on tertiary and quaternary care and at the spokes, secondary care in pediatric, obstetrics and gynaecology and emergency services are provided.

A similar hub-and-spoke model has been implemented in Bengaluru as well. Going forward, the hub and spoke model would be implemented more extensively in Bengaluru, and also replicated in Chennai and New Delhi-NCR, by adding more spoke centres, where currently there are only the hub hospitals.



# RAINBOW HOSPITALS

## HOSPITALS IN HYDERABAD



**Rainbow Children's Hospital & Birthright, Banjara Hills.**

Year of Establishment: 1999

**250**  
Beds



**Rainbow Children's Heart Institute, Banjara Hills**

Year of Establishment: 2019

**110**  
Beds



**Rainbow Children's Hospital & Birthright, Vikramপুরi.**

Year of Establishment: 2007

**110**  
Beds



**Rainbow Children's Hospital & Birthright and Outpatient Clinic, Kondapur**

Year of Establishment: 2013

**50**  
Beds



**Rainbow Children's Hospital & Birthright, Hydernagar**

Year of Establishment: 2014

**110**  
Beds



**Rainbow Children's Hospital & Birthright, LB Nagar**

Year of Establishment: 2016

**100**  
Beds

## HOSPITALS IN BENGALURU



**Rainbow Children's Hospital & Birthright, Marathahalli**

Year of Establishment: 2015

**200**  
Beds



**Rainbow Children's Hospital & Birthright, Bannerghatta Road**

Year of Establishment: 2016

**102**  
Beds



**Rainbow Children's Hospital & Birthright, Hebbal**

Year of Establishment: 2020

**50**  
Beds



## HOSPITALS IN VIJAYAWADA AND VISAKHAPATNAM



**Rainbow Children's Hospital & Birthright, Currency Nagar, Vijayawada**

Year of Establishment: 2007

**130**

Beds



**Rainbow Children's Hospital & Birthright, Health City, Visakhapatnam**

Year of Establishment: 2020

**129**

Beds

## HOSPITALS IN CHENNAI



**Rainbow Children's Hospital & Birthright, Guindy, Chennai**

Year of Establishment: 2018

**135**

Beds

## HOSPITALS IN DELHI



**Rosewalk, by Rainbow Hospitals**

Year of Establishment: 2019

**24**

Beds



**Madhukar Rainbow Children's Hospital & Birthright**

Year of Establishment: 2017

**130**

Beds

### Highlights



**7**

NABH Certified Hospitals



**3**

Edge Certified Hospitals



Rainbow's fertility facility in Hyderabad has become the first standalone infertility facility in India to get JCI accreditation.

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## CHILD CARE

Rainbow offers a comprehensive set of services for children, right from birth through their growing years into adolescence. The services range from treatment of minor injuries and ailments to critical care to pediatric surgeries (in multi-disciplinary specialities). It also caters to vaccination and immunization programmes, healthcare, wellness and nutrition education and preventive healthcare through awareness programmes. Other facilities include pre-natal consultations to 24x7 emergency services.

With cutting edge technology, contemporary facilities and trend setting practices, Rainbow is at the forefront in providing care for children, thus ensuring a healthy, safe future of the nation.

Rainbow offers Children Safety Programmes, which are consultation programmes for parents to help overcome the challenge of common accidents that occur at home, like choking, burns, bleeding, bumps, falls, poisoning, and others. Through these programmes, risks of these accidents are pre-identified and hence

chances of occurrence are reduced. The next step of the programme is to help provide first aid to children in the most scientific way, if at all any accident occurs.

This program is best suited for parents of children under 5 years as well as expectant parents.

### General Pediatrics

The General Pediatrics Department at Rainbow is one of the largest Department at Rainbow taking care of secondary care. The department provides wide range of treatments including acute and seasonal illnesses, fevers, supports school and community health program, developmental screening, injury and injury prevention, chronic fatigue syndrome, chronic diseases like Diabetes, Asthma and Obesity etc

### Neonatal Intensive Care

The neonatal intensive care unit (NICU) at Rainbow is one of the most advanced intensive care in the country. We provide level 4 NICU care at hub hospitals and level 3 NICU care at spoke hospitals.

We have dedicated team of specialist doctors, nurses and para-medical staff and latest equipment to care of premature and sick newborn babies.

### Pediatric Intensive Care

Pediatric Intensive Care Unit at Rainbow is one of the most advanced intensive care units in the country that treats critically ill children. With a team of inhouse Pediatric Intensivists available 24/7, supported by full-time Pediatric Subspecialist Consultants, advanced ventilation modalities, and advanced organ support system, the PICU delivers the best outcomes for critically ill children and children with complex problems.

### Vaccination

Vaccination services (for all the mandatory vaccines in the Immunization Schedule prescribed by the National Immunization Schedule) are available in all of Rainbow Hospitals. The make and brands of the vaccines used at all the centres are at par with International Standards and comply with the schedules of most of the countries and regions.



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# HEART INSTITUTE



**Rainbow Children's Heart Institute is one of the largest of its kind in India**

Rainbow Children's Heart Institute is an exclusive heart centre to provide the most comprehensive treatment for children with congenital and other cardiac issues. Backed by the expertise of Rainbow Children's Hospital and driven by a formidable team of cardiac experts, RCHI offers the best available cardiac care treatments for children

## 110

Beds

## 1,012+

Cardiac Surgeries

## 938

cardiac catheterization procedures

## ~22.5K+

Pediatric Outpatient since 2019

## 7,107

Fetal echocardiography scans



At Rainbow Children's Hospital, the team believes that there's nothing more precious than a child's heart. The team of expert Pediatric Cardiologists provide complete care to children with severe heart ailments. The Advanced Congenital Cardiovascular Care Unit, Pediatric and Neonatal Intensive Care Unit are equipped to provide consistent attention to both in-patients and out-patients.

### Our expertise lies in:

#### Pediatric Cardiology:

- Arrhythmias
- Kawasaki Disease
- Aortic Aneurysm And Dissection
- Pacemaker
- Chest Pain
- Pulmonary Hypertension
- Congenital Heart Disease
- Hypertension
- Congestive Heart Failure
- Fetal Echocardiogram
- Fetal Cardiac Interventions
- Cath Lab

#### Cardiothoracic Surgery:

- ASD Surgery
- VSD Surgery
- Arterial Switch Operation
- TAPVC Repair
- TOF - Intra Cardiac Repair
- Fontan Surgery
- COA Surgery Repair
- Heart Failure and Heart Transplant Services



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# WOMEN CARE



Rainbow provides women care services at its hospitals under the brand called "BirthRight." Under BirthRight highly specialized maternity and perinatal care is provided, with the aim of achieving safe delivery and healthy babies.

Exceptionally qualified and well trained medical professionals monitor the various stages of pregnancy through constant observation and evaluation. Expectant and new mothers are given care and counselling and rendered immediate medical assistance in case of complicated or high-risk childbirths. Encompassing both obstetrics and gynaecology, Rainbow utilizes the latest technologies and resources to identify and treat "high risk" conditions of the foetuses and the mothers-to-be to ensure safe pregnancies and minimize risks due to congenital diseases and/or complications. Monitoring of the mothers' and the foetuses' health conditions, including fetal ultrasounds, nuchal translucency screenings, non-stress tests and other tests

and screenings is possible due to advanced technologies.

Rainbow has the knowledge and the know-how to manage challenging situations that may arise before, during, and after pregnancy and childbirth, such as amniotic fluid embolism, postpartum haemorrhage, placental abruption, placenta previa, severe pre-eclampsia and high-risk pregnancy. The physicians, obstetricians, neonatologists and neonatal nurse practitioners are on-site 24 hours a day and seven days a week with a support team of pediatric and maternal critical care specialists to ensure immediate care to both mothers and babies when needed. The obstetrics services also feature NICUs that are capable of treating premature new-borns with low birth weight and with birth defects or other complications. The conventional obstetric services include regular health assessment, laboratory tests, ultrasound examinations, physical and intelligence assessments and new-born care consultation. After the baby is born, the mother's and baby's

health are closely monitored to ensure smooth recovery. Ancillary services such as pelvic floor rehabilitation, postnatal care and breastfeeding support are also extended to, which are beyond the traditional scope of obstetrics practice at most hospitals.

## Fetal Medicine

Rainbow hospitals also have this unique offering of detecting cardiac anomalies in pregnancies, and this offering is not just for the group hospitals, but also for other hospitals.

### The other offerings include:

- Targeted imaging for Fetal Anomalies (TIFFA Scan)
- Chromosome screening
- Prenatal testing and diagnosis
- Pediatric Fetal growth assessments and well-being
- Fetal therapies like intra-uterine transfusions, laser interstitial ablations etc

### In addition to the above, sessions and services for the under mentioned cases are also provided for:

- Childbirth preparation classes
- Pre pregnancy health check up
- Women check up
- Breastfeeding counselling
- Breast care services
- Minimally invasive surgeries
- Menopausal treatment
- Nutritional counselling
- Diabetology services
- Urogynaecology treatment
- Polycystic ovary syndrome
- Treatment of Sexually transmitted diseases



# 12.6K+

Deliveries in FY22

Manufactured Capital

## FERTILITY CARE

With every step of progress, comes a cost associated with it. Ancient human civilization defined the role of women restricted to household and family. But with developing society, emerging opportunities and globalisation, the traditional role of women in the society has been drastically transformed, and the repercussions include stressful lifestyles, late marriages, unhealthy food habits, alcoholism to name a few. The associated price that people pay is infertility. Infertility also is caused due to some medical factors and sometimes some unknown factors inspite of investigations.

Rainbow addresses fertility issues in women in a systematic way, taking into consideration that every infertility case is different with different causes. So, the treatment is personalised and based on widely based factors

applicable to the individual. The female fertility team consists of sonologists, embryologists, endocrine laboratory team, gynaecologists, counsellors, medical officers, nursing staff, IVF lab team, expert andrology lab team, and pharmacy team, working in a dedicated and cohesive manner to deliver the best possible outcomes.

BirthRight Fertility by Rainbow is India's premier fertility care facility providing a range of investigations & consultative services to understand, assess and diagnose a couple's fertility issues. Understanding the causes of fertility and understanding them early provides a greater chance of being able to find a treatment and help the couple conceive. Rainbow's fertility facility in Hyderabad has become the first standalone infertility facility in India to get JCI accreditation.

**The various lines of treatments available at Rainbow Hospitals for fertility issues are as follows:**

- Intrauterine insemination (IUI)
- In vitro Fertilization (IVF)
- Ovulation Induction
- Intracytoplasmic Sperm Injection (ICSI)
- Intracytoplasmic Morphologically selected Sperm Injection (IMSI)
- Assisted Hatching
- Cryopreservation
- Sperm Donor Treatments
- Frozen Embryo Transfer
- Surgical Sperm Retrieval
- Oocyte Donor Treatment
- Embryo Donor Treatment



Manufactured Capital

# CAPABILITY MATRIX

## General Pediatrics



The department of General Pediatrics is one of the largest at Rainbow Hospitals. It is involved with diagnosis and medical care.

- Family support Immunizations
- Treating acute and seasonal illnesses
- Evaluation of children with fevers
- School and community health program
- Adolescent clinics
- Developmental screening
- Injury and injury prevention
- Chronic fatigue syndrome
- Treating special children and youth with special needs
- Injury prevention
- Treatment of Chronic diseases like Diabetes, Asthma and Obesity etc.

## Pediatric Intensive Care Unit



All the ICUs have latest generation ventilators, nitric oxide delivery units, and high-frequency oscillators. There are HEPA filters and special air handling units for maintaining bacteria-free air circulation. It has a specially dedicated infection control team and equipments to monitor and manage the children like the latest generation multi-channel cardiac monitors, intracranial pressure monitoring equipment, in-house 2D echo, continuous EEG monitoring, ultrasound machines, haemodialysis machines, etc.

- Pediatric neurocritical care services
- CRRT, plasmapheresis, peritoneal dialysis, haemodialysis
- Pediatric trauma and poison
- Bedside EEG Monitoring
- Treatment of critically ill children with seasonal and acute illness
- Acute kidney, liver failure pediatric cases
- Encephalopathy and status epilepticus cases
- Pediatric ECMO Services
- Pediatric burns
- Pediatric therapies



## Department of Neonatology



We have a team of neonatologists working round the clock to render high-quality care for the conditions like

- Care of preterm babies with very low birth weight and extreme low birth weight
- New born emergency transports
- Care of sick new-borns including treatment of sepsis, birth asphyxia, neonatal seizures and respiratory distress
- Advanced ventilation including HFOV
- Inhale nitric oxygen therapy
- Neonatal surgical services
- Neonatal metabolic and genetic services
- Therapeutic cooling for children with asphyxia, bedside EEG monitoring
- Neonatal cardiology services
- Total parental nutrition
- Bedside patent ductus arteriosus (PDA) ligation
- Development supportive and kangaroo mother care
- High-risk follow-up clinic
- Retinopathy of prematurity (ROP) clinic
- Neonatal hearing screening

## Pediatric Neurology



The neurological department consists of a team for pediatric neurology, allied services, and neuro rehabilitation. It provides comprehensive care to children with developmental, behavioural, and neurological problems. With state-of-the-art facilities, research-based testing methods and world-class doctors, it is possible to render high-quality care for the most complex conditions like

- Childhood epilepsy and Febrile seizures
- Autism spectrum disorders
- Muscular neuropathy and dystrophy
- ADHD and sleep problems
- Headaches including concussions and migraines
- Developmental disorders
- Traumatic Brain Injury (TBI)
- Stroke
- Congenital malformations
- Congenital birth defects affecting the spinal cord and the brain like spina bifida
- Brain tumors
- Inflammation or infections of the brain
- Autoimmune problems such as multiple sclerosis
- Genetic conditions affecting the nervous system
- Abnormal mental development, learning disabilities and speech disabilities
- Head injuries and the complications they accompany
- Palliative and hospice medicine
- Hydrocephalus (fluid build-up in the brain)
- Vascular neurology

Manufactured Capital

# CAPABILITY MATRIX

## Department of Pediatric Nephrology



The department is equipped to deal with all types of renal issues including the common nephrotic syndrome, kidney syndrome as well as rare problems of congenital metabolism.

- Acute kidney injury
- Acute nephritis
- Childhood hypertension (high BP)
- Chronic renal failure
- Developmental abnormalities of the kidneys
- Haematuria (blood in urine)
- Hereditary nephropathy
- Nephrotic syndrome (protein leakage through the kidneys)
- Pyelonephritis
- Renal calculi (kidney stones)
- Renal tubular disorder leading to acid-base and electrolyte disturbances
- Renal vasculitis
- Urogenital abnormalities and their surgical management
- Urinary tract infections (UTI)
- Vitamin D refractory Rickets

## Department of Pediatric Surgery



The Department of Pediatric Surgery includes Pediatric Urology and Pediatric Minimal Invasive Surgery. Ever since its inception, excellence in surgical care is of a high priority at Rainbow, with adapting to most recent surgical advances in child care. The highly trained surgeons and nurses are able to perform a broad range of general and highly specialized surgical procedures to ensure that the child has the best possible chance of recovery – with least incisions and trauma. Following conditions are taken care of:

- Neonatal surgeries
- Minimal invasive surgeries
- Pediatric urology
- Bronchoscopy
- Thoracoscopy repair
- Hepato-biliary surgeries
- Plastic surgery
- Cleft lip palate
- Burns patients

## Department of Pediatric Gastroenterology



This department is concerned with gastro intestinal conditions. We also help with liver transplant evaluation, diagnosis and management of childhood mobility disorders, and nutritional support.

- Bleeding in the gastrointestinal tract
- Liver disease
- Chronic or severe diarrhoea
- Food intolerances or allergies
- Liver Transplant
- Short bowel syndrome
- Inflammatory bowel disease
- Severe or complex gastroesophageal reflux disease (GERD)
- Acute or severe abdominal pain
- Chronic constipation
- Liver disease
- Feeding disorder
- Pancreatic insufficiency
- Pancreatitis
- Cystic fibrosis
- Nutritional problems such as obesity, malnutrition and failure to thrive
- Lactose intolerance

## Department of Haematology, Oncology and Bone Marrow Transplant



The trained and well experienced team of doctors and nurses deal with children suffering from cancer and other blood disorders and help children face central lines and chemotherapy. Rainbow has a dedicated Bone Marrow Transplant unit (BMTU) where stem cell transportation is done for treating conditions like blood cancer, bone marrow failure syndrome, Thalassemia, etc.

- Acute leukemia (blood cancer)
- Neuroblastoma
- Lymphomas (lymph node cancer)
- Brain tumour
- Germ cell tumour
- Wilms tumour (from the kidney)
- Osteosarcoma (from bone)
- Ewing's sarcoma
- Rhabdomyosarcomas
- Hepatoblastoma (liver-related)
- Soft tissue sarcomas
- Refractory anaemias including remitting relapsing autoimmune haemolytic anaemias requiring Rituximab
- Chronic Immune Thrombocytopenia (ITP) that needs second-line medications like Rituximab
- Hemoglobinopathies
- Nutritional anaemia
- Other inherited anaemia
- Aplastic anaemia (requiring immunosuppressive therapy along with Cyclosporine (CSA) and Antithymocyte Globulin (ATG))



Manufactured Capital

# CAPABILITY MATRIX

## Department of Orthopaedics



The team comprises well-trained and experienced specialists committed to providing the highest level of medical care as well as a holistic approach to musculoskeletal disorders

- Arthroscopic surgeries
- Ligament reconstructions
- Fracture care
- Hammertoe repair
- Bunionectomy
- Cartilage surgery to the knee
- Resurfacing procedures
- Repair of torn tendons and ligaments
- Spine surgery including laminectomy, spinal fusion, foraminotomy and discectomy
- Advanced external fixation
- Minimally invasive surgery
- Use of bone-fusing protein and bone graft substitutes
- Hyalu-ronic acid injections for helping get rid of arthritis pain
- Corticosteroid injections into tendons, ligaments, and joints, and near the spine
- Amputation

## Department of Pediatric ENT



Serious and severe ear, nose and throat issues arise in newborns too. Severe breathing problems are a part of such issues. If they are not diagnosed and treated on time, the criticality can advance even further. Rainbow Children's Hospital provides exclusive Pediatric ENT & Cochlear Implantation and advanced Implant Otological services. It has been catering to the most critical cases in this field.

The team's expertise lies in diagnosing the problem and identifying if it can be fixed through medicines or needs to be treated surgically. The ENT and Cochlear Implantation team at Rainbow has treated many complex cases successfully.

- Cochlear implantation
- Reconstruction for airway obstruction
- Airway balloon dilation
- Audiological services
- Rehabilitation services
- Postoperative care
- Family Resource Center

## Department of Pediatric Cardiology and Cardiac Sciences



Cardiology is an important part of Intensive care services, both PICU and NICU. All the emergency cases are dealt with round-the-clock by a team of committed and qualified professionals

- Arrhythmias
- Kawasaki disease
- Aortic aneurysm and dissection
- Marfan syndrome
- Aortic and Pulmonary Stenosis
- Pulmonary Atresia
- Pericarditis
- Atrial Septal Defect
- Cardiomyopathy
- Bacterial endocarditis
- Atrioventricular canal
- Patent ductus arteriosus
- Cholesterol
- Tetralogy of Fallot
- Berlin heart
- Syncope
- Chest wall deformities
- Rheumatic heart disease
- Ventricula
- Heart murmurs
- Total anomalous pulmonary venous
- Coarctation of the aorta
- Truncus arteriosus
- Transposition of the great arteries
- Tricuspid atresia
- Hypoplastic left heart syndrome
- Pacemaker
- Chest pain
- Pulmonary hypertension
- Congenital heart disease
- Hypertension
- Congestive heart failure
- Fetal Echo cardiogram
- Fetal cardiac interventions
- Cath lab

## Department of Pulmonology & Allergy



With advanced diagnostic techniques, Rainbow can identify the cause behind the respiratory disease and manage acute as well as long-term respiratory conditions through our evidence-based and up-to-date treatments. We use innovative technologies and techniques for treating pulmonary issues in kids such as

- Asthma
- Eczema (atopic dermatitis)
- Hay fever (allergic rhinitis)
- Hives (welts, urticaria)
- Sinusitis
- Reactions to insect stings, medications or foods (anaphylaxis)
- Immune disorders
- Severe, unusual infection
- Recurring abscesses and thrush
- Frequent pneumonia, diarrhea, and sinusitis
- Difficulty in breathing
- Chronic cough
- Noisy breathing
- Chronic lung disease
- Lung infection
- Chronic respiratory failure
- Aspiration
- Recurring pneumonia
- Sleep apnea
- Conditions requiring special equipment for monitoring and breathing at home
- Cystic fibrosis

Manufactured Capital

# CAPABILITY MATRIX

## Other Departments

- Department of Pediatric and Metabolic Medicine
- Department of Pediatric Ophthalmology
- Department of Pediatric Dermatology
- Department of Pediatric Rheumatology
- Department of Pediatric Infectious Disease
- Department of Child Psychology
- Department of Psychiatry
- Department of Developmental and Behavioural Pediatrics
- Department of Dentistry
- Department of Endocrinology

## Extended Services

- Children's nutrition
- Anaesthesia & Pain Management
- Physiotherapy and Rehabilitation
- Laboratory Services
- Speech and Language Therapy
- Occupational Therapy
- Cochlear Implant
- Cranio Maxillofacial Surgery

### Vaccination

Vaccination services (for all the mandatory vaccines in the Immunization Schedule prescribed by the National Immunization Schedule) are available in all Rainbow Hospitals. The make and brands of the vaccines used at all the centres are at par with International Standards and comply with the schedules of most of the countries and regions.

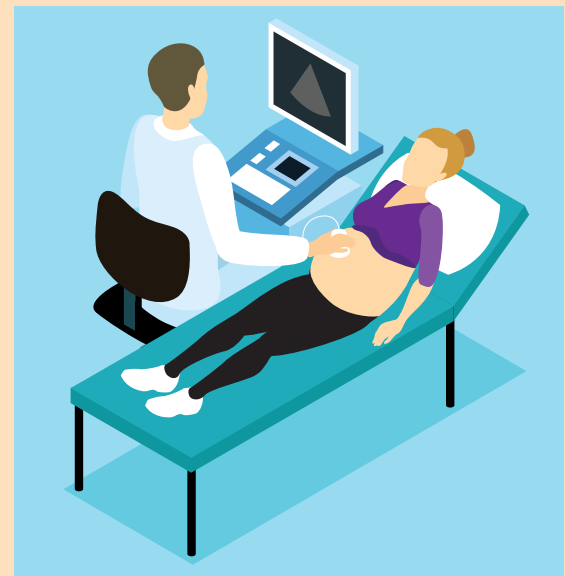


### Fetal Medicine:

Rainbow hospitals also have this unique offering of detecting cardiac anomalies in pregnancies, and this offering is not just for the group hospitals, but also for other hospitals.

#### The other offerings include:

- Targeted imaging for Fetal Anomalies (TIFFA Scan)
- Chromosome screening
- Prenatal testing and diagnosis
- Pediatric Fetal growth assessments and well-being
- Fetal therapies like intra-uterine transfusions, laser interstitial ablations etc





# MANUFACTURED CAPITAL - KEY OUTCOMES IN FY22

## Performance Highlights

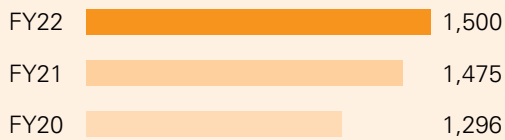
**840<sub>k</sub>**  
Outpatient visits

**12.6<sub>k</sub>**  
Deliveries annually

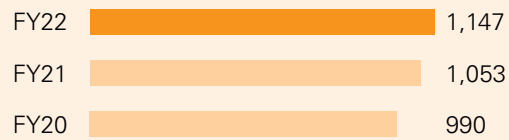
**10.1<sub>k</sub>**  
ICU admissions

**4<sub>k</sub>**  
Surgical procedures

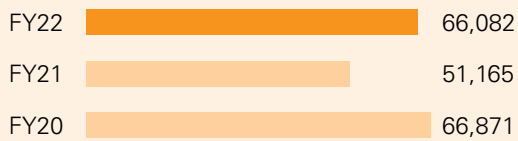
### Capacity Beds (Nos)



### Operational Beds (Nos)



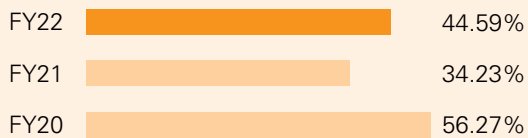
### IP volume



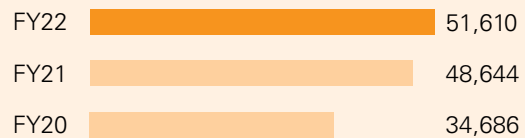
### OP volume



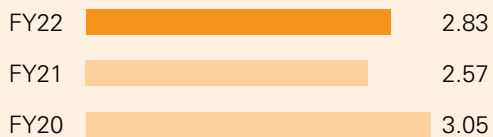
### Occupancy



### ARPOB (INR per day)



### ALOS (# days)



# PEOPLE CAPITAL

UN SDG Linkage



As the country's leading paediatric hospital with global benchmarks, it is critical for the hospital to attract, retain, and engage high-calibre medical and non-medical professionals. Since the hospital's inception, the engagement model of medical professionals, supported by an experienced team of paramedics, patient care groups, and an administrative team, has been a key component in its transformation.

## Power to attract, train and retain high-caliber medical professionals

One of the major challenges in any industry is the lack of appropriate man power. For hospitals, trained medical professionals are the pillars of sustenance. The existence of well-trained doctors, nurses and their team is critical, and it depends on sourcing, training and retaining them. Factors such as reputed brand, offering highly professional and rewarding work environment, time to time training for self-development and overall alluring career opportunity assist Rainbow in this endeavour.

## Recognized DNB Examination and Training Centre

Rainbow is also recognized by DNB as an examination and training centre for offering training in pediatrics, neonatology, pediatric intensive care, pediatric subspecialties, obstetrics and gynaecology. The candidates trained at Rainbow during DNB are absorbed into the Rainbow Clinical team and will work following the Rainbow protocols from day one.

Rainbow also provides an excellent academic environment with scope for research. It helps publish significant number of research papers in medical journals both nationally and internationally.

## Experienced Senior Management Team with Strong Institutional Shareholder Support

Senior management being more activists and interventionists, are going beyond the dimension of their standard functions. At Rainbow too, a highly experienced and involved senior management team has been the contributory factor to a strong past performance and will be so for the future strategical growth plan. Exclusive focus on patient care along with impeccable corporate governance policies is the backbone of Rainbow's operations. The senior clinical team comprises of stalwarts in the field of pediatric medicine, with international training and/or experiences, strong clinical expertise, with the ability to frame medical protocols, setting up standards for governance and quality assurance and control systems and with valuable managerial experiences.

## Doctor Engagement Model

The doctor engagement model employed lets the specialist doctors work full time, in the hospitals with retainership. The doctors have no private or home clinics and are completely associated with Rainbow, with a night on-call commitment. As per this model, the specialists are available 24x7 on a rotation basis, which is very crucial for pediatric, neo natal and obstetrics. This also provides stability in the career of the medical professionals, leading to a high doctor retention rate. The doctors work together in speciality teams and not independently or in silos, resulting in better outcomes.

## ESOPs/Equity Shares to Doctors

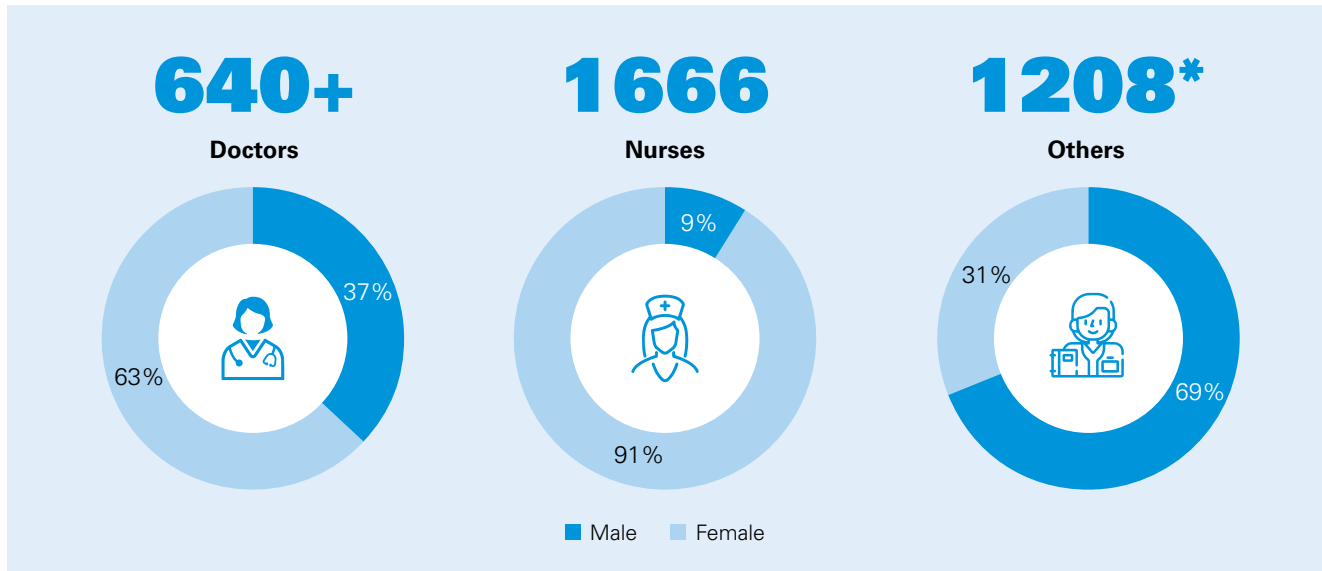
Rainbow has a ESOP plan for the employees who are contributing to its growth. 100 plus doctors collectively own considerable equity capital of the company.

## The Doctor Engagement Model Consists of:

### Outstanding professional capabilities

- A number of doctors trained or possess qualifications from the UK, USA, Canada, Australia
- Modern infrastructure and clinical back-up to provide quality care

## Human Resources & Diversity



\*Including



## Age Diversity



### Best in class training programme

- Recognised as MRCPCH Examination Centre
- Recognised as training center by National Board of Examinations
- Leading training program in India approved by National Board of Examinations

### Enriching career development

- Retainer/Support in beginning years
- Multidisciplinary approach to create comprehensive clinical environment
- Opportunities to learn and grow in the Rainbow network





UN SDG Linkage

# INTELLECTUAL CAPITAL



Intellectual capital with respect to the unique knowledge management of pediatric hospitals, clinical expertise, and specialized trainings are the key intellectual advantages of the Hospital.



## Ability to conceptualize, create and operate specialized children’s hospitals

The child centric approach adopted in Rainbow hospitals makes the atmosphere suitable for quicker treatment of and recovery from severe or prolonged illnesses. At all premises, substantial emphasis is given to the right ambience – which includes vibrant and visually appealing, bright interiors, designated children play area, and miscellaneous entertainment in the patient rooms.

Our medical fraternity also focusses on the emotional and psychological aspects of children, mellowness and gentleness manifested in all lines of interaction with the young patients. This approach is the biggest strength of the group.

## Comprehensive perinatal care provider, with synergies between pediatric and obstetrics and gynaecology services

CRISIL research indicates that the pediatric healthcare model followed

in the US is the benchmark medical care wherein the children hospitals admit pregnant women into their facilities, due to high-risk pregnancies, emphasizing the need for integrated mother child treatment. CRISIL also points out that in India, the number of such players is limited, and Rainbow model corresponds to the global one.

From inception till now, the focus has evolved and migrated beyond pediatric care to encompass the entire perinatal ecosystem. Thus, the brand was leveraged to expand from the already well-established pediatrics department into gynaecology and obstetrics, making it cost effective and seamless one stop health destination for families.

### The obstetrics and gynaecology services include

- Comprehensive perinatal service
- 24/7 Obstetrics, anaesthesia, blood bank
- Maternity ICU

### Whereas the pediatric services include

- 24\*7 full spectrum of Pediatric multi-speciality cover with level 4 NICU care (Level 4 NICU provides the highest level of neonatal care and are required to have pediatric surgical subspecialists, in addition to the doctors and staff required for the functioning of the base levels of NICU.)

The seamless and complementary synergies between the two departments enable better utilisation of resources and infrastructure as well as help in brand strengthening and brand empowerment.

**A sneak peek into the academic and research-oriented features**

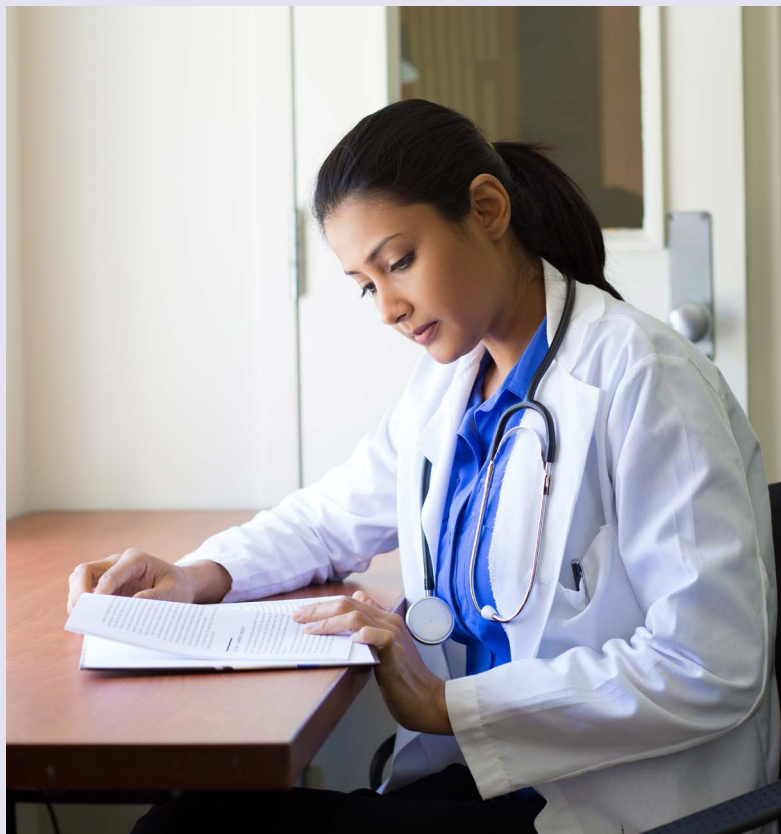
- Rainbow runs one of the largest pediatric DNB training programs in country in private healthcare.
- It has 200+ trainee doctors pursuing DNB, postgraduate and other fellowship program in Rainbow network.
- Some of the key programs include DNB – Pediatrics, neonatology, pediatric intensive care, DNB – Obstetrics & Gynaecology and FNB – Pediatric Hemato-oncology and Gastroenterology, postdoctoral fellowship programs for IAP & NNF in neonatology, pediatric critical care and pediatric neurology.
- Rainbow doctors have been regularly publishing their research papers in peer reviewed national and international journals and have published 115 research papers since 2019.
- Rainbow is a regular partner in conducting national and international medical conferences.

**200+**

Trainee doctors pursuing DNB and other PG/fellowship programs

**115+**

Research paper since 2019



**Awards**



The best standalone pediatrics hospital in India by The WEEK



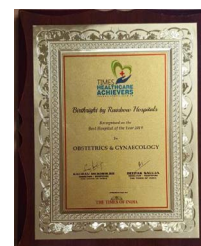
The Healthcare Leadership Award at Karnataka Healthcare Leadership Awards



Three times continuously certified as a great workplace by Great Place to Work Institute, India



Ranked number three in Fertility & IVF category (Multi-Speciality Hospital) in Hyderabad by Times Excellence Award



The best hospital of the year 2019 in obstetrics and gynecology award at Times Healthcare Achievers

Intellectual Capital

# MANAGING COMPLEX DISEASES

## Strong clinical expertise in managing complex diseases

Rainbow is India's largest multi-specialty pediatric care provider, based on hospital beds, as of March 31, 2022. It has its wings spread out across specialities such as pediatric cardiology, pediatric neurology, pediatric nephrology, pediatric oncology to name a few. One third of the operational beds are dedicated to critical care. Advanced neonatal and pediatric intensive care (NICU/PICU) is the forte. Multi-specialty tertiary intensive care is provided at the hub hospitals, making the group one of the very few standalone pediatric multi-specialty hospital chain in India.



### New-born and Paediatric Emergency Air transport services – Critically ill pre-term baby with life threatening infection survived

Our team started from Hyderabad to Raipur on August 18, 2021 by the air ambulance that was equipped with a portable transport incubator which has inbuilt ventilator, monitors, ICU equipment and medications. After reaching the referral hospital we assessed the baby's clinical condition. We successfully shifted the baby on breathing support to our hospital in Hyderabad without any deterioration of the baby. Baby continued to receive critical care, antibiotics were adjusted, blood products (as per need) and immune boosting proteins to improve continuously falling platelets were given. The baby improved gradually. Blood infection cleared and baby started growing. Baby was discharged after a three week treatment.



### Rainbow Children's Hospital at the forefront; performs a Rare Gene Therapy

3 year boy suffering from Spinal Muscular Atrophy (SMA) was given ZOLGENSMA an injection on June 9, 2021, at Rainbow Children's Hospital, Secunderabad, under the supervision of Dr. Ramesh Konanki, Consultant Pediatric Neurologist. ZOLGENSMA is the world's most expensive drug, currently not available in India.





**Ex utero Intrapartum Treatment (EXIT) Procedure for a Fetal Neck Mass.**

The baby had huge mass encircling the windpipe which would have resulted in difficulty in breathing post birth. So, a complicated surgery was performed right at birth where a Team of Obstetrician & Gynecologist, Neonatologist, Pediatric surgeon, ENT Surgeon and Anesthesia specialist conducted a complicated Breathing pipe (tracheostomy) before baby's complete delivery.



**First Neonatal Hemodialysis Banjara Hills**

A newborn boy who was transferred to our hospital on day 3 with seizure, encephalopathy, renal failure, high ammonia level. This baby was diagnosed to have urea cycle defect, a rare genetics disease. Baby was initially treated with peritoneal dialysis, however as baby did not show response, hemodialysis was planned. In India neonatal hemodialysis is not available in majority neonatal facilities. Our Neonatal Intensive care team and nephrologist for the first time did this challenging neonatal treatment after which baby started improving.



**Amid Corona Crisis, baby got new lease of life after complex heart surgery**

3 day old baby, suffering with a very complex heart problem called Hypo plastic Left Heart Syndrome (HLHS), was having difficulty in breathing and was on ventilator before its arrival at our hospital. The left side of the heart which pumps blood and the vessels, was very small. Emergency open heart surgery, known as Norwood procedure, was done on April 19, 2020. This is one of the most difficult surgeries which very few centers in India are able to do. After the surgery, baby was kept in ICU for 9 days for recovery. The baby recovered well and went home.

# FINANCIAL CAPITAL

UN SDG Linkage



## Robust growth, operational and financial performance

For hospitals, the majority of the revenue inflow is from the In-Patient Department (IPD), which in turn is based on the number of beds. The primary infrastructural element to be measured is the number of beds. Rainbow has recorded a multi fold increase in the number of beds from 50 beds in one hospital in FY1999 to 1500 beds in 14 hospitals in FY2022.

### Discussion on Consolidated Financial Performance

The following paragraphs discusses the financial performance for the year ended March 31, 2022 in comparison with the previous year ended March 31, 2021.

#### Revenues

Operating revenue stood at ₹ 9,738 million in FY22, as against ₹ 6,500 million in FY21, with an increase of 50%.

**Key drivers of the increase in revenue are as follows:**

	UoM	As at 31.3.2022	As at 31.3.2021	Change
Hospitals	No.	14	14	-
Outpatient clinics	No.	3	3	-
Operational bed capacity	No.	1,500	1,475	1.7%
Occupancy	No.	44.59%	34.23%	30%
Outpatient visits	No.	840,000	624,111	34.6%
Inpatient admissions	No.	66,082	51,165	29.2%
Average length of stay (ALOS)	No. of days	2.83	2.57	10.1%
Average revenue per operating bed (ARPOB)	Rupees	51,610	48,644	6.1%

Other income increased 85% from ₹ 103 million to ₹ 189 million. The increase is contributed by interest and dividend received on investment of surplus funds.

#### Expenses

##### Medical consumables and pharmacy items:

These items costed ₹ 1,947 million in FY22, 88.6% over ₹ 1,033 million in previous year. The increase is mainly in line with higher revenue and partially due to increase in cost of supplies.

##### Employee benefits expense:

Salaries and benefits expense of ₹ 1,161 million in FY22 increased by 13.7% to ₹ 1,021 in FY21. This increase is mainly due to higher number of employees and annual increments.

##### Finance costs:

The financial costs increased to ₹ 532 million in FY22 during 2021, compared to ₹ 441 million in FY21. The increase of

20.7% is largely due to increase in interest expenses on lease liabilities

##### Depreciation and amortization:

The depreciation and amortization expense increased to ₹ 833 million from ₹ 733 million as a result of addition in fixed assets.

##### Other expenses:

Other expenses grew by 270% to ₹ 3,581 million in FY22 from ₹ 2,819 in FY21. Professional fees to doctors increased due to growth in business to ₹ 2,038 million in FY22, vs ₹ 1,595 million in FY21. However, as a % of operating revenue professional fees reduced from 24.5% of operating revenue during FY21. Increase in professional fees on account of increase in business when the payment to doctors are proportionately increased.

Other factors that contributed to increase in other expenses include Business promotion, Contract wages, Canteen expenses, Power and fuel, etc. In line with the increase in business.

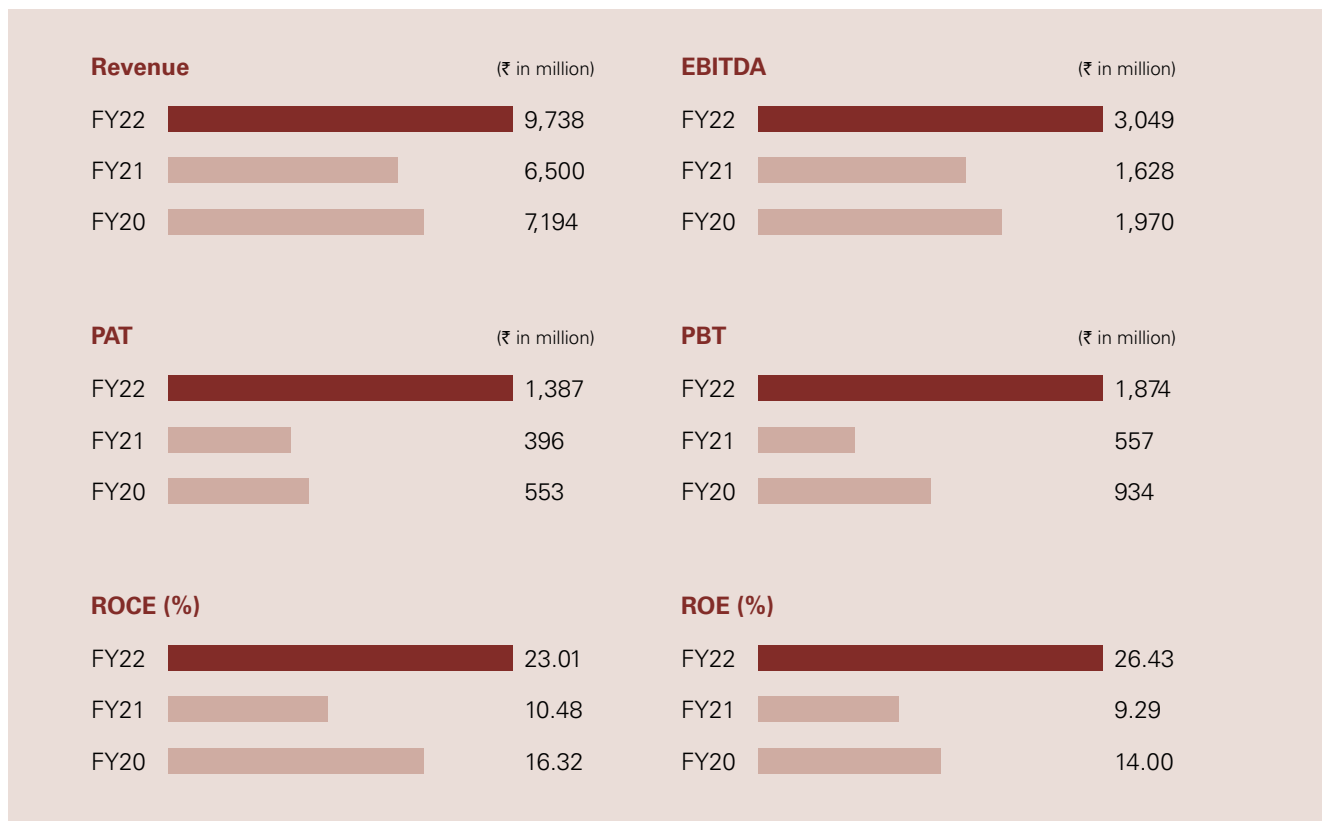
**Key Financial Ratios**

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

Return on Equity increased from 9.29% in FY21 to 26.43% in FY22.

Similarly, Return on Capital Employed increased from 10.48% in FY21 to 23.01% in FY22.

**Financial Performance Highlights**





# NATURAL & RELATIONSHIP CAPITAL

## An Overview of SASB – NABH linkage

Environment, social and relationship capital is ingrained in our business model. The hospital apart from its core philosophy with a focus on a children-centric approach has various management practices and follows guidelines like NABH and Edge for ensuring quality. The following is a matrix linking the hospital's social, environment and quality aspects as per NABH standards with the prescribed healthcare delivery reporting framework of SASB (Sustainability Accounting Standards Board).

	SASB Standard	NABH Equivalent if any
<b>Energy</b>	<b>HC-DY-130a.1.</b> (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	<b>FMS-2</b> The organisation's environment and facilities operate in a planned manner and promotes environmental friendly measures
<b>GHG emissions</b>	DG Emissions	<b>FMS2.g.</b> The organisation takes initiatives towards an energy efficient and environmental friendly hospital.
<b>Waste Management</b>	<b>HC-DY-150a.1.</b> Total amount of medical waste, percentage (a) incinerated, (b)recycled or treated, and (c) landfilled	<b>HIC 4.d</b> Biomedical waste is handled appropriately and safely Documented policies procedure are in place  <b>FMS 3-d.</b> There is a procedure which addresses the identification and disposal of condemned material(s) not in use in the organization FMS2 , HIC 1
	<b>HC-DY-150a.2.</b> Total amount of: (1) hazardous and (2) non-hazardous pharmaceutical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	<b>HIC 4.d</b> Biomedical waste is handled appropriately and safely Documented policies procedure are in place  <b>FMS2</b> The organisation's environment and facilities operate in a planned manner and promotes environmental friendly measures  <b>HIC 1. FMS4.h</b> Written guidance supports equipment replacement, identification of unwanted material and disposal  <b>FMS3.e</b> Hazardous materials are identified and used safely within the organisation  <b>FMS3.f</b> The plan for managing spills of hazardous materials is implemented.

UN SDG Linkage



	SASB Standard	NABH Equivalent if any
<b>Patient Privacy / Health Records</b>	<b>HC-DY-230a.1.</b> Percentage of patient records that are Electronic Health Records (EHR) that meet "meaningful use" requirements	<p><b>IMS 1</b> Information needs of the patients, visitors, staff, management and external agencies are met</p> <p><b>IMS 2</b> The organisation has processes in place for management and control of data and information</p> <p><b>IMS 3</b> The patients cared for by the organisation have a complete and accurate medical records.</p> <p><b>IMS6</b></p>
	<b>HC-DY-230a.2.</b> Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII)	<p><b>IMS 2</b> The organisation has processes in place for the management and control of data and information.</p> <p><b>IMS 5</b> The organisation maintains confidentiality, integrity and security of records, data and information</p>
	<b>HC-DY-230a.3.</b> (1) Number of data breaches, (2) percentage involving (a) personally, identifiable information (PII) only and (b) protected health information (PHI), (3) number of customers affected in each category, (a) PII only and (b) PHI	Nil
	<b>HC-DY-230a.4.</b> Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	Nil
<b>Insurance</b>	<b>HC-DY-240a.1.</b> Discussion of strategy to manage the mix of patient insurance Status.	7 of the Rainbow branches are NABH. NABH is mandatory for health insurance claim
<b>TPS</b>	<b>HC-DY-250a.1.</b> Average Hospital Value-Based Purchasing Total Performance Score and domain score, across all facilities	Not applicable in India
<b>Serious Events</b>	<b>HC-DY-250a.2.</b> Number of Serious Reportable Events (SREs) as defined by the National Quality Forum (NQF)	PSQ 1 – the organization implements a structured safety programme

# ENVIRONMENT SCORECARD FY22

**342,673** Units

6 solar rooftop installations across facilities of the Rainbow Medicare group achieved energy generation of 342,673 units in a year, equivalent to ₹ 3.4 million

**3,110** tons

Reduction achieved of net carbon equivalent by way of both energy savings and using renewable energies

**30** Million Litres

Water Saved in a year which is equivalent to 18.5% total water consumption

**2,805,250** Units

Energy saved through energy conservation methods. Equivalent to 17.5% of total energy consumption

**₹ 28** Million

Energy savings across units at Hyderabad, Bengaluru, Chennai, Vijayawada and Delhi through various energy optimization activities like using renewable energies, upgrade/replacement of equipment





# MATERIALITY MATRIX

## CUSTOMERS/ PATIENTS

Customers for a hospital are the people receiving treatment – the patients. Medical help provided by the hospital for the patients can be diagnosis and/or treatment. Patients can either be out-patients or in-patients.

<p><b>Stakeholder Interests</b></p> <ul style="list-style-type: none"> <li>➤ Timely availability of services</li> <li>➤ Quality/efficiency of service</li> <li>➤ Cost effectiveness</li> <li>➤ Innovation in services/ products</li> <li>➤ Hygiene in environment</li> <li>➤ Patient data privacy (restrict personal data use/shred documents)</li> </ul>	<p><b>Stakeholder Engagement, Mode and Frequency</b></p> <ul style="list-style-type: none"> <li>➤ CRM</li> <li>➤ Daily/weekly/monthly Or Continuous monitoring based on feedback system depending on the nature of stakeholder engagement</li> <li>➤ Responding to feedback</li> <li>➤ Website &amp; Social media</li> <li>➤ Company's PRO</li> <li>➤ Customer support desk</li> <li>➤ Patient feedback system</li> <li>➤ Patient satisfaction survey</li> </ul>	<p><b>Basis of Evaluation of Material Management</b></p> <ul style="list-style-type: none"> <li>➤ Positive feedback</li> <li>➤ Complaints/Constructive feedback with regards to price and quality</li> <li>➤ Patients' downtime</li> <li>➤ Success rate of treatments/ procedures</li> <li>➤ Repeat patients</li> </ul>
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## EMPLOYEES

The employees of the hospital comprise of both medical and non-medical staff. The medical staff consists of the consultant doctors, specialists, dieticians, nurses, assistants and technicians. Apart from this, housekeepers and allied healthcare service providers form the non-medical staff.

<p><b>Stakeholder Interests</b></p> <ul style="list-style-type: none"> <li>➤ Training and development</li> <li>➤ Employee perks</li> <li>➤ Special benefits</li> <li>➤ Social events</li> <li>➤ Job security</li> </ul>	<p><b>Stakeholder Engagement, Mode and Frequency</b></p> <ul style="list-style-type: none"> <li>➤ Performance evaluation &amp; appraisal</li> <li>➤ Rewards and recognition</li> <li>➤ Grievance redressal</li> <li>➤ Occupational hazard safety</li> <li>➤ Employee forums</li> <li>➤ Trainings</li> <li>➤ Sponsored employee trips</li> <li>➤ Life/Medical insurance</li> <li>➤ Employee survey</li> <li>➤ Employee suggestions</li> </ul>	<p><b>Basis of Evaluation of Material Management</b></p> <ul style="list-style-type: none"> <li>➤ Positive feedback</li> <li>➤ Complaints/Constructive feedback</li> <li>➤ Employee retention</li> <li>➤ Certification as great place to work</li> </ul>
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# MATERIALITY MATRIX

## INVESTORS

Investors consist of institutional as well as retail investors. With respect to investors, the objective of the organisation is to create long terms sustainable financial value. Investors apart from seeking RoI also expect the company they invested in to function sustainably

Stakeholder Interests	Stakeholder Engagement, Mode and Frequency	Basis of Evaluation of Material Management
<ul style="list-style-type: none"> <li>➤ Financial performance</li> <li>➤ Operational performance</li> <li>➤ Corporate governance</li> <li>➤ Management Strategies and outcomes</li> <li>➤ Dividends</li> </ul>	<ul style="list-style-type: none"> <li>➤ Information provided about financial and operational management</li> <li>➤ Company IR website</li> <li>➤ Annual general meeting</li> <li>➤ Quarterly and annual presentations and earning calls</li> <li>➤ Announcements to stock exchanges</li> <li>➤ IR communication in digital formats</li> </ul>	<ul style="list-style-type: none"> <li>➤ Management meetings</li> <li>➤ Internal controls</li> <li>➤ Investor complaints</li> </ul>

## SUPPLIERS

Managing the supply chain of the hospital is crucial to ensure smooth management of the hospital operations. Supplies of medicine & consumables, hospital equipments and instruments have to be timely, adequate and of uncompromised quality. Reliable vendors with access to the latest technology are a necessity for the hospital to have cost-effective and efficient processes.

Stakeholder Interests	Stakeholder Engagement, Mode and Frequency	Basis of Evaluation of Material Management
<ul style="list-style-type: none"> <li>➤ Number of orders</li> <li>➤ Competitive pricing</li> <li>➤ Consistency of orders</li> <li>➤ Timelines</li> <li>➤ Payment methods</li> <li>➤ Other terms and conditions of delivery</li> </ul>	<ul style="list-style-type: none"> <li>➤ Procurement policy</li> <li>➤ Purchase committee</li> <li>➤ Logistics committee</li> <li>➤ Print media</li> <li>➤ Regular meetings between supplier and the committee</li> <li>➤ Meetings of suppliers and management</li> <li>➤ Timely payments</li> <li>➤ Transparent processes</li> <li>➤ Negotiations</li> <li>➤ Measuring deliverables</li> </ul>	<ul style="list-style-type: none"> <li>➤ Positive feedback</li> <li>➤ Complaints/Constructive feedback</li> <li>➤ Credit period</li> <li>➤ Stock out percentage</li> <li>➤ Timely delivery</li> <li>➤ Repeat purchase percentage</li> </ul>

## GOVERNMENT

It is mandatory for hospitals to abide by the laws of the state and central governments. Adherence to laws, rules, regulations, and other legal procedures is mandatory to prevent patient abuse, ensure patient security and provision of quality care to patients.

<p><b>Stakeholder Interests</b></p> <ul style="list-style-type: none"> <li>➤ Legal compliance</li> <li>➤ Regulatory compliance</li> <li>➤ Healthcare for all</li> </ul>	<p><b>Stakeholder Engagement, Mode and Frequency</b></p> <ul style="list-style-type: none"> <li>➤ Compliance department within the company</li> <li>➤ Press release</li> <li>➤ Compliance with drugs and healthcare norms with regulations</li> <li>➤ Filing of returns</li> <li>➤ Report submissions</li> <li>➤ Compliance to ESG</li> </ul>	<p><b>Basis of Evaluation of Material Management</b></p> <ul style="list-style-type: none"> <li>➤ Number of litigations</li> <li>➤ Non-compliance penalty if any</li> <li>➤ Inspection by the regulatory bodies</li> </ul>
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## SOCIETY

One of the fundamental requirements of a society is a robust and accessible healthcare system. Playing a strategic role in the health and development of the society, hospitals should be able to appropriately diagnose and treat and if possible, prevent spread of diseases.

<p><b>Stakeholder Interests</b></p> <ul style="list-style-type: none"> <li>➤ Analysis of health needs of the society</li> <li>➤ Identifying the gap between demand and supply</li> <li>➤ Prevention of illnesses</li> <li>➤ Need for private practitioners and hospitals to work cohesively</li> </ul>	<p><b>Stakeholder Engagement, Mode and Frequency</b></p> <ul style="list-style-type: none"> <li>➤ Social media</li> <li>➤ CSR</li> <li>➤ Community building sessions</li> <li>➤ Awareness campaigns</li> <li>➤ Health surveys</li> <li>➤ Discussions on medical issues</li> <li>➤ Press conferences</li> <li>➤ Health talks and camps</li> <li>➤ Fulfilling health requirements</li> </ul>	<p><b>Basis of Evaluation of Material Management</b></p> <ul style="list-style-type: none"> <li>➤ Positive feedback</li> <li>➤ Complaints/Constructive feedback</li> <li>➤ Number of attendees for public events</li> <li>➤ Responses on social media</li> </ul>
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# BOARD OF DIRECTORS



## Dr. Ramesh Kancharla

Chairman and Managing Director

He holds a Bachelor of Medicine and Bachelor of Surgery (“MBBS”) from Sri Venkateswara University and a Doctor in Medicine (“MD”) in paediatrics from Mangalore University. He is a member of the Royal Colleges of Physicians of the United Kingdom. He has over 23 years of experience with our Company. Prior to setting up our Company, he was associated with King’s College Hospital, where he completed his specialist training in paediatric gastroenterology, hepatology and nutrition. He is awarded with the Lifetime Achiever of the Year in Pediatric Gastroenterology & Hepatology by Times of India in the year 2017 and the award for the best healthcare professional at the Telangana’s Best Healthcare Professional Awards, 2017. In 2018 he was awarded the Entrepreneur of the Year award by the Sakshi Media Group.



## Dr. Dinesh Kumar Chirla

Whole-time Director

He holds a MBBS degree from Marathwada University, Doctor of Medicine in paediatrics from Dr. Babasaheb Ambedkar Marathwada University, Doctor of Medicine in Neonatology from the University of Mumbai. He is a member of the Royal College of Paediatrics and Child Health, London. He is on the Specialist Register in Neonatology at the Specialist Training Authority of the Medical Royal Colleges, London and was a fellow in Neonatology at Mercy Hospital for Women. He was also a Clinical Fellow (Specialist Registrar) in the Paediatric Intensive Care Unit at the United Bristol Healthcare NHS Trust. He has over 18 years of experience in the healthcare industry. He is elected as a Fellow of National Neonatology Forum and is awarded with the Best Paediatric Neonatologist at “The Doctors Awards – 2019, Doctors The Living Gods.”



## Mr. Aluri Srinivasa Rao

Independent Director

He was appointed to our Board on March 15, 2019. He holds a Bachelor of Pharmacy (Honours) from the Birla Institute of Technology & Science, Pilani, and a Master of Business Administration (“MBA”) from Osmania University, Hyderabad. He has completed Global Executive Leadership Program from Yale School of Management and has completed Master of Science in Management from University of London, London Business School. He has over 22 years of experience. He has worked at Natco Pharma Limited in several capacities. He has also headed the operations as the Managing Director at Morgan Stanley Private Equity Asia and has also worked at ICICI Venture. He also serves as a member of the Board of several pharmaceutical companies like Medisys Eductech Private Limited, Qunu Labs Private Limited, Janaadhar (India) Private Limited.



### Board Committee Indications:

- Audit Committee
- Risk Management Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- CSR Committee
- Chairperson





**Prof. Anil Dhawan**

Independent Director

He was appointed to our Board on August 30, 2018. He has passed his MBBS exam from the Himachal Pradesh University and has been awarded with the Shri Devi Chand Memorial Gold Medal and the Dr. Kranti Mohan Sharma Memorial Prize for securing first position in MBBS. He also holds a degree of MD in paediatrics from the Post Graduate Institute of Medical Education and Research (PGIMER), Chandigarh. He passed the examination of Educational Commission for Foreign Medical Graduates. He has over 25 years of experience in the Healthcare Industry. He worked as paediatric hepatologist at Kings College Hospital, London UK. Presently, He is director of Paediatric Liver GI and Nutrition Kings College Hospital, London UK.



**Ms. Sundari R. Pisupati**

Independent Director

She was appointed to our Board on September 16, 2021. She holds a Bachelor of Laws degree from the The National Law School of India University, Bangalore, where she was the university topper and gold medallist. She also holds a Masters in Law degree from Columbia University School of Law, New York. She is a licensed lawyer in New York and India. She has over 27 years of experience as a lawyer in India and is qualified to practice in the USA and has handled a variety of large corporate and commercial transactions involving domestic and international clients. She advises companies in various industry verticals such as information technology, financial services, domestic and international funds, angel funds, venture capital, infrastructure, biotechnology and pharmaceutical companies among others. She has been enlisted in the Legal Powerlist 2020 as one of the Top Individual Lawyers and has also received the Certificate of Excellence under “25 Most Trusted Corporate Legal Consultant to Watch in 2019” by Startup City.



**Mr. Santanu Mukherjee**

Independent Director

He was appointed to our Board on October 22, 2021. He holds a Bachelor of Science (Honours) degree from the Presidency College, University of Calcutta. He is a certified associate of the Indian Institute of Bankers. He has over 37 years of experience in the banking sector. He was the Managing Director of State Bank of Hyderabad and also headed French operations of State Bank of India in Paris. He also worked in various important positions in Banks. He is a member of the Board of Governors of the Institute of Management Technology, Hyderabad. He is also serving on the boards of various reputed companies, including Bandhan Bank Limited, Muthoot Housing Finance Company Limited, Seven Life Sciences Limited, etc.



**Board Committee Indications:**

- Audit Committee
- Risk Management Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- CSR Committee
- C Chairperson

# CORPORATE INFORMATION

## Board of Directors

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

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

**Mr. Aluri Srinivasa Rao**  
Independent Director

**Prof. Anil Dhawan**  
Independent Director

**Mr. Santanu Mukherjee**  
Independent Director

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

## Chief Financial Officer

**Mr. R Gowrisankar**

## Company Secretary & Compliance Officer

**Mr. Ashish Kapil**

## Statutory Auditors

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

## Secretarial Auditor

**M/s. BS & Company Company Secretaries LLP**

## Internal Auditors

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

## Registered Office

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

## Corporate Office

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

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

## Registrar and Share Transfer Agent

M/s. Kfin Technologies Limited

# MANAGEMENT DISCUSSION AND ANALYSIS

## ASSESSMENT OF INDIA'S HOSPITAL MARKET

### The Indian Healthcare delivery market is estimated to reach ~ ₹ 5 trillion in the financial year 2022

CRISIL Research estimates the Indian healthcare delivery market to reach ₹ 5 trillion in value terms by the end of the financial year 2022, with growth being contributed by low base and the pent-up demand from deferred treatments in the financial year 2021. A potential upside is also expected from COVID-19 treatments, especially for hospitals where occupancies were typically on the lower side. Within the overall healthcare delivery market, the IPD is expected to account for nearly 70% (in value terms), while the balance is to be catered by the OPD. Though in terms of volumes, OPD volumes outweigh IPD volumes, with the latter contributing to the bulk of the revenues to healthcare facilities.

As opposed to the financial year 2021, whilst government investments in the sector to combat the COVID-19 pandemic via temporary establishments had gained prominence, and private hospitals saw revenue erosion owing to travel restrictions, the private sector is expected to complement the role of the government in the financial year 2022 early on.

### Healthcare delivery industry to grow 15-17% over next four years

With renewed impetus from PMJAY and government focus shifting onto healthcare sector, the healthcare delivery market is expected to grow at 15-17% compounded annual growth rate (CAGR) and reach ₹ 7.67 trillion in the financial year 2025.

### Government policies to improve healthcare coverage

The government has raised its healthcare budget for the financial year 2022 to ₹ 712.7 billion, although the incremental allocation in the financial years 2021 and 2022 is more for COVID-19 related expenditure (emergency aid and

vaccination drive). Nonetheless, the focus seems to have shifted from curative aspect to preventive health and well-being under the ambit of holistic healthcare. The long-term goal is to raise its healthcare spending to 2.5% of GDP by 2025 under the National Health policy 2017 from the current 1.3% of GDP.

### Rising income levels to make quality healthcare services more affordable

Though healthcare is considered a non-discretionary expense, considering that approximately 83% of households in India had an annual income of less than ₹ 0.2 million in the financial year 2012, affordability of quality healthcare facilities remains a major constraint.

Growth in household incomes and, consequently, disposable incomes, are critical to the overall growth in demand for healthcare delivery services in India. The share of households falling in the income bracket above ₹ 0.2 million is expected to increase to 35% in the financial year 2022 from 23% in the financial year 2017. They provide a potential target segment (with more paying capacity) for hospitals

### Increasing health awareness to boost hospitalization rate

Majority of healthcare enterprises in India are more concentrated in urban areas. With increasing urbanization (migration of population from rural to urban areas), awareness among the general populace regarding presence and availability of healthcare services for both preventive and curative care is expected to increase.

CRISIL Research therefore believes that the hospitalization rate for in-patient treatment as well as walk-in out-patients will improve with increased urbanization and increasing literacy.

### Key Growth Drivers of Healthcare Delivery Industry

A combination of economic and demographic factors is expected to drive healthcare demand in India. CRISIL Research believes the PMJAY scheme launched by the Government would also support these drivers.

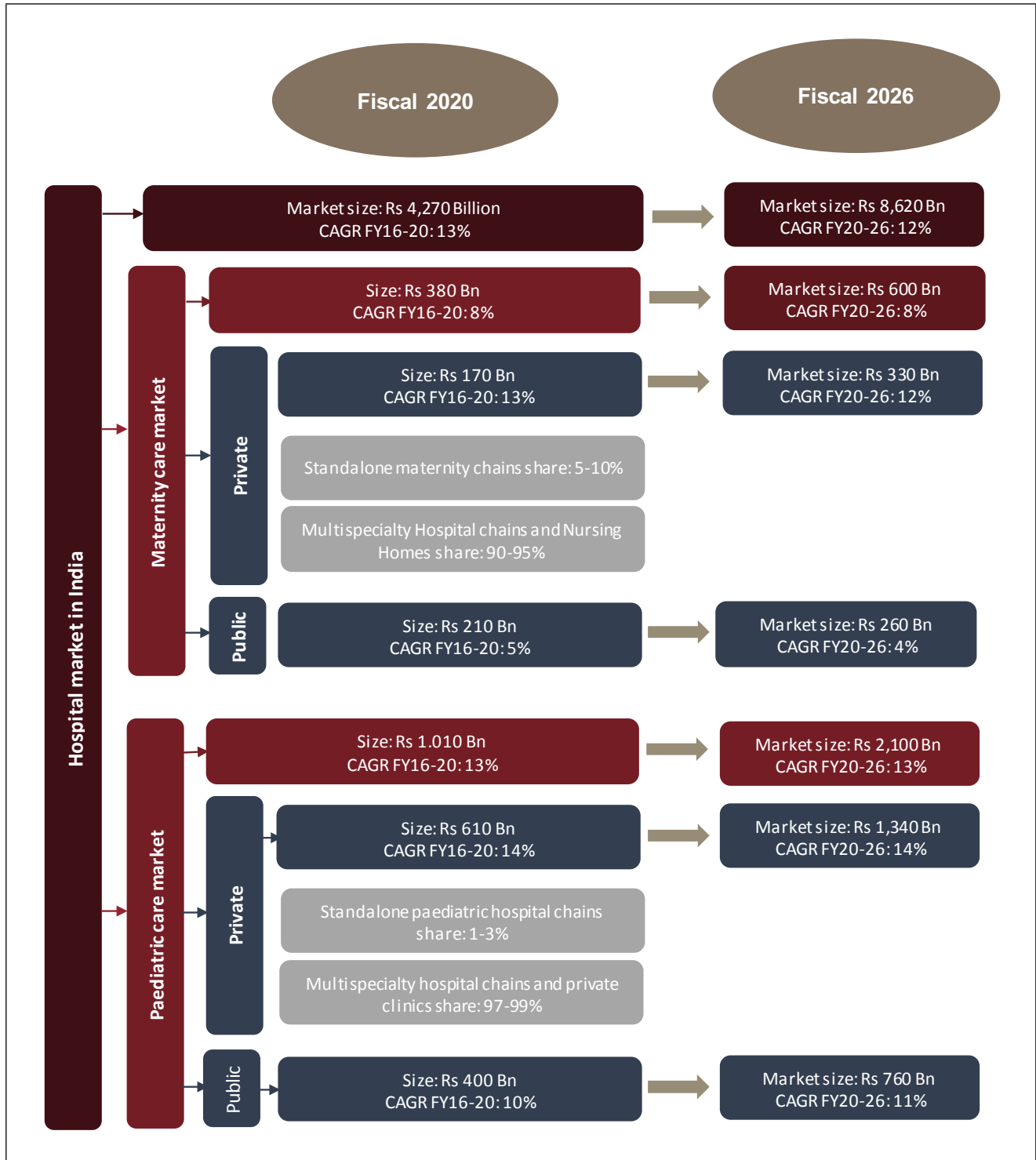
India lags behind global benchmarks in healthcare infrastructure, both in terms of physical infrastructure as well as personnel. However, the picture is bleak even on the healthcare indicators front. In case of life expectancy at birth, which reflects the overall mortality of the population, India stands at 68.8 years in comparison with the global average of 71.4 years. This is despite life expectancy at birth growing at 0.6% CAGR between 2000 and 2017.



### ASSESSMENT OF MATERNITY AND PEDIATRIC CARE INDUSTRY IN INDIA

The total hospital market size in India in the financial year 2020 was expected to be approximately ₹ 4,270 billion growing at a CAGR of 13% between the financial years 2016 and 2020. The maternity market in India has seen a growth of 8% between the financial years 2016 and 2020 and is expected to grow at 7-8% between the financial years 2020 and 2026 supported by strong growth in private segment of 11-12% CAGR during the same period. The private sector is expected to grow faster on account of increased penetration of institutional deliveries, rising share of private hospitals in rural and urban areas, increase expenditure on maternity healthcare, and rise in treatment cost on account of delayed deliveries. Paediatric market which has grown at 14% CAGR between the financial years 2016 and 2020 is expected to grow at the same growth going forward supported by growth in both private and public sector healthcare units. Increasing awareness on childcare and early diagnosis is expected to contribute to growth for the industry.

#### Maternity and paediatric healthcare market in India



Source: CRISIL Research



## SWOT ANALYSIS

### STRENGTHS

Since inception, Rainbow has accomplished the accolade for saving the smallest and sickest child, with results very close to medically advanced nations. Some of the key strengths are:

#### 1. Ability to conceptualize, create and operate specialized children's hospitals

The child centric approach adopted in the hospitals makes the atmosphere suitable for quicker treatment of and recovery from severe or prolonged illnesses. A substantial proportion of capital expenditure is set aside for the interiors – which includes vibrant and visually appealing, bright interiors, designated children play area, and miscellaneous entertainment in the patient rooms. Our medical fraternity also focusses on the emotional and psychological aspects of children, mellowness and gentleness manifested in all lines of interaction with the young patients. This approach is the biggest strength of the group.

#### 2. Strong clinical expertise in managing complex diseases

Rainbow is India's largest multi-specialty pediatric care provider, based on hospital beds, as of March 31, 2021. It has its wings spread out across specialities such as pediatric cardiology, pediatric neurology, pediatric nephrology, pediatric oncology to name a few. One third of the operational beds are dedicated to critical care. Advanced neonatal and pediatric intensive care (NICU/PICU) is the forte. Multi-specialty tertiary intensive care is provided at the hub hospitals, making the group one of the very few standalone pediatric multi-specialty hospital chains in South India.

#### 3. Comprehensive perinatal care provider, with synergies between pediatric and obstetrics and gynaecology services

CRISIL research indicates that the pediatric healthcare model followed in the US is the benchmark medical care wherein the children hospitals admits pregnant women into their facilities, due to high-risk pregnancies, emphasizing the need for integrated mother child treatment. CRISIL also points out that in India, the number of such players is limited, and Rainbow model corresponds to the global one.

Initially, when the hospital was conceptualized, the focus was only on pediatric care, but eventually the move was directed towards a perinatal ecosystem. Thus, the brand was leveraged to expand from the already well-established pediatrics department into gynaecology and obstetrics, making it a cost effective and efficient one stop health destination for families.

The seamless and complimentary synergies between the two departments enable better utilisation of resources and infrastructure as well as help in brand strengthening and brand empowerment.

#### 4. Hub and Spoke business model

Amongst all the available models for hospital operations, the hub-and-spoke model has been proven to be the most efficient when it comes to Rainbow. This model has been implemented at Hyderabad and Bangalore. At the hub hospital, comprehensive outpatient and inpatient care is provided, with a focus on tertiary and quaternary care and at the spokes, secondary care in pediatric, obstetrics and gynaecology and emergency services are provided.

With regards to the hub and spoke model, whenever a new region is explored, the first hospital in the region becomes the hub. When newer centres are added in the region, they act as spoke centres, and during the initial phase, the hub centres incur cash losses. Post that phase, the spoke centres achieve operational break even relatively faster, as compared to the hub centres. With this gamut of strategies of growth and expansion, the group as a whole, has been able to deliver profits persistently over the past years.

#### 5. Power to attract, train and retain high-caliber medical professionals

One of the major challenges in any industry is the lack of appropriate man power. For hospitals, trained medical professionals are the pillars of sustenance. The existence of well-trained doctors, nurses and their team is critical, and it depends on sourcing, training and retaining them. Factors such as reputed brand, offering highly professional and rewarding work environment, time to time training for self-development and overall alluring career opportunity assist Rainbow in this endeavour.

The doctor engagement model employed lets the specialist doctors work full time, in the hospitals – full time exclusive model with retainerhip. Most of the doctors have no private or home clinics and are completely associated with Rainbow, with a night on-call commitment as well. Because of this model, the specialists are available 24x7 on a rotation basis, which is very crucial for pediatrics, neo-natal and obstetrics, resulting in smooth and flawless health care facility. This also provides stability in the career of the medical professionals, leading to a high doctor retention rate. The doctors work together in speciality teams and not independently or in silos, resulting in better outcomes.

Rainbow is also recognized by DNB as an examination and training centre for offering training in pediatrics, neonatology, pediatric intensive care, pediatric sub-specialties, obstetrics and gynaecology. The candidates trained under this course are then absorbed into the specialist team, thus making it easier for the hospital to mould the candidates in the desired way.

Rainbow also provides an excellent academic environment with scope for research. It helps publishes significant number of research papers in medical journals both nationally and internationally.

Rainbow also has stock ownership plans (ESOP) for doctors, as a part of their compensation package. Around 100 plus doctors own 16% equity in the company.

## **6. Robust growth, operational and financial performance**

We have consistently delivered strong operational and financial performance through strong patient volumes, cost efficiency and diversified revenue streams across medical specialties. We have achieved growth coupled with healthy profitability in markets with significant underserved healthcare demand and delivering quality healthcare services at affordable prices, which in turn drives patient volumes.

## **7. Experienced senior management team with strong institutional shareholder support**

People with processes run organizations. Senior management becoming more activists and interventionists, are going beyond the dimension of their standard functions. At Rainbow too, a highly experienced and involved senior management team has been the contributory factor to a strong past performance and will be so for the future strategic growth plan. Exclusive focus on patient care along with impeccable corporate governance policies is the backbone of Rainbow's operations. The senior management team comprises of stalwarts in the field of pediatric medicine, with international training and/or experiences, strong clinical expertise, with the ability to frame medical protocols, setting up standards for governance and quality assurance and control systems and with valuable managerial experiences.

## **WEAKNESS**

1. We are dependent on our medical professionals and our business and financial results could be impacted if we are not able to attract and retain such medical professionals. Skilled medical manpower is a humongous challenge for India. Talented doctors, nurses, and technicians are forever in demand and can be poached by the competition. Paying a disproportionate amount of salary/professional fees can dent the profitability of the hospital in the long run. We engage doctors primarily on a consultancy service contract basis and there is no assurance that our doctors will not prematurely terminate their agreements.
2. If we fail to manage our growth or implement our growth strategies (which include expansion into new geographies), our business, financial condition and results of operations may suffer.
3. We operate in a regulated industry, and compliance with applicable safety, health, environmental, labor and other regulations, or failure to obtain or renew approvals, licenses, registrations and permits, may adversely affect our business, results of operations and cash flows. Further, adverse regulatory changes in the healthcare industry could also adversely affect our business, results of operations and cash flows.

4. We face intense competition from other healthcare service providers. If we are unable to compete effectively, our business, results of operations and cash flows may be materially and adversely affected.

5. We are exposed to legal claims and regulatory actions arising from the provision of healthcare services and may be subject to liabilities arising from claims of malpractice and medical negligence which could materially and adversely affect our reputation and prospects

6. We are dependent on a number of key personnel, including our Promoters and senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, financial condition, results of operations and cash flows.

## **OPPORTUNITIES**

Digital revolution:

Upgradation of HIS to strengthen backend operations.

We are implementing new age CRM software for enhanced customer engagement and superior customer experience New Rainbow Mobile APP and redesigned user friendly website shall be made available.

We have developed a detailed digital strategy with the goal of enabling us to provide customized healthcare services for our target customers as well as to digitize processes to significantly improve the in-hospital customer experience. As we operate in children's and women's care, our customers include young independent professionals who are technology savvy, and we believe we have a unique opportunity to build a deep lasting relationship with such customers spanning from conception to adolescence through digital initiatives. We aim to establish a robust customer facing digital architecture which will provide customers with instant access to our services as well as seamless patient experience enhanced by digital technologies and AI-enabled clinical and information support.

Our "New Rainbow Mobile APP" mobile application is one of the core pillars of our digital strategy. The application enables patients to, among other things, book appointments, make payments, order drugs for home delivery, download investigation reports and receive alerts on essential services. We are in the process of implementing an AI-enabled content management engine to support the application, which will be able to process large amounts of patient data to provide us with insight into patient needs. We have also launched an AI-powered "Chatbot" tool that allows our patients to easily engage with us on our website and via WhatsApp.

We have implemented 25 automated processes to automate manual functions such as daily and monthly MIS reporting, vendor payments and procurement ordering, which we believe have resulted in a substantial improvement in process efficiency and reduction in human intervention. We intend to continue investing in and implementing the infrastructure and technology, including RPA and AL tools, necessary to perform more technology-enabled operating procedures in our hospitals and that will enable our doctors and nurses

to provide healthcare with greater accuracy and efficiency. For example, we have commissioned the development of a strategic and operational data warehouse which, through the use of data analytics and AI technologies, will enhance our decision-making processes across our business.

Underserved paediatric speciality segment and markets:

Huge potential exists across India for providing quality paediatric healthcare. Rainbow Hospitals have demonstrated their capabilities in successfully running profitable hospitals in such cities. Going forward, we would be further expanding our footprints replicating our model in the underserved markets.

## THREATS

### Intense Competition:

The Paediatric Healthcare space has seen new interest from many large corporates as well as private equity players in addition to the nursing homes and home clinics of paediatricians. The majority of the new hospitals by new entrants are in already overcrowded markets and this has led to undercutting of prices and will lead to potential unfair trade

practices. These can affect the profitability of established players in the short run. In the long run, however trusted players with strong brand equity will continue to prosper.

### Government regulations:

GST implementation and increased GST rate had an adverse impact on operating margins as hospitals could not utilize the input GST credit. Added to this, the pricing caps on key drugs and consumables have dented margins. The danger of further regulations will continue to be a threat to the healthcare sector.

### REVIEW OF OPERATIONS:

The covid-19 pandemic has affected business operations during the financial year 2020-21 as children were largely confined to homes owing to the lock-down and other restrictions in place. This had an adverse impact on hospital revenues, profitability, and cash flows. However, obstetrics services have done well. Despite continuing challenges, the Company has recovered well in the financial year 2021-22 and displayed marked improvement in operating and financial performance compared to last financial year.

#### Capacity Beds (Nos)

FY22		1,500
FY21		1,475
FY20		1,296

#### Operational Beds (Nos)

FY22		1,147
FY21		1,053
FY20		990

#### IP volume

FY22		66,082
FY21		51,165
FY20		66,871

#### OP volume

FY22		8,40,000
FY21		6,24,111
FY20		9,41,049

**Delivery volume in FY22 : 12,603. Delivery volume in FY21 : 12,150**

#### Occupancy (%)

FY22		44.59
FY21		34.23
FY20		56.27

#### ARPOB (INR per day)

FY22		51,610
FY21		48,644
FY20		34,686

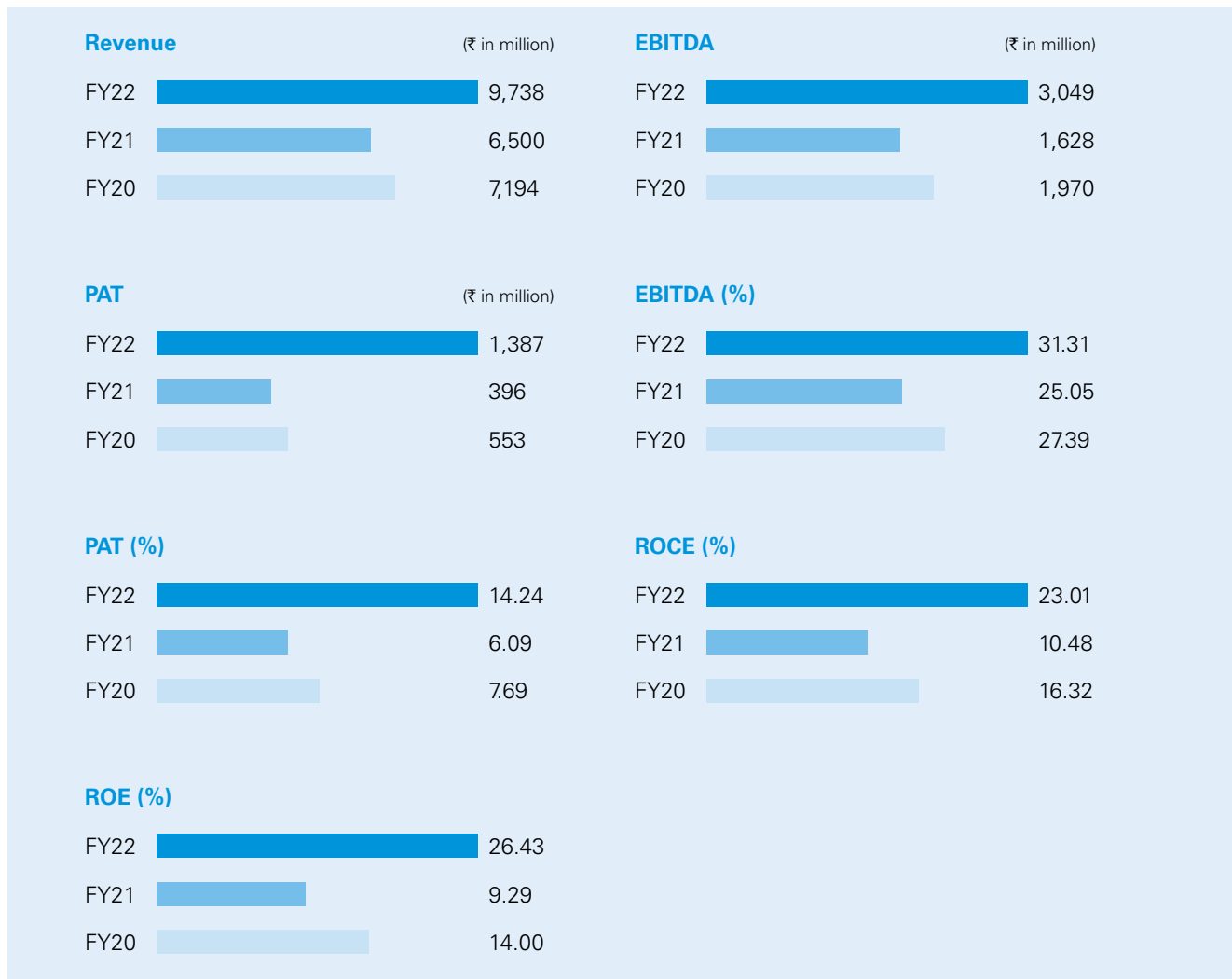
#### ALOS (# days)

FY22		2.83
FY21		2.57
FY20		3.05

**FINANCIAL HIGHLIGHTS**

(₹ in million)

	FY 22	FY 21	YoY Growth
Revenue from operations	9,738	6,500	50%
EBITDA	3,049	1,628	87%
EBIDTA %	31.31%	25.05%	626 bps
PAT	1,387	396	250%
PAT%	14.24%	6.09%	815 bps


**Revenues**

Operating revenue stood at ₹ 9,738 million in FY22, as against ₹ 6,500 million in FY21, with an increase of 50%. This increase is primarily attributable to increase in inpatient volumes by 29% and outpatient volumes by 35% in Fiscal Year 2022 compared to Fiscal Year 2021. Increase in revenue is also driven by case mix improvement

Significant Factors contributing to the growth in revenues are stated in table below and discussed at length -

	FY 22	FY 21	Growth
In-patient (IP) volume	66,082	51,165	29%
Out-patient (OP) volume	840,000	624,111	35%
Delivery volume	12,603	12,150	4%
ARPOB (₹ Per day)	51,610	48,644	6%
ALOS (# days)	2.83	2.57	10%

**Other income** primarily consists of interest income, dividend and other income which increased 84.6% from ₹ 102.63 million to ₹ 189.37 million. The increase is contributed interest & dividend income of ₹ 29.9 million.



## EXPENSES

Our total expenses increased by ₹ 2,007 million or by 33% from ₹ 6,046 million in Fiscal Year 2021 to ₹ 8,053 million in Fiscal Year 2022. Increase in total expenses is majorly due to increase in cost of medical consumables and pharmacy items by ₹ 915 million, increase in employee benefits by ₹ 140 million and other expenses by ₹ 762 million which is in line with revenue increase.

### Medical consumables and pharmacy items:

Purchase of medical consumables and pharmaceutical items represents procurement of medical consumables, pharmaceuticals and other items for the provision of healthcare services and related GST, customs duty (for imported medicines), other government taxes and freight charges. These items costed ₹ 1,947 million in FY22 and ₹ 1,033 million in FY21 representing 20% and 15.9% of revenues respectively. The increase is attributable to increase in the price of medical consumables and pharmacy items and COVID-19 consumables, PPEs owing to the increased demand for such items. COVID-19 vaccination cost amounted to 38% of total pharmaceuticals and medical consumables cost for such period.

### Employee benefits expense:

Salaries and benefits expense of ₹ 1,161 mn in FY22 increased by 13.7% to ₹ 1,021 in FY21. The increase in employee benefits expenses were driven by increases in the average salary of our employees on account of the increments and the head count compared to FY 2020-21. Employee benefits expense as a percentage of our total revenue declined from 15.7% in Fiscal Year 2021 to 12.1% in Fiscal 2022.

### Finance costs:

Finance cost comprise of interest on NCDs at 9.5%

## Key Financial Ratios

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

	Unit	FY22	FY21	Change %	Reason
<b>Liquidity ratios</b>					
Current ratio	#	2.62	1.72	52.33%	This ratio has increased from 1.72 in March 2021 to 2.62 in March 2022 mainly due to increase in bank deposits (with original maturity more than 3 months but less than 12 months) and current investments.
Inventory Turnover Ratio	Days	15.63	7.92	97.35%	This ratio has increased from 7.92 in March 2021 to 15.63 in March 2022 mainly due to purchase of covid vaccines.
Trade Receivables turnover ratio	Days	23.08	14.79	56.09%	This ratio has increased from 14.79 in March 2021 to 23.08 in March 2022 due to increase in the credit sales, overall increase in business volumes and better collection efficiency.

and interest on lease liabilities under Ind AS 116. The financial costs increased to ₹ 532 million in FY22 during 2021, compared to ₹ 441 million in FY21. The increase of 20.7% is largely due interest expense on new lease liabilities created during the year for upcoming hospitals.

### Depreciation and amortization:

Depreciation and amortization included depreciation on PPE, amortization on intangibles and Depreciation of right-of-use assets. The depreciation and amortization expense increased to ₹ 833 million from ₹ 733 million due to increase in depreciation on right to use assets and full year impact of depreciation on assets capitalised in mid-FY21.

### Other expenses:

Other expenses grew by 27.0% to ₹ 3,581 million in FY22 from ₹ 2,819 in FY21.

Professional fees to doctors increased due to growth in business to ₹ 2,038 million in FY22 as against ₹ 1,595 million in FY21. However, as a percentage of operating revenue professional fees reduced from 24.5% of operating revenue during FY21 to 20.9% in FY22. The professional fees are paid on a variable basis and are dependent on the volume of business at our hospitals (as the professional fee is calculated based on the volume of patients attended to by the relevant doctor).

Other factors that contributed to increase in other expenses include Business promotion, Contract wages, Canteen expenses, Power and fuel, etc.

### Income tax expense:

Income tax expense increased to ₹ 487 million in FY22 from ₹ 161 million in FY21 with an effective tax rate of 26%.

	Unit	FY22	FY21	Change %	Reason
<b>Leverage ratios</b>					
Debt Equity ratio	#	0.07	0.11	-36.36%	This ratio has decreased from 0.11 in March 2021 to 0.07 in March 2022 mainly due to repayment of borrowings and increase in equity on account of increase in share capital.
Debt Service Coverage Ratio	Times	4.46	2.68	66.42%	This ratio has increased from 2.68 in March 2021 to 4.46 in March 2022 mainly due to increase in earnings available for debt service on account of increase in profit during the year.
Interest coverage ratio	Times	68.5	33.73	103.08%	This ratio has increased from 68.5 in March 2021 to 33.73 in March 2022 mainly due to increase in earnings available for interest service on account of increase in profit during the year.
<b>Profitability ratios</b>					
Operating profit margin	%	31.31%	25.05%	24.99%	This ratio has increased from 25.05% in March 2021 to 31.31% in March 2022 mainly due to increase in EBITDA which was on account of increase in revenue from operations.
Net profit ratio	%	14.24%	6.09%	133.83%	This ratio has increased from 6.09 % in March 2021 to 14.24% in March 2022 mainly due to increase in Net profit after taxes which was on account of increase in revenue from operations.
Return on Equity Ratio	%	26.43%	9.29%	184.50%	This ratio has increased from 9.29% in March 2021 to 26.43% in March 2022 on account of increase in Net profit after taxes due to increase in business volumes, which was offset by increase in share capital.
Return on Capital employed	%	23.01%	10.48%	119.56%	This ratio has increased from 10.48 % in March 2021 to 23.01 % in March 2022 mainly due to increase in earnings which was on account of increase in revenue from operations.

## CAPITAL EXPENDITURE

Gross block increased by ₹ 702 million to ₹ 6,324 million as at 31 March 22 and the increase primarily represents new block added in Vikrampuri unit, Vijayawada IVF facility and other medical equipment.

## INITIAL PUBLIC OFFERING (IPO)

Subsequent to the year end, the Company has completed Initial Public Offering of 29,168,579 Equity Shares of face value of ₹ 10 each at an issue price of ₹ 542 per equity share (including a share premium of ₹ 532 per equity share, with a discount of ₹ 20 per share to eligible employees), aggregating to ₹ 15,808 million comprising a fresh issue of 5,167,679 Equity Shares aggregating to ₹ 2,800 million and an offer for sale of 24,000,900 Equity shares aggregating to ₹ 13,008 million. The equity shares of the Company were listed on NSE and BSE with effect from 10 May 2022.

## Internal Control Systems & their Adequacy:

RMCL has a well-defined framework of internal controls commensurate to its operations' size and complexity.

A dedicated Internal Audit team reports directly to the Audit Committee, comprising four independent directors overseeing the Internal Audit function. The scope, authority, and responsibility of the Internal Audit function are governed by the Internal Audit Charter, which is approved by the Audit Committee. For every financial year, the Internal Audit function develops a risk-based internal audit plan to assess control design and its operating effectiveness, which is reviewed and approved by the Audit Committee. The audit team reviews the scope defined and reports on the status of internal controls, quarterly to the Audit Committee. Before being placed to the committee, the functional heads review the internal audit reports, and corresponding action plans for each of the observations are provided with clearly defined timelines and a responsibility matrix. In its quarterly meetings, the audit committee reviews the report in detail and approves it. Further, a separate team of Auditors is deployed across all the group hospitals for concurrent review of daily transactions. A monthly review of the outcome of concurrent audit is conducted at the unit level, and a summary of the outcome is updated to

management regularly. Additionally, the audit team also does annual testing of the Entity Level Controls (ELCs), and Internal Controls over Financial Reporting (ICoFR) controls laid down by the management, to provide assurance to the committee on the status of internal controls. All the pending observations are tracked through a comprehensive Action Taken Report (ATR) format, which is presented to the audit committee along with the audit reports every quarter.

### **RISK MANAGEMENT:**

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

The Risk Management Committee (RMC) of the board comprises three directors (including two independent directors) who oversee and monitor the Risk Management exercise. Risk Management exercise is governed by a Risk Management Charter, which is approved by the RMC. Further, we have also developed a detailed Risk management process, which is reviewed and approved by RMC. The risk management and monitoring mechanisms that we have in place include process walkthroughs, concurrent auditing, and risk-based internal audit reviews,

with a focus on identifying, rectifying, and monitoring the effectiveness of our internal process and any possible process gaps. Our assessment of risk is based on risk perception surveys, business environment scanning, and inputs from various internal and external stakeholders. As a part of the Risk Management exercise, the function heads prepare their comprehensive Risk Registers, which form the base documents for this exercise. Risks are given a scoring basis on the following three factors:

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

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

# BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report on the business and operations of your Company along with the audited financial statements (Consolidated as well as Standalone) for the financial year ended March 31, 2022.

## FINANCIAL RESULTS

The Financial performance of your Company for the financial year ended March 31, 2022 is summarized below:

(in ₹ million)

Particulars	Year ended March 31, 2022 (Consolidated)	Year ended March 31, 2021 (Consolidated)	Year ended March 31, 2022 (Standalone)	Year ended March 31, 2021 (Standalone)
Total Income	9,926.95	6,603.10	9,454.14	6,264.02
Total Expenses	8,053.49	6,046.14	7,556.70	5,605.09
Profit/(Loss) before Tax (PBT)	1,873.46	556.96	1,897.44	658.93
Profit/(Loss) after Tax (PAT)	1,386.73	395.68	1,422.91	494.14

### 1. FINANCIAL PERFORMANCE

#### I. Consolidated Performance

During the year under review, the consolidated income of the Company increased to ₹ 9,926.95 million compared to ₹ 6,603.10 million in the previous year, registering growth of 50%. Net profit after tax increased to ₹ 1,386.73 million from ₹ 395.68 million representing a growth of 250%.

#### II. Standalone Performance

During the year under review, the standalone income of the Company increased to ₹ 9,454.14 million compared to ₹ 6,264.02 million in the previous year, registering growth of 51%. The standalone Net profit after tax for the year increased by 188% to ₹ 1,422.91 million compared to ₹ 494.14 million in the previous year.

### 2. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the Financial Year 2021-22, are prepared in compliance with applicable provisions of the Companies Act, 2013 (**"the Act"**), Indian Accounting Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its Subsidiaries, as approved by their respective Board of Directors.

### 3. DIVIDEND

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

Date of Declaration	Dividend Type	Dividend Per Equity Share and Preference Share
August 11, 2021	Final Dividend	₹ 2/-*

\* Additionally a Preferential dividend of ₹ 55.05/- and ₹ 54.40/- was paid to 0.0001% Series A Compulsorily Convertible Preference Share ("Series A CCPS") and 0.0001% Series B Compulsorily Convertible Preference Share ("Series B CCPS") holders respectively.

Your Directors are pleased to recommend dividend of ₹ 2/- per Equity Share of face value of ₹ 10/- each as Final Dividend for the Financial Year 2021-22, for approval by the shareholders at the ensuing Annual General Meeting (**"AGM"**) of the Company.

The Dividend Distribution Policy of the Company is available at the website of the Company at:

[https://www.rainbowhospitals.in/investor-relations/reports/Dividend\\_Distribution\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/Dividend_Distribution_Policy.pdf)



#### 4. TRANSFER TO RESERVES

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

#### 5. CONVERSION INTO A PUBLIC LIMITED COMPANY

Your Board of Directors in their meeting held on October 22, 2021 approved the conversion of the Company into a Public Limited Company. Further the shareholders of the Company approved the proposal for such conversion in their Extra-Ordinary General Meeting held on November 3, 2021.

The Registrar of Companies Hyderabad at Telangana ("**RoC**"), approved the conversion and issued a new Certificate of Incorporation dated November 20, 2021 to this effect.

Your Company, therefore, became a Public Limited Company with effect from November 20, 2021.

#### 6. INITIAL PUBLIC OFFER

Subsequent to the year under review, the Company has successfully completed its Initial Public Offering ("**IPO**") in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, wherein 51,67,679 Equity Shares were issued through a fresh issue and 24,000,900 Equity Shares through offer for sale. The IPO comprised of a fresh issue of ₹ 2,800 million and an offer for sale of ₹ 13,008.49 million by the selling shareholders.

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

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

In accordance with objects of the offer, the Company has utilised ₹ 400 million from the IPO proceeds for early redemption of Non-Convertible Debentures, in full.

#### 7. CHANGES IN SHARE CAPITAL

##### I. Increase in Authorized Share Capital

Pursuant to the Shareholders Resolution dated October 20, 2021 the Authorized Share Capital of our Company was increased from ₹ 70,00,00,000 divided into (a) 5,90,55,616 Equity Shares of ₹ 10/- each, (b) 11,46,771 - Series A 0.0001% Compulsorily

Convertible Preference Shares ("**Series A CCPS**") of ₹ 48/- each and (c) 11,33,309 Series B 0.0001% Compulsorily Convertible Preference Shares ("**Series B CCPS**") of ₹ 48/- each to ₹ 150,00,00,000 divided into (a) 13,90,55,616 Equity Shares of ₹ 10/- each (b) 11,46,771 - Series A 0.0001% Compulsorily Convertible Preference Shares ("**Series A CCPS**") of ₹ 48/- each and (c) 11,33,309 Series B 0.0001% Compulsorily Convertible Preference Shares ("**Series B CCPS**") of ₹ 48/- each.

##### II. Increase in Paid-up Share Capital

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

- Allotment of 19,28,000 Equity Shares of ₹ 10/- each through the Rights Issue on October 22, 2021;
- Allotment of 4,81,67,004 Equity Shares of ₹ 10/- each through Bonus Issue in the ratio of one new Equity Share for every one Equity Share and every one Preference Share held, on December 1, 2021.

##### Subsequent to the year under review:

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

As a result of above, the paid-up share capital of the Company increased from ₹ 54,90,33,080 divided into (a) 4,39,58,924 Equity Shares of ₹ 10/- each. (b) 11,46,771 - Series A 0.0001% Compulsorily Convertible Preference Shares ("**Series A CCPS**") of ₹ 48/- each, and (c) 11,33,309 Series B 0.0001% Compulsorily Convertible Preference Shares ("**Series B CCPS**") of ₹ 48/- each to ₹ 101,50,16,870 divided into 10,15,01,687 Equity Shares of ₹ 10/- Each.

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

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

## 9. EMPLOYEES STOCK OPTION PLAN /SCHEME

The Members at their meeting held on November 30, 2021 approved the Rainbow Employee Stock Option Scheme 2021 (“**ESOP Scheme**”) for issue of employee stock options to eligible employees, which may result in an issuance of a maximum number of 20,49,660 Equity Shares. The ESOP Scheme is administered by the Nomination and Remuneration Committee. As on the date of this Board’s Report, the Company has not granted any options under ESOP Scheme.

Applicable disclosure as stipulated under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with regard to the ESOP Scheme is available on the Company’s website at [https://www.rainbowhospitals.in/investor-relations/reports/Information%20as%20per%20SEBI%20\(SBEB\)%20Regulations-%20FY%2022.pdf](https://www.rainbowhospitals.in/investor-relations/reports/Information%20as%20per%20SEBI%20(SBEB)%20Regulations-%20FY%2022.pdf)

## 10. SUBSIDIARIES

A report on the performance and financial position of each of the subsidiaries for the financial year ended March 31, 2022 in prescribed form AOC -1 as per the Companies Act, 2013 is set out in **Annexure- 1** and forms an integral part of this Annual Report.

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

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

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

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

No material changes and commitments, other than disclosed as part of this report, affecting the financial position of the Company have occurred between March 31, 2022 and as on the date of report.

## 12. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## 13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details

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

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

## 14. AUDIT COMMITTEE

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

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

## 15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### I. Directors

Dr. Ramesh Kancharla (DIN: 00212270), Chairman & Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting (“**AGM**”) pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers himself for reappointment. Appropriate resolution for his re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM.

A brief profile of Dr. Kancharla and other related information is detailed in the Notice convening the 24<sup>th</sup> AGM of your Company.

The Board considered the said re-appointment in the interest of the Company and hence recommends the same to the Members for approval.

During the year under review, the Members of the Company, at their Annual General Meeting held on August 11, 2021 approved Re-appointment(s) of Dr. Ramesh Kancharla (DIN: 00212270), as Chairman & Managing Director and Dr. Dinesh Kumar Chirila (DIN: 01395841) as a Whole-time Director for a term of 5 (five) consecutive years w.e.f. August 11, 2021.

Further, the Members of the Company, at their Extra Ordinary General Meeting held on October 20, 2021 approved appointment of Ms. Sundari R. Pisupati (DIN:01908852) as an Independent Director on the Board of the Company for a term of Five (5) consecutive years commencing from September 16, 2021, not liable to retire by rotation.

The Members of the Company, at their Extra Ordinary General Meeting held on November 3, 2021 also approved appointment of Mr. Santanu Mukherjee (DIN: 07716452) as an Independent Director on the Board of the Company for a term of Five (5) consecutive years commencing from October 22, 2021, not liable to retire by rotation.

During the year under review, Mr. Yugandhar Meka (DIN: 00012265) resigned as Independent Director of the Company w.e.f. September 16, 2021. Further, Mr. Ashish Ahluwalia (DIN: 03514036) and Mr. Nagarajan Srinivasan (DIN: 01480303) resigned as Nominee Director(s) w.e.f. December 9, 2021 consequent to withdrawal of their nomination by M/s British International Investment plc (formerly known as CDC Group plc).

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have affirmed compliance to the Code of Conduct for Independent Directors as prescribed in Schedule IV to the Act.

In the opinion of the Board, Independent Directors fulfil the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent from Management. The Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience in their respective fields. The Independent Directors have also confirmed that they have registered their names in the Independent Directors' databank with the Indian Institute of Corporate Affairs

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

## II. Key Managerial Personnel

In accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the Key Managerial Personnel of the Company as on March 31, 2022.

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

4. Mr. Ashish Kapil - Company Secretary and Compliance Officer.

During the year under review, Ms. Pratusha Channamalla was appointed as Company Secretary (Key Managerial Personnel) of the Company w.e.f. September 1, 2021. Thereafter, Ms. Channamalla resigned from the post of Company Secretary (Key Managerial Personnel) of the Company w.e.f. October 22, 2021.

Further, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, at their meeting held on October 22, 2021 appointed Mr. Ashish Kapil as Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company in accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 16. BOARD'S EVALUATION

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

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

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

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

## 17. REMUNERATION POLICY

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration

Committee of the Company, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

The Nomination and Remuneration Policy is set out as **Annexure- 3** and forms an integral part of this Annual Report and can also be accessed at the website of the Company at the following web link: [https://www.rainbowhospitals.in/investor-relations/reports/policy/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/policy/Nomination_and_Remuneration_Policy.pdf)

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

The Board met Nine (9) times during the Financial Year 2021-22. The details of the meetings of the Board and Committees thereof are given in the Corporate Governance Report, which forms an integral part of this Annual Report.

## 19. DIRECTORS' RESPONSIBILITY STATEMENT

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

- I. In the preparation of the annual accounts for the Financial Year ended March 31, 2022, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- II. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2022 and of the profit of the Company for the Financial Year ended March 31, 2022;
- III. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the annual accounts have been prepared on a 'going concern' basis;
- V. proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- VI. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 20. AUDITORS AND AUDITORS' REPORT

### I. Statutory Auditors

The shareholders in the 20<sup>th</sup> AGM, approved the appointment of M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024), as the Statutory Auditors, for

a period of five (5) years i.e. from the conclusion of the 20<sup>th</sup> AGM held on July 19, 2018 till the conclusion of 25<sup>th</sup> AGM of the Company.

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

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

The Auditors' Report for the Financial Year ended March 31, 2022, does not contain any qualification, reservation or adverse remark.

Further the Auditors' Report being self-explanatory does not call for any further comments from the Board of Directors.

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

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year. Accordingly such accounts and records were made and maintained for the financial year 2021-22.

The Board of Directors on the basis of recommendations from Audit Committee has appointed M/s Lavanya & Associates, Sole Proprietorship Firm (Firm Reg. No: 101257), represented by K.V.N. Lavanya, Sole Proprietor (Membership No: 31069), as cost auditors of the Company for the Financial Year 2022-23 at a fee of ₹ 1,50,000/- (Rupees One Lakh and Fifty Thousand only) plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the shareholders at the ensuing AGM.

### III. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. BS & Company Company Secretaries LLP ("**Secretarial Auditors**") to conduct the Secretarial Audit of your Company for the Financial Year 2021-22.

The Secretarial Audit Report for the Financial Year ended March 31, 2022 is annexed herewith as **Annexure-4** and forms an integral part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.



## 21. ANNUAL RETURN

As required under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the Company's website at <https://rainbowhospitals.in/investor-relations/reports/Draft%20Annual%20Return%20FY%202021-22.pdf>

## 22. RELATED PARTY TRANSACTIONS

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for Financial Year 2021-22 and hence does not form part of this report.

In compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <https://www.rainbowhospitals.in/investor-relations/reports/policy/Policy%20on%20dealing%20with%20Related%20Party%20Transactions.pdf>

## 23. LOANS AND INVESTMENTS

Details of Loans, Guarantees given and Investments made by the Company during Financial Year 2021-22 within the meaning of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Schedule V of the SEBI Listing Regulations, details of Investments are set out in Note No. 2.2 and details of Loans are set out in Note 2.10 to the Standalone Financial Statements of the Company.

## 24. RISK MANAGEMENT

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

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

## 25. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

In compliance with the provisions of section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, illegal or unethical practices, unethical behaviour, actual or suspected fraud. Adequate safeguards are provided against victimization to those who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is made against any person. The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website at [https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle\\_Blower\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle_Blower_Policy.pdf)

## 26. CORPORATE SOCIAL RESPONSIBILITY

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

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

The annual report on corporate social responsibility activities containing composition of CSR committee and disclosure as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached and marked as **Annexure – 5** and forms part of this report.

## 27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report of financial performance and results of operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**") is provided in a separate section and forms an integral part of this report. It inter-alia gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's business, risks and concerns and material developments during the financial year under review.

## 28. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report, as stipulated under Regulation 34 (2) (f) of the Listing Regulations, describing the initiatives taken by the Company from environment, social and governance perspective is provided in a separate section and forms an integral part of this report.

## 29. CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

During the period under review, one complaint was received by the ICC and the same was resolved.

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

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

### A. Energy Conservation:

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

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

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

- Switching to LED light fixtures.
- Upgrade/replacement of equipment.
- Solar Power Generation Capacity has been enhanced;
- AC temperatures fixed at 23 degrees for nonclinical Areas;

- Usage of Energy efficient equipment at all levels;
- Optimal utilization of solar energy for light and Water heating (installed solar Energy on the rooftop of 6 of our units);
- Efficient Chillers, DG sets, and Pumps have been installed for New Projects;
- Building Management System (BMS) in place for efficient HVAC operations;
- Variable Frequency Drives ("VFD") have been installed to conserve energy across Hospitals;

### II. Impact of Measures:

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

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

During the year under review, the Company has spent about ₹ 5.13 Million as capital investment on various energy conservation initiatives like Solar Heating System, LED Lights Fixtures, Motion Sensors, Variable Frequency Drives and Heat Pumps.

## B. Technology Absorption:

### i. Technology Absorption, Adaptation & Innovation:

#### 1) Efforts made towards technology absorption:

- Implementation of QR based facility management application to digitalise the everyday functions of Engineering and Maintenance team with an overall objective to bring quantitative and qualitative benefits.
- Variable Frequency Drives (VFDs) have been used in Chillers and critical AHUs.
- Rain Water Harvesting Pits have been provided to conserve rainwater and improve the water table.
- Recirculation of treated water to reduce water wastage
- Solar rooftops and Eco-Friendly STPs
- Aerators to reduce water wastage
- Registration of all new projects for Green Building accreditations.

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

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

**3) Imported technology (imported during the last three years reckoned from the beginning of the FY 2021-22):** None**4) Expenditure incurred on Research and Development:**

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

**C. Foreign exchange earnings and outgo**

S. No.	Particulars	Amount (In ₹ Million)
1	Foreign Exchange Earnings	3.36
2	Foreign Exchange Outgo	16.74

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

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

During Financial Year 2021-22, such controls were tested and no reportable material weakness in the design or operation was observed.

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

**33. DISCLOSURE RELATED TO INSOLVENCY AND BANKRUPTCY**

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

**34. NO DIFFERENCE IN VALUATION**

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

**35. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

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

**36. COMPLIANCE OF SECRETARIAL STANDARDS**

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

**37. ACKNOWLEDGEMENT & APPRECIATION**

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

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

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

Place:Hyderabad  
Date: August 8, 2022

**ANNEXURE-1****FORM AOC-1**

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

**Part "A": Subsidiaries**

(All amounts in ₹ Million.)

S. No.	Name of Subsidiary	Date on which subsidiary was acquired	Country of Incorporation	Reporting Currency	Closing exchange rate against Indian Rupee as on Mar 31, 2022	% of Holding	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments (in subsidiaries)#	Turn-over	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Rainbow Children's Hospital Private Limited	29/11/2010	India	INR	1	100%	0.10	-0.14	0.05	0.09	-	-	-0.04	-	-0.04	-
2	Rainbow Speciality Hospitals Private Limited	30/11/2010	India	INR	1	78.81%	180	-16.68	363.92	200.60	142.51	298.29	32.16	11.54	20.62	-
3	Rainbow Women & Children's Hospital Private Limited	13/12/2010	India	INR	1	100%	0.10	-0.67	0.09	0.66	-	-	-0.08	-	-0.08	-
4	Rosewalk Healthcare Private Limited	18/12/2018	India	INR	1	100%	43.17	-389.33	179.53	525.69	12.24 1.86*	211.93	-58.4	-	-58.4	-
5	Rainbow Fertility Private Limited	05/08/2019	India	INR	1	100%	45.00	3.62	51.32	2.7	45.00	-	2.41	0.65	1.76	-
6	Rainbow C R O Private Limited	14/11/2019	India	INR	1	100%	0.10	-0.23	0.02	0.16	0.10	-	-0.04	-	-0.04	-

\* Debentures

# Investments are net off Impairment

The reporting period for all the subsidiaries is March 31, 2022.

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

As on March 31, 2022 the Company had no Associates and Joint Ventures.

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

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

**R. Gowrisankar**  
 Chief Financial Officer

Place: Hyderabad  
 Date: August 8, 2022

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

**Ashish Kapil**  
 Company Secretary & Compliance Officer



## ANNEXURE-2

Disclosures pertaining to remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2022.

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

S. No.	Name of the Director	Category	Ratio of Remuneration to the median remuneration of the employees
1.	Dr. Ramesh Kancharla	Chairman & Managing Director	219
2.	Dr. Dinesh Kumar Chirla	Whole-time Director	129*
3.	Prof. Anil Dhawan	Independent Director	6
4.	Mr. Aluri Srinivasa Rao	Independent Director	6
5.	Ms. Sundari R. Pisupati <sup>1</sup>	Independent Director	4
6.	Mr. Santanu Mukherjee <sup>2</sup>	Independent Director	4
7.	Mr. Yugandhar Meka <sup>3</sup>	Independent Director	2
8.	Mr. Nagarajan Srinivasan <sup>4</sup>	Nominee Director	NIL
9.	Mr. Ashish Ahluwalia <sup>4</sup>	Nominee Director	NIL

\* includes professional fee also

<sup>1</sup> Ms. Sundari R. Pisupati was appointed as Independent Director on the Board w.e.f. September 16, 2021.

<sup>2</sup> Mr. Santanu Mukherjee was appointed as Independent Director on the Board w.e.f. October 22, 2021.

<sup>3</sup> Mr. Yugandhar Meka resigned as Independent Director from the Board w.e.f. September 16, 2021.

<sup>4</sup> Mr. Nagarajan Srinivasan and Mr. Ashish Ahluwalia resigned as Nominee Director(s) from the Board w.e.f. December 9, 2021.

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

S. No.	Name	Designation	% Increase in Remuneration in the Financial Year
1.	Dr. Ramesh Kancharla	Chairman & Managing Director	(23.15)
2.	Dr. Dinesh Kumar Chirla	Whole-time Director	42.62
3.	Prof. Anil Dhawan	Independent Director	142.86
4.	Mr. Aluri Srinivasa Rao	Independent Director	103.33
5.	Ms. Sundari R. Pisupati <sup>1</sup>	Independent Director	# Not Applicable
6.	Mr. Santanu Mukherjee <sup>2</sup>	Independent Director	# Not Applicable
7.	Mr. Yugandhar Meka <sup>3</sup>	Independent Director	(25)
8.	Mr. Nagarajan Srinivasan <sup>4</sup>	Nominee Director	NIL
9.	Mr. Ashish Ahluwalia <sup>4</sup>	Nominee Director	NIL
10.	Mr. R Gowrisankar	Chief Financial Officer	10
11.	Mr. Ashish Kapil <sup>5</sup>	Company Secretary & Compliance Officer	# Not Applicable
12.	Ms. Pratusha Channamalla <sup>6</sup>	Company Secretary	# Not Applicable

<sup>1</sup> Ms. Sundari R. Pisupati was appointed as Independent Director on the Board w.e.f. September 16, 2021.

<sup>2</sup> Mr. Santanu Mukherjee was appointed as Independent Director on the Board w.e.f. October 22, 2021.

<sup>3</sup> Mr. Yugandhar Meka resigned as Independent Director from the Board w.e.f. September 16, 2021.

<sup>4</sup> Mr. Nagarajan Srinivasan and Mr. Ashish Ahluwalia resigned as Nominee Directors from the Board w.e.f. December 9, 2021

<sup>5</sup> Mr. Ashish Kapil was appointed as Company Secretary & Compliance officer w.e.f. October 22, 2021.

<sup>6</sup> Ms. Pratusha Channamalla was appointed as Company Secretary w.e.f. September 1, 2021, thereafter, Ms. Channamalla resigned from the post of Company Secretary of the Company w.e.f. October 22, 2021

#Employed/Associated for part of the year. Hence, % increase in remuneration is not applicable.

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

The average percentage increase in the median remuneration of employees in the Financial Year is 14.25.

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

The number of permanent employees on the rolls of the Company as of March 31, 2022 is **2541**.

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

The average increase in the salaries of employees other than Managerial Personnel was 12.67%. The above table contain the details of remuneration paid to the managerial personnel. The remuneration paid to managerial personnel is basis prevailing market trends, Company Performance and overall responsibility matrix and the same is in line with the resolutions approved by the Board of Directors and/or Shareholders.

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

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

For and on behalf of Board of Directors

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

Place: Hyderabad

Date: August 8, 2022

# ANNEXURE-3

## NOMINATION AND REMUNERATION POLICY

### 1. Introduction:

The Nomination & Remuneration Policy (“**Policy**”) of Rainbow Children’s Medicare Limited (“**RCML**” or “**Company**”) is formulated under the requirements of applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**Listing Regulations**”).

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

### 2. Objective and Purpose:

The objectives and purpose of this Policy are:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company (“**Director**”);
- To recommend policy relating to the remuneration of the Directors, KMP and Senior Management/Other Employees to the Board of Directors of the Company (“**Board**”); and
- This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board), determine and approve executive Directors’ compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

### 3. Constitution of the Nomination and Remuneration Committee:

The Board has constituted the “Nomination and Remuneration Committee” on October 22, 2021. This is in line with the requirements under the Companies Act, 2013 (“**Act**”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together.

The Board has authority to reconstitute this Committee from time to time. Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continuing unless terminated by the Board of Directors.

### 4. Definitions:

- a. ‘**Board**’ means Board of Directors of the Company.
- b. ‘**Directors**’ means directors of the Company.
- c. ‘**Committee**’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d. ‘**Company**’ means Rainbow Children’s Medicare Limited.
- e. ‘**Independent Director**’ means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- f. ‘**Key Managerial Personnel (KMP)**’ means-
  - i) the Managing Director or Chief Executive Officer or manager
  - ii) Whole-time Director
  - iii) the Company Secretary;
  - iv) the Chief Financial Officer; and
  - v) Any other person as defined under the Companies Act, 2013 from time to time.
- g. **Senior Management Personnel** shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise of all members of management one level below the executive Directors, including all functional heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

## 5. General:

This Policy is divided in three parts: -

**Part – A** covers the matters to be dealt with and recommended by the Committee to the Board;

**Part – B** covers the appointment and removal of Directors, KMP and Senior Management; and

**Part – C** covers remuneration for Directors, KMP and Senior Management.

### **Part – A:**

#### **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The following matters shall be dealt with by the Committee: -

##### **(a) Size and composition of the Board:**

Periodically reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

##### **(b) Directors:**

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.

##### **(c) Succession plans:**

Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

##### **(d) Evaluation of performance:**

- (i) Make recommendations to the Board on appropriate performance criteria for the Directors.
- (ii) Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.
- (iii) Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

##### **(e) Board diversity:**

The Committee is to assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives.

##### **(f) Remuneration framework and policies:**

The Committee is responsible for reviewing and making recommendations to the Board on:

- a. Remuneration of executive Directors to be presented for shareholders' approval including severance, if any.
- b. Individual and total remuneration of non-executive Directors and the chairperson (if non- executive), including any additional fees payable for membership of Board committees;
- c. the remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay if any and service contracts having regard to the need to:
  - (i) attract and motivate talent to pursue the Company's long-term growth;
  - (ii) demonstrate a clear relationship between executive compensation and performance;
  - (iii) be reasonable and fair, having regard to best governance practices and legal requirements and
  - (iv) balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals



- d. the Company's incentive compensation and equity-based plans including a consideration of performance thresholds and regulatory and market requirements.

## **PART – B**

### **Policy for appointment and removal of Directors, KMP and Senior Management**

#### **(a) Appointment criteria and qualifications:**

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director / executive Director who has attained the age of seventy years and shall not appoint Independent Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years as the case may be.
5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

#### **(b) Term / Tenure**

##### **1. Managing Director / Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **2. Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force.

#### **(c) Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

#### **(d) Retirement:**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

**PART – C****Policy relating to the remuneration for Directors, KMP and Senior Management/Other Employees****(a) General:**

1. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.
4. Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**(b) Remuneration to KMP and Senior Management:**

The pay program for KMP and Senior Management has been designed around three primary pay components: Base/ Fixed Pay and Performance Bonus and Stock Incentives. These three components together constitute the "Total Rewards" of the KMP and Senior Management.

**1. Base/ Fixed pay:**

It is guaranteed pay and paid periodically, usually monthly or bi-monthly or as per payroll policy by Company.

**2. Performance Bonus:**

Cash bonus, payable on the achievement of objective and quantifiable key performance indicators (KPI) as established by the Committee.

**3. Stock Incentives:**

Stock or Equity based incentives can be either time based or performance-based equity grants. Time based stock incentives, in the form of Restricted Stock Units (RSUs) or/and stock options, are vested based on continuation of service. Performance based stock incentives, in the form of Stock Options and/or RSUs, vest upon the achievement of certain performance parameters. The stock incentives are governed by the Company's Stock Plans as approved by the shareholders or any other plans as may be amended.

The total rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management pay is reflective of market pay, consisting of a mix of base/ fixed pay performance bonus and stock incentives. The emphasis on stock incentives ensures alignment with shareholders' interests, through a continued focus on the Company's sustainable, long term performance.

**(c) Remuneration to other employees:**

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Managing Director and Chief Operating Officer, in consultation with the Head- HR.

**(d) Minimum remuneration to Whole-time Directors:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

**(e) Remuneration to Non-Executive / Independent Directors:**

- i. Remuneration: The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under.
- ii. Stock incentive: The Independent Directors shall not be entitled to any stock incentive of the Company.
- iii. The remuneration to the Non-executive Directors (including Independent Directors) are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof and approved by

shareholders, subject to the limit not exceeding the amount computed as per the applicable provisions of the Companies Act, 2013.

**Profit-linked Commission:**

The profit-linked commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act. Profit linked commission would comprise of a fixed component and variable component and will be determined by the Board for each financial year.

**6. Policy on Board diversity:**

The Board shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Engineering, Human Resource management, etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

The Board shall have atleast one Board member who has accounting or related financial management expertise and atleast one women director.

**7. Changes amongst Directors, Key Managerial Personnel:**

The Committee may recommend to the Board, changes in Board or Key Managerial Personnel subject to the provisions of the Act, Listing Regulations and applicable Company's policies i.e., Rules and Regulations of Service, Code of Business Conduct and Principles of legal compliance framed and adopted by the Company from time to time. The Key Managerial Personnel shall superannuate as per the applicable provisions of the regulations and prevailing policy of the Company. The Board of Directors will have the discretion to retain the Key Managerial Personnel in the same position / remuneration or revised remuneration after attaining the date of superannuation for organisational development reasons.

**8. Minutes of Committee Meeting:**

The Proceedings of all the "Nomination & Remuneration Committee" meetings must be minuted and signed by the Chairman of the Committee. The minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

**9. Policy review:**

- (a) This Policy is framed based on the provisions of the Companies Act, 2013 and rules there under and the requirements of Listing Regulations with the Stock Exchanges.
- (b) In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- (c) This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

# ANNEXURE-4

## Form No. MR-3

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

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **March 31, 2022**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; to the extent applicable to the Company during the audit period
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; to the extent applicable to the Company during the audit period
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, ~~Overseas Direct Investment~~ and ~~External Commercial borrowings~~;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as the shares of the Company are not listed with any of the Stock Exchanges except for point c below:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable to the Company during the audit period;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.



- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time; **(Not Applicable)**

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

**We further report that:**

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

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

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

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

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

1. The Company has issued 19,28,000 Equity Shares on Rights Issue Basis
2. The Status of the Company was Changed from Private to Public Limited.
3. The Company in its Annual general Meeting has approved the borrowing limits up to ₹ 150 Crores under Section 180(1) (c)
4. The Company has issued 4,81,67,004 Bonus Shares
5. The Company in its Extra Ordinary General Meeting has approved the fresh issue of Equity Shares aggregating for an amount upto ₹ 2800 Million.
6. The Company has approved the Offer for sale of 2,40,00,900 Equity Shares
7. After the closure of the financial year and before the date of this report the Company obtained the listing status and is Listed on National Stock Exchange of India Limited and BSE Limited.

**For BS & Company Company Secretaries LLP**

Date: July 5, 2022  
Place: Hyderabad

**K.V.S. Subramanyam**  
FCS No.: 5400  
C P No.: 4815  
UDIN: F005400D000567698

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

## ANNEXURE

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

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

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

**For BS & Company Company Secretaries LLP**

Date: July 5, 2022  
Place: Hyderabad

**K.V.S. Subramanyam**  
FCS No.: 5400  
C P No.: 4815  
UDIN: F005400D000567698

# ANNEXURE-5

## ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

### 2. Composition of CSR Committee:

The CSR Committee comprises of following members as on March 31, 2022:

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

\* Dr. Dinesh Kumar Chirla, Ms. Sundari R. Pisupati and Mr. Santanu Mukherjee were inducted as Members of the CSR Committee w.e.f. October 22, 2021.

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

Composition of the CSR Committee:	<a href="https://www.rainbowhospitals.in/investor-relations/reports/Committee_members.pdf">https://www.rainbowhospitals.in/investor-relations/reports/Committee_members.pdf</a>
CSR Policy:	<a href="https://www.rainbowhospitals.in/investor-relations/reports/policy/CSR_Policy.pdf">https://www.rainbowhospitals.in/investor-relations/reports/policy/CSR_Policy.pdf</a>
CSR Projects as approved by the Board:	<a href="https://www.rainbowhospitals.in/investor-relations/reports/policy/CSR%20Projects%20approved%20by%20the%20Board_FY%2021-22.pdf">https://www.rainbowhospitals.in/investor-relations/reports/policy/CSR%20Projects%20approved%20by%20the%20Board_FY%2021-22.pdf</a>

### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
---------	----------------	--	---

NIL

**6. Average net profits of the Company as per section 135(5): ₹ 84,79,62,174**

7.(a) Two percent of average net profit of the Company as per Section 135(5) – ₹ 1,69,59,243

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c). – ₹ 1,69,59,243

**8. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:****(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 1,69,60,000	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

**(b) Details of CSR amount spent against ongoing projects for the financial year: Nil**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No	Name of the Project	Items from the List of activities in Sch VII to the Act	Local Area (Yes / No)	Location of the Project		Project Duration	Amt allocated for the Project	Amt spent in Current Financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ )	Mode of Implementation – Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regn No
Nil												

## c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the Financial Year (in ₹ /-)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency - CSR Registration No.	Name
				State	District				
1.	Donation to Sri Venkateswara Pranadana Trust	Promoting Healthcare by constructing Pediatric cardiac hospital under this trust.	No	Andhra Pradesh	Chittoor	1,00,00,000	No	CSR00017334	Sri Venkateswara Pranadana Trust
2.	Donation to Gramam (The Village) Foundation (For Upgrading, improvising and maintaining basic infrastructure in the villages.)	Rural Development Projects	Yes	Telangana	Hyderabad	50,00,000	No	CSR000003452	Gramam (The Village) Foundation
3.	Donation to Hrudaya Cure A Little Heart Foundation (To subsidise the treatment of poor patients with Cardiac ailments.)	Promoting Healthcare	Yes	Telangana	Hyderabad	13,60,000	No	CSR00004126	Hrudaya Cure A Little Heart Foundation
4.	Donation to building smart class room for promotion of education	Promoting Education	No	Tamilnadu	Chennai	5,00,000	Yes	NA	NA
5.	Paid to Sports Personnel – Gymnastic Kit	Promoting Sports	Yes	Telangana	Hyderabad	50,000	Yes	NA	NA
6.	Donation to Purnkuti – Promotion of Health and Well Being of Weaker Section	Promoting Healthcare, Eradicating Hunger, poverty and Malnutrition	No	Bihar	Patna	50,000	No	CSR000003026	Purnkuti
<b>Total</b>						<b>1,69,60,000</b>			

(d) Amount spent in Administrative Overheads:- Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):- ₹ 1,69,60,000

(g) Excess amount for set off, if any – Nil



S. No	Particular	Amount (In ₹)
i)	Two percent of average net profit of the company as per section 135(5)	1,69,59,243
ii)	Total amount spent for the Financial Year	1,69,60,000
iii)	Excess amount spent for the financial year [(ii)-(i)]	757
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	757

**9.(a) Details of Unspent CSR amount for the preceding three financial years:**

S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (In ₹)
				Name of the Fund	Amt (In ₹)	Date of Transfer	
NIL							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No	Project Id	Name of the Project	Financial Year in which Project was commenced	Project Duration	Total Amt Allocated for the Project	Amt spent on the Project in the Reporting Financial Year	Cumulative Amt spent at the end of Reporting Financial Year	Status of the Project – Completed / Ongoing
Nil								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

- Date of creation or acquisition of the Capital Asset: **Not Applicable**
- Amount of CSR spent for creation or acquisition of capital asset: **Nil**
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Not Applicable**
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Not Applicable**

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

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

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

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

Place: Hyderabad  
Date: August 8, 2022

# REPORT ON CORPORATE GOVERNANCE

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

## II. BOARD OF DIRECTORS

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

As on March 31, 2022, the Board of Directors of your Company comprised of 6 directors out of which 2 are Executive and 4 are Independent Directors.

The names and categories of Directors on the Board during the Financial Year 2021-22, their attendance at Board Meetings held during the Financial Year 2021-22 and at the last Annual General Meeting and the number of Directorship and Committees Chairmanship/Membership held by them as on March 31, 2022 are given hereunder:

Name of Director	Category#	Attendance Particulars			No. of other Directorships and Committee Memberships/ Chairmanships			Name of the Listed Companies where Company's Director is also a Director.	
		Board Meetings		Last AGM held on 11.08.2021	Other Directorships*	Committee Memberships**	Committee Chairmanships**	Name of Listed Company	Category of Directorship
		En-titled	Atten- ded						
Dr. Ramesh Kancharla <sup>1</sup> (DIN: 00212270)	Chairman & PED	9	9	Yes	7	Nil	Nil	-	-
Dr. Dinesh Kumar Chirla <sup>2</sup> (DIN: 01395841)	PED	9	9	Yes	6	Nil	Nil	-	-
Prof. Anil Dhawan (DIN: 08191702)	IDNE	9	9	No	Nil	Nil	Nil	-	-
Mr. Aluri Srinivasa Rao (DIN: 00147058)	IDNE	9	8	No	6	Nil	Nil	-	-
Ms. Sundari R. Pisupati <sup>3</sup> (DIN: 01908852)	IDNE	7	6	NA	2	1	Nil	-	-

Name of Director	Category#	Attendance Particulars			No. of other Directorships and Committee Memberships/ Chairmanships			Name of the Listed Companies where Company's Director is also a Director.	
		Board Meetings		Last AGM held on 11.08.2021	Other Directorships*	Committee Memberships**	Committee Chairmanships**	Name of Listed Company	Category of Directorship
		En-titled	Atten- ded						
Mr. Santanu Mukherjee <sup>4</sup> (DIN: 07716452)	IDNE	6	6	NA	7	4	1	1. Suven Life Sciences Limited 2. Sumedha IDNE Fiscal Services Limited 3. Bandhan IDNE Bank Limited	IDNE
Mr. Yugandhar Meka <sup>5</sup> (DIN: 00012265)	IDNE	2	2	No	N.A	N.A	N.A	N.A	N.A
Mr. Nagarajan Srinivasan <sup>6</sup> (DIN: 01480303)	NEND	6	4	No	N.A	N.A	N.A	N.A	N.A
Mr. Ashish Ahluwalia <sup>6</sup> (DIN: 03514036)	NEND	6	6	No	N.A	N.A	N.A	N.A	N.A

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

\* Excludes foreign companies and companies under Section 8 of the Companies Act, 2013.

\*\* For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of other Indian Public Companies have only been considered.

The details with respect to appointment and cessation of Directors, during FY 2021-22 is as follows:

<sup>1</sup> Dr. Ramesh Kancharla was re-appointed as Chairman & Managing Director on the Board w.e.f. August 11, 2021

<sup>2</sup> Dr. Dinesh Kumar Chirla was re-appointed as Whole-Time Director on the Board w.e.f. August 11, 2021.

<sup>3</sup> Ms. Sundari R. Pisupati was appointed as an Independent Director on the Board w.e.f. September 16, 2021.

<sup>4</sup> Mr. Santanu Mukherjee was appointed as an Independent Director on the Board w.e.f. October 22, 2021.

<sup>5</sup> Mr. Yugandhar Meka resigned from the Board w.e.f. September 16, 2021.

<sup>6</sup> Mr. Nagarajan Srinivasan and Mr. Ashish Ahluwalia resigned from the Board w.e.f. December 9, 2021.

### Number of Board Meetings

During the Financial Year 2021-22, Nine (9) meetings of the Board of Directors were held and the maximum time gap between two consecutive meetings did not exceed one hundred and twenty (120) days.

Date(s) on which meeting(s) were held	
1	July 16, 2021
2	September 16, 2021
3	October 14, 2021
4	October 22, 2021
5	November 27, 2021
6	December 9, 2021
7	December 23, 2021
8	December 24, 2021
9	March 25, 2022

None of our Directors are related to each other.

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

### Shareholding of Non-Executive Directors of the Company as on March 31, 2022:

As on March 31, 2022, none of the Non-Executive Directors

of the Company was holding any shares or convertible instruments in the Company.

### Familiarisation Programme for the Independent Directors

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

The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company and can be accessed through the following link at <https://www.rainbowhospitals.in/investor-relations/reports/policy/Familiarisation%20Programme%20for%20Independent%20Directors%20for%20FY%202021-22.pdf>

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

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

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

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

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

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

**Confirmation of Independence**

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

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

**Resignation of Independent Director(s)**

Mr. Yugandhar Meka, Independent Director of the Company has resigned from the Board on September 16, 2021 due to personal reasons. Mr. Yugandhar Meka further confirmed that there is no other material reason for his resignation.

**III. AUDIT COMMITTEE**

Your Company has a duly constituted Audit Committee and its composition meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the Financial Year 2021-22, the Audit Committee has met 2 (Two) times on December 23, 2021 and March 25, 2022.

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

Names of Members	*Category	Position	No. of meetings attended
Mr. Santanu Mukherjee	IDNE	Chairman	2
Prof. Anil Dhawan	IDNE	Member	2
Mr. Aluri Srinivasa Rao	IDNE	Member	2
Ms. Sundari R. Pisupati	IDNE	Member	2

\*IDNE – Independent Non-Executive Director.

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

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

**Terms of reference**

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

- (i) The Audit Committee shall have powers, which should include the following:
  - (a) To investigate any activity within its terms of reference;
  - (b) To seek information from any employee of the Company;



- (c) To obtain outside legal or other professional advice;
  - (d) To secure attendance of outsiders with relevant expertise if it considers necessary; and
  - (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
- (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
  - (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
  - (d) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
    - (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
    - (iv) Significant adjustments made in the financial statements arising out of audit findings;
    - (v) Compliance with listing and other legal requirements relating to financial statements;
    - (vi) Disclosure of any related party transactions; and
    - (vii) Qualifications / modified opinion(s) in the draft audit report.
  - (e) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
  - (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
  - (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
  - (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
  - (k) Scrutiny of inter-corporate loans and investments;
  - (l) Undertaking or supervising valuation of undertakings or assets of the company, wherever it is necessary;
  - (m) Evaluation of internal financial controls and risk management systems;
  - (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (p) Discussion with internal auditors of any significant findings and follow up thereon;
  - (q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - (r) Discussion with statutory auditors before the audit commences, about the nature and scope

- of audit as well as post-audit discussion to ascertain any area of concern;
- (s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (u) Reviewing the functioning of the whistle blower mechanism;
- (v) Approval of the appointment of the Chief Financial Officer of the Company (“CFO”) (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- (w) Carrying out any other functions as provided under the provisions of the Companies Act, 2013 the SEBI Listing Regulations and other applicable laws;
- (x) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
- (y) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- (aa) Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- (bb) To consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders and;
- (cc) Carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.”
- (iii) The Audit Committee shall mandatorily review the following information:
- (a) Management’s discussion and analysis of financial condition and results of operations;
- (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
- (c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- (d) Internal audit reports relating to internal control weaknesses;
- (e) The appointment, removal and terms of remuneration of the chief internal auditor;
- (f) Statement of deviations:
- i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
- ii. annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
- (g) To review the financial statements, in particular, the investments made by any unlisted subsidiary; and
- (h) Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### IV. NOMINATION & REMUNERATION COMMITTEE

Your Company has a duly constituted Nomination and Remuneration Committee and its composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Financial Year 2021-22, the Committee has met 3 (Three) times on July 16, 2021 November 27, 2021 and March 25, 2022.

The composition of the Nomination and Remuneration Committee and the attendance details of the members as on March 31, 2022 are given below: -

Names of Members	*Category	Position	No. of meetings attended
Mr. Aluri Srinivasa Rao <sup>1</sup>	IDNE	Chairman	2
Mr. Yugandhar Meka <sup>2</sup>	IDNE	Chairman	1
Prof. Anil Dhawan	IDNE	Member	3
Ms. Sundari R. Pisupati <sup>3</sup>	IDNE	Member	2
Mr. Santanu Mukherjee <sup>4</sup>	IDNE	Member	2
Dr. Ramesh Kancharla <sup>5</sup>	PED	Member	1
Mr. Nagarajan Srinivasan <sup>5</sup>	NEND	Member	1

\*IDNE - Independent Non-Executive Director; PED - Promoter Executive Director, NEND - Non-Executive Nominee Director.

<sup>1</sup> Inducted as Chairman of the Committee w.e.f. October 22, 2021.

<sup>2</sup> Ceased to be a Chairman & Member of the Committee w.e.f. September 16, 2021

<sup>3</sup> Inducted as Member of the Committee w.e.f. September 16, 2021.

<sup>4</sup> Inducted as Member of the Committee w.e.f. October 22, 2021.

<sup>5</sup> Ceased to be a Members of the Committee w.e.f. October 22, 2021.

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

#### Terms of Reference

The terms of reference of the Nomination & Remuneration Committee, inter alia, includes the following:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become

directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

- (e) Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.
- (g) Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (k) Administering the employee stock option scheme/ plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:

- i. Determining the eligibility of employees to participate under the ESOP Scheme;
  - ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
  - iii. Date of grant;
  - iv. Determining the exercise price of the option under the ESOP Scheme;
  - v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - x. The grant, vest and exercise of option in case of employees who are on long leave;
  - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - xii. The procedure for cashless exercise of options;
  - xiii. Forfeiture/ cancellation of options granted;
  - xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
    - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
    - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (l) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
  - (m) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
    - a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
    - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable;
  - (n) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee; and
  - (o) Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations or other applicable laws or by any other regulatory authority.

#### **Performance evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out the annual evaluation of (i) its own performance; (ii) Individual Directors Performance (Including Independent Directors) and (iii) Performance of all committees of the Board, for the Financial Year 2021-22.

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

The feedback and results of the questionnaire were collated and consolidated report was shared with

the Board for improvements of its effectiveness. The Directors expressed their satisfaction with the evaluation process.

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

#### V. STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Company has a duly constituted Stakeholders Relationship Committee and its composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No meeting of the committee was held during the year under review, as the provisions of Companies Act, 2013 and SEBI Listing Regulations regarding Stakeholders Relationship Committee were not applicable on the Company during the Financial Year 2021-22.

The composition of the Stakeholders Relationship Committee is given below:

Names of Members	*Category	Position
Ms. Sundari R. Pisupati	IDNE	Chairperson
Dr. Ramesh Kancharla	PED	Member
Prof. Anil Dhawan	IDNE	Member
Mr. Aluri Srinivasa Rao	IDNE	Member

\*IDNE - Independent Non-Executive Director; PED – Promoter Executive Director.

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

##### Terms of Reference:-

- Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;
- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/

consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

- Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority;
- To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
- To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
- To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company; and
- Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

##### Compliance Officer

Mr. Ashish Kapil, Company Secretary is the Compliance Officer of the Company. His contact details are as follows:

##### Rainbow Children's Medicare Limited

8-2-19/1/A, Dault Arcade, Karvy Lane,  
Road No.11, Banjara Hills,  
Hyderabad-500034, Telangana  
Telephone No: +91 40 49692244

E-mail: companysecretary@rainbowhospitals.in

The Company has not received any investor complaint during the year under review. Further, no investor complaint in relation to our Company was pending as on March 31, 2022.

#### VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company has a duly constituted Corporate Social Responsibility Committee and its composition meets the requirements of Section 135 of the Companies Act, 2013.

During the Financial Year 2021-22, the Committee has met 1 (One) time on March 25, 2022.



The composition of the Corporate Social Responsibility Committee and the attendance details of the members as on March 31, 2022 are given below: -

Names of Members	*Category	Position	No. of meetings attended
Prof. Anil Dhawan <sup>1</sup>	IDNE	Chairman	1
Dr. Ramesh Kancharla <sup>2</sup>	PED	Member	1
Dr. Dinesh Kumar Chirla <sup>3</sup>	PED	Member	1
Ms. Sundari R. Pisupati <sup>3</sup>	IDNE	Member	1
Mr. Santanu Mukherjee <sup>3</sup>	IDNE	Member	1
Mr. Ashish Ahluwalia <sup>4</sup>	NEND	Member	-

\*PED – Promoter Executive Director; IDNE – Independent Non-Executive Director; NEND – Non Executive Nominee Director.

<sup>1</sup> Inducted as Chairman of the Committee w.e.f. October 22, 2021.

<sup>2</sup> Ceased to be Chairman of the Committee w.e.f. October 22, 2021, but continued as a member

<sup>3</sup> Dr. Dinesh Kumar Chirla, Ms. Sundari R. Pisupati and Mr. Santanu Mukherjee were inducted as a Members of the Committee w.e.f. October 22, 2021.

<sup>4</sup> Ceased to be a Member of the Committee w.e.f. October 22, 2021.

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

#### Terms of Reference:-

The terms of reference of the Corporate Social Responsibility Committee, inter alia, includes the following:

(a) To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board, The annual action plan shall include following:

- (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
- (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the Company.

(b) Recommending the amount of expenditure to be incurred, which should be at least 2% of the

average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;

- (c) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (d) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (g) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act;
- (h) To take note of the progress made by implementing agency (if any) appointed for the corporate social responsibility of the Company; and
  - (i) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

## VII. RISK MANAGEMENT COMMITTEE

Your Company has duly constituted a Risk Management Committee and its composition meets the requirements of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Financial Year 2021-22, the Committee has met 1 (One) time on July 16, 2021.

The composition of the Risk Management Committee as on March 31, 2022 is given below:

Names of Members	*Category	Position	No. of meetings attended
Mr. Santanu Mukherjee <sup>1</sup>	IDNE	Chairman	-
Dr. Ramesh Kancharla	PED	Member	1
Mr. Aluri Srinivasa Rao	IDNE	Member	1
Mr. R Gowrisankar <sup>2</sup>	CFO	Member	-
Mr. Mahesh Madduri <sup>2</sup>	HOS	Member	-
Mr. Yugandhar Meka <sup>3</sup>	IDNE	Chairman	1
Mr. Nagarajan Srinivasan <sup>4</sup>	NEND	Member	1
Ms. Sundari R. Pisupati <sup>4</sup>	IDNE	Member	-

\*IDNE - Independent Non-Executive Director; PED – Promoter Executive Director; NEND – Non- Executive Nominee Director; HOS – Head of Strategy; CFO- Chief Financial Officer.

<sup>1</sup> Inducted as Chairman of the Committee w.e.f. October 22, 2021.

<sup>2</sup> Inducted as Member(s) of the Committee w.e.f. October 22, 2021.

<sup>3</sup> Ceased to be a Chairman and Member of the Committee w.e.f. September 16, 2021

<sup>4</sup> Ceased to be a Member(s) of the Committee w.e.f. October 22, 2021.

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

### Terms of Reference:-

The terms of reference of the Risk Management Committee, includes the following:

- (a) To periodically review the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (b) To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes;
- (c) The policy shall include:
  1. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the committee;
  2. Measures for risk mitigation including systems and processes for internal control of identified risks;
  3. Business continuity plan.
- (d) To approve the process for risk identification and mitigation;
- (e) To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
- (f) To monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
- (g) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (h) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (i) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
- (j) To consider the effectiveness of decision making process in crisis and emergency situations;
- (k) To balance risks and opportunities;
- (l) To generally, assist the Board in the execution of its responsibility for the governance of risk;
- (m) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (n) To consider the appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;

- (o) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- (p) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- (q) To attend to such other matters and functions as may be prescribed by the Board from time to time; and
- (r) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

### VIII.REMUNERATION OF DIRECTORS:

The table below gives details of Remuneration of Directors for the Financial Year ended March 31, 2022.

(Amount in ₹)

Name of Director	Salary & Perquisites	Performance Linked Incentive	*Commission	Contribution towards Provident Fund	Sitting Fees	Severance Fee	Service Contract	Notice Period	Total
Dr. Ramesh Kancharla	5,94,00,004	-	-	6,00,000	-	-	3 Years	None, unless otherwise agreed by Board of Directors	6,00,00,004
Dr. Dinesh Kumar Chirla <sup>1</sup>	69,75,988	-	-	18,85,712	-	-	3 Years	None, unless otherwise agreed by Board of Directors	88,61,700
Prof. Anil Dhawan	-	-	10,00,000	-	7,00,000	-	-	-	17,00,000
Mr. Aluri Srinivasa Rao	-	-	10,00,000	-	5,25,000	-	-	-	15,25,000
Ms. Sundari R. Pisupati <sup>2</sup>	-	-	5,83,332	-	5,75,000	-	-	-	11,58,332
Mr. Santanu Mukherjee <sup>3</sup>	-	-	5,00,000	-	6,00,000	-	-	-	11,00,000
Mr. Yugandar Meka <sup>4</sup>	-	-	5,00,000	-	1,00,000	-	-	-	6,00,000

\*Commission relates to the Financial Year ended March 31, 2022, which was approved by the Board on May 27, 2022 and was paid during Financial Year 2022-23.

<sup>1</sup> Dr. Dinesh Kumar Chirla also received ₹ 2,64,93,578/- as a professional fee in the capacity of Doctor.

<sup>2</sup> Ms. Sundari R. Pisupati was appointed as Independent Director on the Board w.e.f. September 16, 2021

<sup>3</sup> Mr. Santanu Mukherjee was appointed as Independent Director on the Board w.e.f. October 22, 2021.

<sup>4</sup> Mr. Yugandhar Meka resigned as Independent Director from the Board w.e.f. September 16, 2021.

#### Criteria for making payments including all pecuniary relationship or transactions of Non-executive Directors

Non-Executive Directors of the Company are paid sitting fees for attending Board/ Committee meetings and Commission within the limits prescribed under Companies Act, 2013.

The Nomination and Remuneration Policy of the Company, inter alia, disclosing detailed criteria of making payments to Non-Executive Directors of the Company is placed on Company's website and can be accessed at:

[https://www.rainbowhospitals.in/investor-relations/reports/policy/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/policy/Nomination_and_Remuneration_Policy.pdf)

There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year except the Commission and Sitting Fees paid to them as detailed above.

## IX. GENERAL BODY MEETINGS

Details of Annual General Meetings held during the last three years, are as under:

Financial Year	Date and Time	Venue	No. of Special Resolutions set out at the AGM
2020-21	11-Aug-21 at 11:00 AM	8-2-619/1/A, Road No.11, Daulet Arcade, Banjara Hills, Hyderabad- 500034	<ol style="list-style-type: none"> <li>1. Re- Appointment of Dr. Ramesh Kancharla (DIN: 00212270) as the Chairman &amp; Managing Director of the Company to hold office for a period of 5 (five) years.</li> <li>2. Re- Appointment of Dr. Dinesh Chirla (DIN: 01395841) as the Whole Time Director of the Company to hold office for a period of 5 (five) years.</li> <li>3. Granting loans and/or give guarantee and/or make investments in the subsidiaries</li> <li>4. Consider and accord the power to the board of directors of the company to borrow funds under section 180(1) (c) of the Companies Act, 2013. To meet the working capital requirements and meeting any Project capex of the company.</li> <li>5. Advance any loan or to give any guarantee or provide any security to the subsidiaries of the company under section 185 of Companies Act, 2013.</li> </ol>
2019-20	03-Aug-20 at 11:00 AM	8-2-619/1/A, Road No.11, Daulet Arcade, Banjara Hills, Hyderabad- 500034	None
2018-19	12-July-19 at 11:00 AM	8-2-619/1/A, Road No.11, Daulet Arcade, Banjara Hills, Hyderabad- 500034	None

### POSTAL BALLOT

During the year under review, no business has been transacted through postal ballot. Hence, disclosure under this section is not required to be provided.

Further, No special resolution is proposed to be conducted through postal ballot.

## X. MEANS OF COMMUNICATION

Post listing the quarterly/half-yearly/ annual financial results of the Company are intimated to the Stock Exchanges immediately after the Board Meeting at which they are approved. The results along with press releases/ presentations made by the Company to Analysts/Investors are also posted on the website of the Company viz. <http://www.rainbowhospitals.com/>.

The Company's website also displays all official news releases. The results of the Company are also published in English and Telugu language newspapers normally in Financial Express/ Surya/Business Standard/Eenadu /Economic Times.

Post listing the Company organized investor conference calls to discuss its financial results every quarter, where investor queries were answered by the Executive Management of the Company. The transcripts of the conference calls were posted on our website and on the Stock Exchanges.

All price sensitive information and matters that are material to shareholders were disclosed to the Stock Exchanges, where the securities of the Company are listed.

## XI. GENERAL SHAREHOLDER INFORMATION

**a. Corporate Identification Number:** L85110TG1998PLC029914

**b. Annual General Meeting:**

The 24<sup>th</sup> Annual General Meeting of the Company is scheduled to be held as under:-

Date and Time      September 15, 2022 at 11:30 A.M. (IST)

Venue                      The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2022 and May 5, 2020 and there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

**c. Financial Year**

The Company follows Financial Year from April 1 to March 31. The Current Financial Year of the Company is April 1, 2021 to March 31, 2022.

**d. Final Dividend Payment:** On or before October 14, 2022.**e. Listing on Stock Exchanges:**

The Equity Shares of the Company were listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (collectively referred to as "Stock Exchanges") on May 10, 2022.

Name of Stock Exchange	Security Code/ Symbol	Address
BSE Limited	543524	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
National Stock Exchange of India Limited	RAINBOW	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Annual Listing fees for the Financial Year 2022-23 have been paid to both the Stock Exchanges.

**f. Market Price Data & Share price performance:**

Not Applicable since during the period under review the Equity Shares of the Company were not listed on any recognised Stock Exchange(s).

**g. Company's equity share price comparison with BSE Sensex and S&P CNX Nifty:**

Not Applicable since during the period under review the Equity Shares of the Company were not listed on any recognised Stock Exchange(s).

**h. Registrar and Share Transfer Agent:**

KFin Technologies Limited  
Selenium Tower-B, Plot 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500032, Telangana.  
Contact Number: +91 4067162222  
Email-id: einward.ris@kfintech.com  
Website: www.kfintech.com

**i. Share Transfer System:**

As mandated by SEBI, securities of listed companies can only be transferred in dematerialized form. In view of the same, the entire share capital of the Company is in dematerialised form. The shares can be transferred by shareholders through their Depository Participants.

**j. Distribution of shareholding as on March 31, 2022:****i. Distribution of Equity Shareholding**

Slab	Shareholders		No. of Shares	
	Number	% to total	Shares	% to total
1 – 5000	37	25.34	1,27,000	0.13
5001 – 10,000	30	20.55	2,50,000	0.27
1,0001 – 20,000	36	24.66	6,08,000	0.65
20,001 – 30,000	23	15.75	6,20,000	0.66
3,0001 – 40,000	1	0.68	40,000	0.04
40,001 – 50,000	1	0.68	50,000	0.05
50,001 – 1,00,000	2	1.37	1,20,000	0.13
1,00,001 - Above	16	10.96	9,22,38,928	98.07
<b>Total</b>	<b>146</b>	<b>100</b>	<b>9,40,53,928</b>	<b>100</b>



**ii. Categories of Equity Shareholders as on March 31, 2022**

S. No.	Category	No of Shares held	% of Share holding
1	Promoter and Promoter Group	5,99,12,384	63.70
2	Foreign Venture Capital Investors	89,33,163	9.50
3	Foreign Body Corporate	1,81,18,981	19.30
4	Mutual Fund/Alternate Investment Funds	-	-
5	FPI and FII	-	-
6	Resident Individuals	70,89,400	7.54
7	Financial Institutions/Banks/Insurance Companies	-	-
8	Bodies Corporate	-	-
9	Non - Resident Indians	-	-
10	Clearing Members	-	-
11	Trusts	-	-
<b>Total</b>		<b>9,40,53,928</b>	<b>100</b>

**As on March 31, 2022 following was the distribution of Preference Share Capital of the Company:**

S. No	Name	No. of Preference Shares	Description
1	CDC Group PLC (Foreign Body Corporate)	11,46,771	0.0001% Series A Compulsorily Convertible Preference Shares of face value of ₹ 48/- each
2	CDC India Opportunities Limited (Foreign Venture Capital Investors)	11,33,309	0.0001% Series B Compulsorily Convertible Preference Shares of face value of ₹ 48/- each
	<b>Total Preference Share (Series A + Series B)</b>	<b>22,80,080</b>	

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

**k. Dematerialisation of Shares and Liquidity**

As on March 31, 2022, the entire equity share capital of your Company is held in dematerialised form with NSDL and CDSL under International Securities Identification Number (ISIN) – INE961O01016.

**l. Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments**

No GDRs/ ADRs/Warrants has been issued by the Company.

As on March 31, 2022 the Company had (i) 11,46,771 0.0001% Series A Compulsorily Convertible Preference Shares of face value of ₹ 48/- each (ii) 11,33,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of ₹ 48/- . ("CCPS")

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

**m. Commodity price risk or foreign risk and hedging activities.**

The Company does not have commodity price risk nor does the Company engage in hedging activities.

**n. Plant Locations**

The Company does not have any manufacturing or processing plants.

**o. Address for Correspondence**

Registered Office	Corporate Office
Rainbow Children's Medicare Limited 8-2-120/103/1, Survey No. 403, Road No. 2, Banjara Hills, Hyderabad- 500034, Telangana Ph: 040-22334455 E-Mail ID: companysecretary@rainbowhospitals.in	Rainbow Children's Medicare Limited 8-2-19/1/A, Daulet Arcade, Road No. 11, Banjara Hills, Hyderabad – 500034, Telangana Ph: 040- 49692244 E-mail: E-Mail ID: companysecretary@rainbowhospitals.in

Your Company has also designated [investorrelations@rainbowhospitals.in](mailto:investorrelations@rainbowhospitals.in) as an exclusive email ID for Analysts and Institutional Investors and [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in) as an exclusive email ID for the Investors for the purpose of registering their complaints and the same has been displayed on Company's website also.

**p. List of Credit Ratings**

During the Financial Year 2021-22, the Company has been assigned a credit rating of "[ICRA] AA-(stable)" by ICRA for non-convertible debentures.

Regulations, 2015, the Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, illegal or unethical practices, unethical behaviour, actual or suspected fraud. Adequate safeguards are provided against victimization to those who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided. During the year under review, no employee was denied access to the Audit Committee.

The policy on Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company and can be accessed through the following link: [https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle\\_Blower\\_Policy.pdf](https://www.rainbowhospitals.in/investor-relations/reports/policy/Whistle_Blower_Policy.pdf)

**XII. DISCLOSURES****a. Related Party Transactions (RPTs)**

The Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. Transactions with related parties are being disclosed in Note 2.33 to the Standalone Financial Statements of the Company forming part of the Annual Report and are transacted after obtaining applicable approval(s), wherever required.

The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is disclosed on website of the Company and can be accessed through the following link:

<https://www.rainbowhospitals.in/investor-relations/reports/policy/Policy%20on%20dealing%20with%20Related%20Party%20Transactions.pdf>

**b. Loans and Advances in the nature of Loans to Firms/Companies in which Directors are interested by Name and Amount.**

The details of loans and advances in the nature of loans to firms/companies in which Directors are interested, forms part of notes to the financial statements.

**c. Non-Compliances by the Company**

During the last three years and during the Financial Year 2021-22, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for noncompliance of any matter related to capital markets.

**d. Vigil Mechanism and Whistle Blower Policy**

In Compliance with the provisions of section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements)

**e. Details of compliance with mandatory requirements and adoption of the non mandatory requirements**

The Company has complied with the all the applicable and mandatory requirements on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**f. Subsidiary Companies**

Your Company does not have any material subsidiary company in terms of Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company formulated a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company and can be accessed through the following link:

<https://www.rainbowhospitals.in/investor-relations/reports/policy/Policy%20for%20determining%20Material%20Subsidiary.pdf>

**g. Practicing CS Certification**

A certificate from Secretarial Auditors of the Company stating that as on March 31, 2022, none of the directors on the board of the company have

been debarred or disqualified from being appointed or continuing as directors of Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority is annexed to this Report as **Annexure - 1**.

**h. Recommendation of Committee(s) of the Board of Directors**

During the year, all recommendations of Committees of Board of Directors, which are mandatorily required, were accepted by the Board.

**i. Statutory Auditor Fee**

The total fee paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor for all the services during the Financial Year 2021-22 is ₹ 4.28 million.

**j. Disclosure under the sexual harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013**

In compliance of the terms of the sexual harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013 and rules made thereunder, the Company has in place a policy to prevent and deal with sexual harassment at workplace.

Following is the status of Complaints received under the sexual harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013 during the Financial Year 2021-22.

- a. number of complaints filed during the financial year - 1
- b. number of complaints disposed of during the financial year - 1
- c. number of complaints pending as on end of the financial year. – Nil

**k. Detail of compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub - regulation (2) of Regulation 46 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015.**

To the extent applicable, the Company is in compliance with the applicable corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**l. Disclosures with respect to demat suspense account/ unclaimed suspense account.**

There are no shares which are lying in demat suspense account/unclaimed suspense account as on March 31, 2022.

**m. Insider Trading**

In terms of the SEBI (Prohibition of Insider Trading) Regulations 2015 ('PIT Regulations'), the

Company has a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company. Further, in terms of the PIT Regulations, the Company has in place a Code of Practices and Procedures of Fair Disclosures of Unpublished Price Sensitive Information.

**n. Board Procedures**

The Board meets at least once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company. The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the Board.

The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board has access to any information within your Company which includes the information as specified in Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**o. Independent Directors' Meeting**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors of the Company was held on March 25, 2022 without the presence of Non-Independent Directors and where in all Independent Directors were present in person.

The Company Secretary was an invitee to the said meeting and acted as a facilitator to the Independent Directors.

**p. Mandatory requirements:**

To the extent applicable, during the year under review the Company has complied all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**q. Non- mandatory requirements:**

The Company has adopted the following non-mandatory requirements on Corporate Governance:-

**i. Board**

Since your Company did not have a Non-Executive Chairman during the Financial Year 2021-22, the requirement of maintaining a Chairman's Office was not applicable to the Company.

## ii. Shareholder Rights

The quarterly and half yearly financial results of your Company are published in widely circulated newspapers and additionally are displayed on the Company's website (www.rainbowhospitals.in).

The Company sends the financial statements along with the Directors' Report and Auditor's Report to shareholders every year.

## iii. Audit qualifications

There was no audit qualification on your Company's financial statements, during the year under review.

## iv. Reporting of Internal Auditor

The Internal Auditors of the Company i.e. M/s. S. V. Rao & Associates directly reports to the Audit Committee of the Company.

## XIII. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management personnel of the Company. The Code has also been posted on the website of the Company.

All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct for the Financial Year 2021-22.

An annual declaration signed by the Chairman & Managing Director of the Company affirming compliance to the Code by the Board of Directors and the Senior Management is annexed to this Report as **Annexure - 2**. The Code of Conduct is available on website of the

Company and can be accessed through the following link: <https://www.rainbowhospitals.in/investor-relations/reports/policy/Code%20of%20conduct%20for%20Directors%20and%20Senior%20Management.pdf>

## XIV. CEO/ CFO CERTIFICATION

In compliance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Managing Director and Chief Financial Officer of the Company to the Board of Directors as specified in Part B of Schedule II of the said regulations is annexed to this Report as **Annexure - 3**.

## XV. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on Corporate Governance issued by the Secretarial Auditors of the Company is annexed to this Report as **Annexure - 4**.

## XVI. SHAREHOLDERS SATISFACTION SURVEY

The Company invites feedback from all Shareholders on various services areas that it continually works on.

The feedback in the form of a questionnaire is attached along with Notice of convening 24<sup>th</sup> Annual General Meeting.

Shareholders are requested to fill up the "**Shareholders Satisfaction Survey**" form and provide their valuable feedback by emailing the same at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in) through their registered e-mail ID or sending the signed copy at the Corporate Office of the Company at 8-2-619/1/A, Road No.11, Daulet Arcade, Banjara Hills, Hyderabad- 500034.

# ANNEXURE - 1

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Rainbow Children's Medicare Limited  
8-2-120/103/1, Survey No.403,  
Road No. 2, Banjara Hills,  
Hyderabad – 500034,  
Telangana.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rainbow Children's Medicare Limited having CIN L85110TG1998PLC029914 and having registered office at 8-2-120/103/1, Survey No. 403, Road No. 2, Banjara Hills, Hyderabad - 500034, Telangana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1	Dr. Ramesh Kancharla	00212270	August 7, 1998
2	Dr. Dinesh Kumar Chirla	01395841	December 12, 2005
3	Prof. Anil Dhawan	08191702	August 30, 2018
4	Mr. Aluri Srinivasa Rao	00147058	March 15, 2019
5	Ms. Sundari R. Pisupati	01908852	September 16, 2021
6	Mr. Santanu Mukherjee	07716452	October 22, 2021

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For BS & Company Company Secretaries LLP**

Date: August 8, 2022  
Place: Hyderabad

**K.V.S. Subramanyam**  
Designated Partner  
FCS No.: 5400  
C P No.: 4815  
UDIN: F005400D000761771



## ANNEXURE – 2

### DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Dr. Ramesh Kancharla, Chairman & Managing Director of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2022.

**Dr. Ramesh Kancharla**

Chairman and Managing Director  
Rainbow Children's Medicare Limited

Place: Hyderabad

Date: August 8, 2022

# ANNEXURE – 3

## MD AND CFO CERTIFICATE

The Board of Directors  
Rainbow Children's Medicare Limited

We, the undersigned to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the Financial Year 2021-22 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
- (1) Significant changes in the internal control over financial reporting during this year;
  - (2) Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

**Dr. Ramesh Kanchala**  
Chairman and Managing Director  
Rainbow Children's Medicare Limited

**R. Gowrisankar**  
Chief Financial Officer  
Rainbow Children's Medicare Limited

Date: August 8, 2022  
Place: Hyderabad

# ANNEXURE - 4

## CORPORATE GOVERNANCE CERTIFICATE

To  
The Members  
**Rainbow Children's Medicare Ltd,**  
8-2-120/103/1, Survey No. 403,  
Road No. 2, Banjara Hills,  
Hyderabad - 500034,  
Telangana, India.

We have examined the compliance of the conditions of Corporate Governance by **Rainbow Children's Medicare Ltd** ("Company") for the year ended 31<sup>st</sup> March, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### MANAGEMENT'S RESPONSIBILITY

The Compliance with the requirements of conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the requirements in the Corporate Governance and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

### OUR RESPONSIBILITY

Pursuant to the requirement under SEBI (LODR) Regulations, 2015, it is our responsibility to express limited assurance that the Company has complied with the requirements of the conditions of Corporate Governance. Further, this Certificate is also required to be annexed with the Directors' Report of the Company which forms part of the Annual Report as required under para-E of Schedule V of the SEBI (LODR) Regulations, 2015.

We have verified the conditions of Corporate Governance to the extent applicable, as at the end of the Financial Year 2021-22, the status of the Company was an unlisted public company and was in the process of listing. Thus, our examination and assurance with regard to compliance of the conditions of Corporate Governance is limited to the extent as stated below:

- (a) Composition of the Board of Directors;
- (b) Code of conduct for all members of the Board of Directors and Senior Management;
- (c) Adoption of Succession Plan for appointment to the Board of Directors and Senior Management;
- (d) Evaluation of the performance of Independent Directors;
- (e) Maximum number of directorships of all directors of the company in other listed entities;
- (f) Composition of the Audit Committee;
- (g) Composition of the Nomination and Remuneration Committee;
- (h) Composition of Stakeholders Relationship Committee;
- (i) Formulation of Vigil Mechanism;
- (j) Formulation of Policy on materiality of Related Party Transactions and on dealing with related party transactions;
- (k) Maximum number of memberships and chairmanship in Audit and Stakeholders' Relationship committees in all public limited companies whether listed or not; and
- (l) Website disclosures.

Further, our examination of records did not include verification of the compliances of condition of Corporate Governance with respect to periodic filing of returns, reports, documents and other information with the stock exchanges which are based on market capitalization and other compliances which are triggered on some material events since the Company was not required to comply with the SEBI (LODR) Regulations, 2015.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has voluntarily complied with the conditions of Corporate Governance to the extent applicable as stipulated in the SEBI (LODR) Regulations, 2015 for the Financial Year ended on March 31, 2022 as the Company got listed on the Stock Exchanges on May 10, 2022 and therefore the said regulations were not applicable to the Company for the period under review

The Corporate Governance Certificate shall be read in the context of the fact that the Company was unlisted during the Financial Year 2021-22. Further this certificate is issued considering the fact the Company is now listed and is required to comply with SEBI (LODR) Regulations, 2015.

**For BS & Company Company Secretaries LLP**

Date: August 8, 2022  
Place: Hyderabad

**K. V.S. Subramanyam**  
Designated Partner  
FCS No.: 5400  
C P No.: 4815  
UDIN: F005400D000761804

# BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors presents the Business Responsibility Report of the Company for the Financial Year ended on March 31, 2022.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L85110TG1998PLC029914
Name of the Company	Rainbow Children's Medicare Limited ("the Company/we/our / Rainbow")
Registered address	8-2-120/103/1, Survey No. 403 Road No. 2, Banjara Hills Hyderabad – 500 034, Telangana.
Website	<a href="http://www.rainbowhospitals.in">www.rainbowhospitals.in</a>
E-mail id	<a href="mailto:companysecretary@rainbowhospitals.in">companysecretary@rainbowhospitals.in</a>
Financial Year reported	2021-22
Sector(s) that the Company is engaged in (industrial activity code-wise)	Human Health Activities Section: Q Division: 86 Group: 861 Class: 8610 Sub-Class: 86100
List three key products/services that the Company manufactures/provides (as mentioned in balance sheet)	The business of running multi-specialty pediatric and obstetrics and gynecology hospital.
Total number of locations where business activity is undertaken by the Company:	
Number of International Locations	None
Number of National Locations	The Company has 14 hospitals and 3 clinics in 6 cities
Markets served by the Company - Local/State/National/International	Primary National

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (₹ Million)	1049.98
Total Income (₹ Million)	9454.14
Total profit after taxes (₹ Million)	1422.91
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR for the Financial Year 2021-22 is ₹ 16.96 million which is 1.19% of PAT.
List of activities in which expenditure as stated above has been incurred	Please refer to the " <b>Report on CSR Activities</b> " attached as annexure to the Board's Report, forming part of the Annual Report.

## SECTION C: OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/ Companies?

Yes, as on March 31, 2022, the Company has Six (6) Subsidiary companies, the details of the same have been provided in another section of the Annual Report.

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

No, the Subsidiary companies do not participate in the BR initiatives of the Company.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company does not mandate its suppliers/ distributors to participate in the Company's Business Responsibility ("BR") initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business.



## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

The CSR Committee consisting of the following Directors is responsible for the implementation of the BR Policy:

S. No.	Name of the Director	DIN Number	Designation
1	Dr. Ramesh Kancharla	00212270	Chairman & Managing Director
2	Dr. Dinesh Kumar Chirla	01395841	Whole-time Director
3.	Prof. Anil Dhawan	08191702	Independent Director
4.	Ms. Sundari R. Pisupati	01908852	Independent Director
5.	Mr. Santanu Mukherjee	07716452	Independent Director

b) Details of the BR Head	
DIN	00212270
Name	Dr. Ramesh Kancharla
Designation	Chairman & Managing Director
Telephone number	+91 40 49692244
e-mail id	<a href="mailto:companysecretary@rainbowhospitals.in">companysecretary@rainbowhospitals.in</a>

### 2. Principle-wise (as per National Voluntary Guidelines [NVGs]) BR Policy/policies

The NVGs on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

- P1** - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** - Businesses should promote the well-being of all employees.
- P4** - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** - Businesses should respect and promote human rights.
- P6** - Business should respect, protect and make efforts to restore the environment.
- P7** - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** - Businesses should support inclusive growth and equitable development.
- P9** - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

#### (a) Details of compliance

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?* (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	<a href="https://www.rainbowhospitals.in/investor-relations/reports/policy/Business%20Responsibility%20Policy.pdf">https://www.rainbowhospitals.in/investor-relations/reports/policy/Business%20Responsibility%20Policy.pdf</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

*\*The policies formulated by the Company are materially in compliance with all mandatory/applicable laws, rules, regulations, guidelines and standards.*

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:** Not Applicable

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

### 3. Governance related to BR

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.**

Corporate Social Responsibility Committee of the Company oversees the Business Responsibility Performance on an Annual basis.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Business Responsibility Report is published annually as part of the Company's Annual Report. The Annual Report of the Company for the Financial Year 2021-22 can be viewed at: <https://www.rainbowhospitals.in/investor-relations/#>

The Whistle-blower and Code of Conduct Policies which relates to ethics, bribery and corruption extend to all our subsidiaries, joint-ventures and entities under the umbrella of Rainbow Children's Medicare Limited.

**2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?**

During the year under review, the Company has not received Compliant relating to ethics, bribery or corruption.

**Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is engaged in the business of providing healthcare services and through its operations it has taken initiatives to build Sustainable Environment for a healthy lifestyle and promotes measurement of

### SECTION E: PRINCIPLE-WISE PERFORMANCE

**Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

healthcare system performance. Since 2013 all Hospitals that have been commissioned by Rainbow are following Green building norms, among these 3 of them are IFC (World Bank Group) EDGE Certified. As per Company mandate, all new Greenfield Projects of Rainbow shall follow Green Building Norms. Rainbow is committed to minimize the effect of its business activities on the Environment and use Sustainable Design practices for all of its new Hospitals. This helps to reduce Carbon Foot Prints as most of the materials used will adhere to Green Building norms.

The Company conserved the energy by replacing older technology boiler with Energy efficient electric Heat pump, cooling tower, Pump, Modification and optimization of chilled water line for building & LED lights at various units and reduced energy consumption, Effluent Treatment Plants (ETP's), wet-dry segregation and autoclaves for proper disposal and treatment of Bio-Medical Wastes are installed in Hospitals.

Rainbow follows a transparent policy for forecasting and mitigating the potential risks, Rainbow is always in forefront to adopt and introduce latest technologies which would help in reducing carbon foot prints. Risk identification and mitigation, and Patient Safety are an integral part of accreditations like NABH, EDGE and JCI. Rainbow Group is one of the most accredited healthcare organisations of the country with respect to patient safety as well as resource optimization.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

- i. Even though we are not producing products, but still there is a scope to reduce resource wastage by Operational practices and Optimal utilisation of resources. Resource use for the entire portfolio is tracked and monitored. As part of design standard, for all new upcoming hospitals, Rainbow is providing hot water generation system with solar panels and heat pumps as secondary source.
- ii. Rainbow continues to explore avenues to employ renewable source of energy - Solar power
- iii. Energy conservation by Improving overall efficiency of Utility by replacing older technology machines by newer technology to improve efficiency.

**b) Reduction during usage by consumers (energy, water) has been achieved since the previous year**

- i. The Company has been continuously monitoring and improving energy scores across hospitals by switching to LED light fixtures, installing VFDs, BMS, low flow plumbing & sanitary fixtures. The chart below captures the reduction in energy consumption achieved by various Rainbow Hospitals across India.
- ii. The overall bed occupancy in the current year has increased compared to previous year. Hence, Reduction in Specific Energy Consumption per bed per day has been achieved over previous year. Units consumed over the previous years have been appended below (Refer table below):

**Rainbow Hospitals Energy Consumption Details**

UNITS	EPI INDEX		Energy Consumption ( KWH) in Lacs		
	NBM	Actual (2021-22)	2019-2020	2020-21	2021-22
Banjarahills	261	149	35	32.68	36.19
Marathahalli	247	89	16.66	15.62	16.1
Chennai	275	223	15.13	15.4	17.4
Delhi	264	169	19.29	17.68	18.84
BG Road	247	132	9.57	8.19	8.65
Vijayawada	275	225	13.63	12.48	13.85
LB Nagar	261	126	6.86	6.88	7.46
Kukatpally	261	125	9.27	6.97	7.92
Vikrampuri	261	165	NA	NA	9.35
Kondapur	261	184	5.28	4.88	4.98
vizag	275	73	NA	NA	9.4
Heart Institute	261	203	8.74	8.69	10.26
Rosewalk	264	255	NA	5.94	5.98
Hebbal	247	158	NA	NA	4.84

- iii. The Company has commissioned solar rooftop at 6 of its units with this it has been generated 342673 units of Energy in a year.
- iv. With this the Company was able to avoid 307 Tons of Carbon emissions. (Only through renewable energy).
- v. The Company achieved a net carbon reduction equivalent of 3110 tons by both Energy savings and using Renewable energies.
- vi. We have saved 2805250 units of Energy through energy conservation methods, which is equivalent to 17.5% of total energy consumption.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

Yes, the Company maintains a healthy relationship with its vendors/ suppliers. The Company has in place a system of vendor selection which, besides a host of other factors, also lays emphasis on technical, financial, infrastructural capability and ethical practices of the vendor. Continuous engagement with suppliers is ensured through supplier meets, business reviews, multiple training sessions.

To motivate the suppliers to take the Sustainability agenda forward, we encourage Vendors to adopt "Green Supply Chain Management Policy. We try to maintain a safe working culture at supplier, by initiating supplier safety audits through Rainbow quality team further inputs were given to suppliers for improvement.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and hence, we procure the products and services from empaneled vendors who are governed by various statutes for regulatory products.

To ensure effective and efficient healthcare delivery, we make sure the availability of quality product and services in our hospitals. Without compromising on quality, many pharma and medical consumables are sourced from local suppliers as well. Non-regulatory products and services are procured through local goods and service providers. The Company also has many small and micro businesses as suppliers of various products and services.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes, the Company has made all the efforts to conserve water, energy and reduce wastage in the course of running operations by adopting various measures as covered under this Business Responsibility Report including the following:

- a. As part of water conservation initiatives, domestic waste water from hospitals is treated in on-site wastewater treatment plants and reused in the hospitals for suitable non-contact purposes like flushing, gardening, green belt development, cleaning of non-contact areas etc. On average across group we are recycling 50% of treated water. The Company also restores the ground water.
- b. Rainbow has a documented SOP for biomedical waste & General waste management in place which provides guidelines to ensure correct sorting, labelling, handling, storage, transporting and disposal of solid and liquid waste and, thus, prevention of infection and contamination of personnel and equipment. Accordingly, all the hazardous waste viz. mercury, residuals from wastewater treatment, etc. and general health care wastes are sent to the Authorised central municipality team, biomedical and hazardous waste treatment facilities as stipulated by local regulations. Rainbow also verifies the chain of custody documentation for the Authorised waste management contractors (which will be as per individual hospital requirements) from time to time. Rainbow also employs paper recycling practice across all its units.
- c. All waste that is generated on our premises is disposed of to the state government authorized agencies who have sorting/processing units of their own.
- d. We have already restricted the usage of single use plastic in our offices like plastic spoons, disposable plates, stirrers etc. and they are replaced with eco-friendly material.
- e. We also strictly follow our scrap policy for e-waste generated through our business.

**Principle 3 - Businesses should promote the well-being of all employees**

Total number of employees	2875
Total number of employees hired on temporary/ contractual/casual basis	870
Number of permanent women employees	1639
Number of permanent employees with disabilities	5
Do you have an employee association that is recognized by management	No
What percentage of your permanent employees is members of this recognized employee association?	NA

(Including employees on the rolls of Subsidiary Companies).

**Details of the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, are as follows:**

No.	Category	No of complaints filed during the Financial Year 2021-22	No of complaints pending as on end of the Financial Year 2021-22
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	1	Nil
3.	Discriminatory employment	Nil	Nil

**What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

Category	Percentage (%)
(a) Permanent Employees	100%
(b) Permanent Women Employees	100%
(c) Casual/Temporary/Contractual Employees	100%
(d) Employees with Disabilities	100%

**Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

**1. Has the company mapped its internal and external stakeholders?**

Yes, the Company has mapped its internal and external stakeholders. Please refer Materiality Matrix on page No 41.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Disadvantaged, vulnerable, marginalised and BPL patients are tracked and served as per Company's policy.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so?**

The Company has in place a comprehensive Corporate Social Responsibility policy that caters to the need of vulnerable and marginalized people in the society. As part of its CSR the Company made donation to "Hrudaya Cure A Little Heart Foundation", which is focused on improving access to quality pediatric cardiac care for children from economically disadvantaged families. The Company also donated to "Purnkuti", an NGO that has been giving persistent inputs to improve the quality of life of impoverished communities ("**Communities**") across Bihar, Telangana, and Maharashtra benefiting children, women, sex workers, transgenders, and rural populations through quality inputs on education, skill development, awareness, health & nutrition, and counselling.

**Principle 5 - Businesses should respect and promote human rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Yes, as part of our Rainbow's Code of Conduct, the Human Rights values are upheld for our associates across the Group/Joint Ventures/Suppliers/Contractors at all times.

All our associates are sensitised on the expected conduct during orientation programs.

**2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?**

During the year under review, the Company has not received any complaint or concern with respect to violation of human rights.

**Principle 6 - Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

The Environment Social Governance (ESG) Policy of the Company covers the Company and all its subsidiaries, joint-ventures and entities under the umbrella of Rainbow Children's Medicare Limited.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N.**

Yes, our Hospitals follow a stringent and well-defined framework that aims to minimize the environmental impact, improve hygiene protocols and encourage people & community development. Company vigorously monitor and improve energy scores across hospitals by switching to LED light fixtures, installing VFDs, BMS, Renewable Energies, upgrade/replacement of equipment The Company promotes and shall continue to promote usage of sustainable practices at its Hospitals. The Company aims to create a healthy and safe environment for all its employees, business partners and community.

**3. Does the company identify and assess potential environmental risks?**



Yes, based on the Hospital Operations and activities the Company have identified following environmental risks in Hospital includes:

- Waste storage and disposal, eg making sure that proper containers are used, and are located away from drains and watercourses
- Emissions- DG emissions, dust and other substances to the air
- Hazardous substance storage, use and disposal
- Liquid waste drainage and disposal – Like waste oil and kitchen Oil
- Infection Spreading – which may lead to contaminates water body and Surrounding environments
- Radiation safety.
- General building safety – Fire, Heating, Ventilation, and Air Conditioning.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company has not registered any project related to the Clean Development Mechanism.

**5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? If yes, please give hyperlink for web page etc.**

Yes, for details please refer 'Conservation of Energy, Technology Absorption' para in the Board's Report for the Financial Year 2021-22 which can be accessed at <https://www.rainbowhospitals.in/investor-relations/#>

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?**

Yes. All emissions/waste generated at various Rainbow hospitals are within permissible limits These are continuously monitored, reviewed internally and reported to the SPCB as per the requirement.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil.

**Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes, we are active members of Associated Chambers of Commerce and Industry of India (ASSOCHAM), Directorate of Medical Education, Telangana Super

Speciality Hospitals Association (TSSHA), IMA Forum and Great Place to Work.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, as an organization operating in Healthcare, we believe that we have an advantage in making a positive difference to the communities around us. We work actively through various associations and our CSR wing to ensure impact in the above-mentioned areas.

As part of Directorate of Medical Education, we work actively in elevating the healthcare standards in our communities by working with villages and their healthcare infrastructure – ensuring quality Healthcare to economically underprivileged members of the society.

Little Hearts Foundation works with our Heart Institute to ensure timely treatment of serious heart ailments in economically and socially underprivileged children, at subsidized costs.

**Principle 8 - Businesses should support inclusive growth and equitable development**

**1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company identified specified program and takes all initiatives in Promoting Healthcare, Education, Sports, Rural Development etc. in pursuit of the CSR policy.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

All the community development initiatives were undertaken by in-house teams and often with the help of external agencies/ organizations

**3. Have you done any impact assessment of your initiative?**

The initiatives undertaken are reviewed by the CSR Committee, constituted by the Board. The CSR operation team ensures proper and frequent monitoring of all the projects.

**4. What is your company's direct contribution to community development projects-Amount in ₹ and the details of the projects undertaken.**

Please refer to the "Report on CSR Activities" attached as annexure to the Board's Report, forming part of the Annual Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Yes, the Company ensures the community development initiative through internal tracking mechanisms and field visits. Informal feedbacks are also obtained from the community on such initiatives

**Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending as on the end of Financial Year?**

There are no material consumer cases/customer complaints pending as on the end of Financial Year.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Not Applicable.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year?**

None.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

The Company collects patient feedback (OP, IP and health check-up patients) through physical feedback forms.

To understand consumer satisfaction trends, feedback is also sought from patients through social media or email. By reviewing the feedback provided and sharing the response, the Company gauges the level of patients satisfaction and derive trends.

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Rainbow Children's Medicare Limited**  
(formerly known as 'Rainbow Children's Medicare Private Limited')

## Report on the Audit of the Standalone Financial Statements

### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

## Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
<p><b>Impairment of Loans receivable</b></p> <p>Refer Note 2.10 to the standalone financial statements</p> <p>(i) The Company has given an unsecured loan to a subsidiary amounting to ₹ 39.81 million during the year. The total loans outstanding as at year end is ₹ 290.00 million (including interest accrued of ₹ 56.94 million)</p> <p>(ii) During the year, the Company has given an unsecured loan to an external party amounting to ₹ 197.69 million. The total loan outstanding as at year end is ₹ 507.27 million (including interest accrued of ₹ 76.80 million)</p> <p>Due to the losses incurred by the subsidiary and the external party in the past two years consequent to Covid 19 pandemic, the Company is exposed to risk in respect of the recoverability of the loans granted to the aforementioned parties.</p> <p>The Company carries out assessment of recoverability of these loans and impairment at every period end. This assessment uses several key assumptions including estimates of future cash flows, discount rate and growth rate.</p> <p>We have identified impairment of loans as a key audit matter because recoverability assessment involves Company's significant judgement and estimates.</p>	<p>In view of the significance of the matter, we performed the following procedures:</p> <ol style="list-style-type: none"> <li>1. Evaluated the design and implementation and tested operating effectiveness of key internal controls over the Company's impairment assessment process of the loans receivable.</li> <li>2. Traced loans given/repaid during the year to bank statements and assessed the compliance with the stipulated terms of the loan agreements.</li> <li>3. Obtained independent confirmations of balances as at 31 March 2022 from subsidiary and external party.</li> <li>4. Assessed the net worth of the subsidiary and external party on the basis of latest available financial statements.</li> <li>5. Obtained the business projections of the subsidiary and the external party and performed the following procedures: <ul style="list-style-type: none"> <li>• Compared the actual revenues and cash flows generated by the subsidiary and external party during the year with the budgets and estimates of the previous year.</li> <li>• Evaluated the reasonability of future cash flow projections prepared by the subsidiary and the external party with respect to the key assumptions which include discount rate and growth rate. Involved our valuation experts to assess the valuation methodologies and key assumptions used for impairment assessment.</li> <li>• Verified the classification and disclosures of the loans in accordance with accounting standards</li> </ul> </li> </ol>

## 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 annual report, but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

## Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2.(A)As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 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 disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 2.30 (A) to the standalone financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 2.51 (v) to the accounts, 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 by or on behalf of the Company ("Ultimate Beneficiaries"); or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 2.51 (vi) to the accounts, 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries"); or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- As stated in Note 2.13 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**for B S R & Associates LLP**

Chartered Accountants

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

**Jhahanwijha Shyamsukha**

Partner

Membership Number: 064550

UDIN: 22064550AJSVAW7440

Place: Hyderabad

Date: 27 May 2022

## Annexure "A" to the Independent Auditors' report on the standalone financial statements of Rainbow Children's Medicare Limited for the year ended 31 March 2022

With reference to the Annexure A referred to in Paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date, we report that:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (including right of use of assets).
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular 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 material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Land	Rs. 33.06 million	Government of Andhra Pradesh	No	11 years	Refer Note (i) mentioned in Note 2.1 (a) of standalone financial statements

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to 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.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee, granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments, granted unsecured loans, to companies and other parties in respect of which the requisite information is as below:

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to any other entity as below:

Particulars	Loans (₹ in millions)
Aggregate amount during the year	
- Subsidiaries*	41.01
- Others	197.69
Balance outstanding as at balance sheet date (excluding interest accrued)	
- Subsidiaries*	235.53
- Others	430.48

\*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (iii) (e) 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 following instances of loans which were repayable on demand were extended:

Name of the parties	Aggregate amount dues extended (₹ in millions)	Percentage of the aggregate to the total loans granted during the year
Rosewalk Healthcare Private Limited	220.75	34%
Madhukar Rainbow Children's Hospital (a unit of Madhukar multispecialty Hospital and Research Center)	430.48	65%

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. The Company has not provided any guarantees or security during the year.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have 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 Income tax dues.

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, statutory dues relating to Goods and Service Tax, Luxury Tax, Value added tax, Income-Tax or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	14.15 (Includes interest and penalty of 9.15), amount paid under protest 0.38)	October 2015 to June 2017	Directorate General of GST, Hyderabad
Goods and Service Tax Act	Goods and Service Tax	18.25	July 2017 to March 2018	Assistant Commissioner Office, Hyderabad
Andhra Pradesh Tax on Luxuries Act, 1987	Luxury Tax	18.55 (amount paid under protest - 8.30)	Financial Year 2010-11 to 2013-14	High Court of Telangana

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

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loan and borrowing or in the payment of interest thereon to any lender.

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

(c) In our opinion and according to the information and explanations given to us by the management, Term loans were applied for the purpose for which the loans were obtained, other than ₹ 10.10 million which remain unutilised as at 31 March 2022. The Company has temporarily invested such unutilised balance in fixed deposits as at 31 March 2022.

(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 the Company has not raised any funds on short-term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). Accordingly, clause 3(ix)(f) of the Order is not applicable.

- (x) (a) The Company has 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.

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

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

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

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
 (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.  
 (b) 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.  
 (c) 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**for B S R & Associates LLP**

Chartered Accountants

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

**Jhahanwijha Shyamsukha**

Partner

Membership Number: 064550

UDIN: 22064550AJVAV7440

Place: Hyderabad

Date: 27 May 2022



## **Annexure B to the Independent Auditors' report on the standalone financial statements of Rainbow Children's Medicare Limited for the year ended 31 March 2022.**

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

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Rainbow Children's Medicare Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

#### **Management's Responsibility and Board of Directors' Responsibilities for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

#### **Auditors' Responsibility (continued)**

assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial controls with Reference to Standalone 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 standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

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

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

Chartered Accountants

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

#### **Jhahanwijha Shyamsukha**

Partner

Membership Number: 064550

UDIN: 22064550AJSAW7440

Place: Hyderabad

Date: 27 May 2022

## Statement of Audited Standalone financial

# STANDALONE BALANCE SHEET

(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
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Plant, property and equipment	2.1(a)	3,996.54	3,778.27
b. Capital work-in-progress	2.1(a)	46.00	286.82
c. Right-of-use of assets	2.34	4,119.34	3,429.81
d. Other intangible assets	2.1(b)	12.68	13.72
e. Intangible assets under development	2.1(b)	11.63	0.91
f. Financial assets			
(i) Investments	2.2	201.74	292.69
(ii) Loans	2.10	797.60	-
(iii) Other financial assets	2.3(a)	548.16	534.48
g. Deferred tax assets (net)	2.29(d)	115.06	17.39
h. Income tax assets (net)	2.4	48.90	42.02
i. Other non-current assets	2.5	157.35	128.74
<b>Total non-current assets</b>		<b>10,055.00</b>	<b>8,524.85</b>
<b>Current assets</b>			
a. Inventories	2.6	138.81	92.94
b. Financial assets			
(i) Investments	2.7	220.98	75.18
(ii) Trade receivables	2.8	412.72	454.48
(iii) Cash and cash equivalents	2.9(a)	80.45	43.18
(iv) Bank balances other than (iii) above	2.9(b)	1,671.00	804.41
(v) Loans	2.10	2.47	602.80
(vi) Other financial assets	2.3(b)	172.50	-
c. Other current assets	2.11	99.71	100.46
<b>Total current assets</b>		<b>2,798.64</b>	<b>2,173.45</b>
<b>TOTAL ASSETS</b>		<b>12,853.64</b>	<b>10,698.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a. Equity share capital	2.12	1,049.98	549.03
b. Other equity	2.13	5,312.95	4,210.31
<b>TOTAL EQUITY</b>		<b>6,362.93</b>	<b>4,759.34</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	2.14	273.11	405.19
(ii) Lease liabilities	2.34	4,992.05	4,315.63
b. Provisions	2.15	55.69	53.92
<b>Total non-current liabilities</b>		<b>5,320.85</b>	<b>4,774.74</b>
<b>Current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	2.16	143.53	74.47
(ii) Lease liabilities	2.34	68.33	49.14
(iii) Trade payables	2.17		
a) Total outstanding dues to micro enterprises and small enterprises		58.76	0.53
b) Total outstanding dues to creditor other than micro enterprises and small enterprises		532.46	505.12
(iv) Other financial liabilities	2.18	223.89	387.27
b. Other current liabilities	2.21	128.87	85.16
c. Provisions	2.19	14.02	24.65
d. Current tax liabilities (net)	2.20	-	37.88
<b>Total current liabilities</b>		<b>1,169.86</b>	<b>1,164.22</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,853.64</b>	<b>10,698.30</b>
Summary of significant accounting policies	1		

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

As per our Report of even date attached

for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwijha Shyamsukha**  
Partner  
Membership No.: 064550

Place: Hyderabad  
Date: 27 May 2022

for and on behalf of the Board of Directors of  
**Rainbow Children's Medicare Limited**  
(formerly Rainbow Children's Medicare Private Limited)  
CIN: U85110TG1998PLC029914

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

**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 27 May 2022

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

**Ashish Kapil**  
Company Secretary  
Membership no: A31782

Place: Hyderabad  
Date: 27 May 2022

# STANDALONE STATEMENT OF PROFIT AND LOSS

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

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	2.22	9,245.95	6,144.54
Other income	2.23	208.19	119.48
<b>Total income</b>		<b>9,454.14</b>	<b>6,264.02</b>
<b>EXPENSES</b>			
Medical consumables and pharmacy items consumed	2.24	1,877.98	971.58
Employee benefits expense	2.25	1,094.12	961.04
Finance costs	2.26	500.05	416.88
Depreciation and amortisation expense	2.27	769.87	678.95
Other expenses	2.28	3,314.68	2,576.64
<b>Total expenses</b>		<b>7,556.70</b>	<b>5,605.09</b>
<b>Profit before tax</b>		<b>1,897.44</b>	<b>658.93</b>
<b>Tax expenses:</b>	<b>2.29</b>		
(a) Current tax		575.48	238.53
(b) Deferred tax expense/(credit)		(100.95)	(73.74)
<b>Total tax expense</b>		<b>474.53</b>	<b>164.79</b>
<b>Profit for the year</b>		<b>1,422.91</b>	<b>494.14</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		13.02	12.00
Income tax relating to re-measurement gain on defined benefit plans	2.29	(3.28)	(3.02)
<b>Other comprehensive income for the year, net of tax</b>		<b>9.74</b>	<b>8.98</b>
<b>Total Comprehensive Income for the year</b>		<b>1,432.65</b>	<b>503.12</b>
Earning per share (face value of share ₹ 10 each)	2.37		
- Basic (Rs)		15.18	5.50
- Diluted (Rs)		14.87	5.36
Summary of significant accounting policies	1		

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

As per our Report of even date attached

for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwija Shyamsukha**  
Partner  
Membership No.: 064550

Place: Hyderabad  
Date: 27 May 2022

for and on behalf of the Board of Directors of  
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**Dr. Ramesh Kancharla**  
Chairman and Managing Director  
DIN: 00212270

**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 27 May 2022

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

**Ashish Kapil**  
Company Secretary  
Membership no: A31782

Place: Hyderabad  
Date: 27 May 2022

## Statement of Audited Standalone financial

# STANDALONE STATEMENT OF CASH FLOWS

(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
<b>Cash flows from Operating activities</b>		
Profit before tax	1,897.44	658.93
<b>Adjustments:</b>		
Depreciation and amortisation expense	769.87	678.95
Dividend income	(7.69)	(2.02)
Net gain on financial assets measured at fair value through profit or loss	(3.36)	(0.15)
Unrealised foreign exchange gain, net	(0.05)	(0.18)
Interest income on financial assets carries at amortised cost	(133.91)	(110.84)
Finance cost	500.05	416.88
Net gain on sale of investment	(8.20)	-
Advances written off	3.72	-
Allowances for doubtful advances	3.57	-
Bad debts written off	-	3.14
Allowance for expected credit loss	25.13	19.78
Net loss / (gain) on sale of property, plant and equipment	0.92	(0.50)
Liabilities no longer required written back	(54.98)	(2.54)
	<b>2,992.51</b>	<b>1,661.45</b>
<b>Adjustments for working capital:</b>		
(Increase) / Decrease in inventories	(45.87)	53.27
Decrease / (Increase) in trade receivables	16.63	(35.50)
(Increase) in financial and other assets	(308.38)	(11.84)
Increase in trade payables	130.92	84.30
(Decrease) in financial liabilities and provisions	(24.97)	(70.99)
	<b>2,760.84</b>	<b>1,680.69</b>
<b>Cash generated from operations</b>	<b>2,760.84</b>	<b>1,680.69</b>
Income tax paid, net	(620.24)	(265.10)
<b>Net cash flow from operating activities (A)</b>	<b>2,140.60</b>	<b>1,415.59</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangibles including capital advances and capital work-in-progress	(585.21)	(754.38)
Proceeds from sale of property, plant and equipment	0.61	0.49
Proceeds from sale of / (Investments in) unquoted equity instruments	99.15	(96.46)
Bank deposits (placed) / matured with maturity of more than three months, net	(982.06)	(53.52)
Interest received	65.30	69.49
Dividend received	7.69	2.02
Investment in mutual funds placed, net	(142.44)	(29.43)
Loans advanced during the year	(238.70)	(282.73)
Loans realised during the year	83.66	276.60
	<b>(1,692.00)</b>	<b>(867.92)</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	(60.71)	(52.58)
Payment of lease liabilities	(476.31)	(417.16)
Interest paid	(45.25)	(52.46)
Proceeds from issue of share capital (net of share issue expense)	263.42	-



	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend paid during the year on equity and preference shares	(92.48)	-
Repayments of short-term borrowings, (net)	-	(42.14)
<b>Net cash used in financing activities (C)</b>	<b>(411.33)</b>	<b>(564.34)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>37.27</b>	<b>(16.67)</b>
Cash and cash equivalents at the beginning of the year	43.18	59.85
Cash and cash equivalents at the end of the year (note b)	<b>80.45</b>	<b>43.18</b>

Notes:

- a) The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".
- b) Components of cash and cash equivalents as at [Refer note 2.9 (a)]

	As at 31 March 2022	As at 31 March 2021
Cash on hand	5.01	3.81
Balance with banks:		
- Current accounts	75.44	39.37
	<b>80.45</b>	<b>43.18</b>

- c) Reconciliation between opening and closing balances in the Balance sheet for liabilities and financial assets arising from financing activities for movement in Standalone Statement of Cash Flows are given below.

	As at 31 March 2022	As at 31 March 2021
<b>Opening balance:</b>		
Borrowings (excluding interest accrued)	458.82	553.54
Lease liabilities	4,364.77	4,140.98
<b>Movement:</b>		
<b>Borrowings:</b>		
Repayment of borrowings	(60.71)	(94.72)
<b>Lease liabilities:</b>		
Interest expense on lease liabilities	457.11	362.18
Addition / (disposals) to lease liabilities, net	714.81	278.77
Payment of lease liabilities	(476.31)	(417.16)
<b>Closing balance:</b>		
Borrowings (excluding interest accrued)	398.11	458.82
Lease liabilities	5,060.38	4,364.77

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

As per our Report of even date attached

for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwijha Shyamsukha**  
Partner  
Membership No.: 064550

Place: Hyderabad  
Date: 27 May 2022

for and on behalf of the Board of Directors of  
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Chairman and Managing Director  
DIN: 00212270

**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 27 May 2022

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

**Ashish Kapil**  
Company Secretary  
Membership no: A31782

Place: Hyderabad  
Date: 27 May 2022

## Statement of Audited Standalone financial

# STANDALONE STATEMENT OF CHANGES IN EQUITY

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

Particulars	Equity share capital	Other equity				Total other equity
		Securities premium	General reserve	Debenture redemption reserve	Retained earning	
<b>Balance as at 1 April 2020</b>	549.03	1,513.44	44.43	50.00	2,099.32	3,707.19
Profit for the year	-	-	-	-	494.14	494.14
Amount transferred from debenture redemption reserve	-	-	-	-	5.00	5.00
<b>Appropriations:</b>						
Amount transferred	-	-	-	(5.00)	-	(5.00)
Remeasurement of defined benefit liability	-	-	-	-	12.00	12.00
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(3.02)	(3.02)
<b>Balance as at 31 March 2021</b>	<b>549.03</b>	<b>1,513.44</b>	<b>44.43</b>	<b>45.00</b>	<b>2,607.44</b>	<b>4,210.31</b>

Particulars	Equity share capital	Other equity				Total other equity
		Securities premium	General reserve	Debenture redemption reserve	Retained earning	
<b>Balance as at 1 April 2021</b>	549.03	1,513.44	44.43	45.00	2,607.44	4,210.31
Shares issued during the year	500.95	250.64	-	-	-	250.64
Profit for the year	-	-	-	-	1,422.91	1,422.91
Amount transferred from debenture redemption reserve	-	-	-	-	5.00	5.00
<b>Appropriations:</b>						
Amount transferred /utilised	-	(6.50)	-	(5.00)	-	(11.50)
Issue of bonus shares	-	(481.67)	-	-	-	(481.67)
Final dividend on equity shares for the year ended 31 March 2021. i.e. ₹ 2 per share	-	-	-	-	(87.92)	(87.92)
Final dividend on Series A CCPS for the year ended 31 March 2021. i.e. ₹ 2 per share	-	-	-	-	(2.29)	(2.29)
Final dividend on Series B CCPS for the year ended 31 March 2021. i.e. ₹ 2 per share	-	-	-	-	(2.27)	(2.27)
Remeasurement of defined benefit liability	-	-	-	-	13.02	13.02
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(3.28)	(3.28)
<b>Balance as at 31 March 2022</b>	<b>1,049.98</b>	<b>1,275.91</b>	<b>44.43</b>	<b>40.00</b>	<b>3,952.61</b>	<b>5,312.95</b>

As per our Report of even date attached

for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwijha Shyamsukha**  
Partner  
Membership No.: 064550

Place: Hyderabad  
Date: 27 May 2022

for and on behalf of the Board of Directors of  
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Chairman and Managing Director  
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Chief Financial Officer

Place: Hyderabad  
Date: 27 May 2022

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

**Ashish Kapil**  
Company Secretary  
Membership no: A31782

Place: Hyderabad  
Date: 27 May 2022

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

## 1. Significant accounting policies

### 1.1 Corporate information

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

The Company was converted into a public limited company under the Companies Act, 2013 on 20 November 2021 and consequently, the name was changed to "Rainbow Children's Medicare Limited".

### 1.2 Basis of preparation and measurement

#### (i) Statement of compliance

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

The standalone financial statements were approved by the Board of Directors and authorized for issue on 27 May 2022.

#### (ii) Basis of Measurement:

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

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

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

Estimates and underlying assumptions are reviewed on an 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 Standalone Financial Statements.

#### Judgments

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

- Lease Classification and identification of lease component [refer note 2.34]

#### Assumptions and estimation uncertainties

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

## Summary of Significant Accounting Policies to Standalone Financial Statements

- recognition of deferred tax assets: availability of future taxable profits against which tax losses carried forward can be used. [note 2.29(d)]
- measurement of defined benefit obligations; key actuarial assumptions. [note 2.32]
- useful life of tangible and intangible assets [note 2.1(a and b)]
- recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources. [note 2.30]
- impairment of non-financial assets and financial assets. [note 2.44]

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

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

#### Assets

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

- i. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

#### Liabilities

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

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

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

#### Operating cycle

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

### (vi) Measurement of fair values

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

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

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

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

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

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

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

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

in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes in Financial instruments [note 2.44]

### 1.3 Significant accounting policies

#### a. Financial Instruments

##### i. Recognition and initial measurement

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

##### ii. Classification and subsequent measurement

###### Financial assets:

###### *Financial assets carried at amortised cost*

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

###### *Financial assets at fair value through other comprehensive income*

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

###### *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.

#### 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



## Summary of Significant Accounting Policies to Standalone Financial Statements

working condition for their intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

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

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

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

### ii. 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 standalone 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 standalone 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

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 standalone statement of profit and loss, when the asset is derecognised.

## d. Impairment of assets

### i. Impairment of financial assets

The Company recognises loss allowances for 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.

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.

## Summary of Significant Accounting Policies to Standalone Financial Statements

### e. Investments

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

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

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

### f. Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

### g. Inventories

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

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

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

### h. Employee benefits

#### i. Short-term employee benefits

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

as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### 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.

#### **Compensated absences**

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

#### **i. Revenue recognition**

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

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

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for components of variable consideration which constitutes discounts, estimated disallowances and any other rights and obligations as specified in the contract with the customer. In determining the transaction price for the hospital services, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue 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 Standalone Statement of Profit and Loss.

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

#### **Contract balances:**

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

#### **j. Leases**

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:

## Summary of Significant Accounting Policies to Standalone Financial Statements

- 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.

#### 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.

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.

#### k. Income-tax

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

##### Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable

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

#### **Deferred tax:**

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

Deferred tax 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.

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.

#### **I. 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.

#### **m. Provisions**

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

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

#### **Onerous Contracts**

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



## Summary of Significant Accounting Policies to Standalone Financial Statements

### n. Contingent liabilities and contingent assets

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

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

### o. Borrowings

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

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

### p. 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.

### q. 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.

### r. 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.

### s. 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.

### t. Share issue expenses

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the securities premium account.

### u. 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.

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

The amendments specify 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.

## Notes to the Standalone Financial Statements

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

### 2.1(a) Property, plant and equipment and capital work-in-progress

Particulars	Freehold land (refer note (i) below)	Buildings (refer note (i) below)	Leasehold Improvements	Medical equipments	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Computers	Total	Capital work-in-progress
<b>Gross block</b>											
<b>Cost as at 1 April 2020</b>	33.06	-	2,159.29	999.70	539.94	322.49	136.30	91.33	66.09	4,348.20	424.77
Additions	-	393.57	152.91	204.23	112.60	52.84	26.84	21.66	17.98	982.63	844.70
Disposals*	-	-	-	-	-	(0.60)	(0.12)	(5.71)	(0.99)	(7.42)	(982.65)
<b>Cost as at 31 March 2021 (A)</b>	<b>33.06</b>	<b>393.57</b>	<b>2,312.20</b>	<b>1,203.93</b>	<b>652.54</b>	<b>374.73</b>	<b>163.02</b>	<b>107.28</b>	<b>83.08</b>	<b>5,323.41</b>	<b>286.82</b>
<b>Cost as at 1 April 2021</b>	33.06	393.57	2,312.20	1,203.93	652.54	374.73	163.02	107.28	83.08	5,323.41	286.82
Additions	-	4.54	319.17	147.49	97.02	42.06	30.89	37.43	18.14	696.74	455.63
Disposals*	-	-	(4.27)	(1.83)	(2.03)	(2.72)	(1.48)	-	(0.22)	(12.55)	(696.45)
<b>Cost as at 31 March 2022 (C)</b>	<b>33.06</b>	<b>398.11</b>	<b>2,627.10</b>	<b>1,349.59</b>	<b>747.53</b>	<b>414.07</b>	<b>192.43</b>	<b>144.71</b>	<b>101.00</b>	<b>6,007.60</b>	<b>46.00</b>
<b>Accumulated depreciation:</b>											
<b>Accumulated depreciation as at 1 April 2020</b>	-	-	352.37	392.41	109.80	111.63	84.20	37.84	50.42	1,138.67	-
Depreciation	-	1.77	117.34	157.36	41.12	36.20	27.58	18.24	13.79	413.40	-
Disposals	-	-	-	-	-	(0.29)	(0.03)	(5.74)	(0.87)	(6.93)	-
<b>Accumulated depreciation as at 31 March 2021 (B)</b>	<b>-</b>	<b>1.77</b>	<b>469.71</b>	<b>549.77</b>	<b>150.92</b>	<b>147.54</b>	<b>111.75</b>	<b>50.34</b>	<b>63.34</b>	<b>1,545.14</b>	<b>-</b>
<b>Accumulated depreciation as at 1 April 2021</b>	-	1.77	469.71	549.77	150.92	147.54	111.75	50.34	63.34	1,545.14	-
Depreciation	-	6.75	137.16	181.54	50.88	40.86	25.32	20.44	13.99	476.94	-
Disposals	-	-	(4.27)	(1.83)	(1.05)	(2.72)	(0.93)	-	(0.22)	(11.02)	-
<b>Accumulated depreciation as at 31 March 2022 (D)</b>	<b>-</b>	<b>8.52</b>	<b>602.60</b>	<b>729.48</b>	<b>200.75</b>	<b>185.68</b>	<b>136.14</b>	<b>70.78</b>	<b>77.11</b>	<b>2,011.06</b>	<b>-</b>
<b>Net carrying amount</b>											
As at 31 March 2021 (A-B)	33.06	391.80	1,842.49	654.16	501.62	227.19	51.27	56.94	19.74	3,778.27	286.82
As at 31 March 2022 (C-D)	33.06	389.59	2,024.50	620.11	546.78	228.39	56.29	73.93	23.89	3,996.54	46.00

\* Disposals with respect to capital-work-in progress represents property, plant and equipment capitalisations.

**Note:**

(i) The Company vide sale agreement dated 3 September 2010 was allotted 1 acre of land by Andhra Pradesh Industrial Infrastructure Corporation Limited (“APIIC”) for setting up a children hospital at Health city, Chinagadili, Vishakhapatnam to facilitate socio economic development within 2 years from the date of possession of land i.e. by October 2012. The Company had paid an amount of ₹ 30.88 million towards acquisition of the said land and incurred an additional amount of ₹ 2.19 million towards other incidental charges. As per the Clause 8(c) of the land agreement entered with APIIC, the construction of proposed hospital was required to be completed within 2 years from the date of taking the possession of the land, otherwise the land will need to be returned back to APIIC. The Company had filed an application with APIIC seeking extension of the timelines for development of the Project based on indicative project plan till August 2014 vide letter dated 17 August 2012. APIIC had considered the request and granted extension till the said date upon payment of condonation fee which was paid by the Company and timeline was extended upto August 2014. The Company failed to meet the revised timelines and consequently, APIIC had issued a cancellation of allotment order on 24 March 2015. The Company had submitted detailed reasons to APIIC for the delay in completion of the project and applied for revoking of the cancellation order. On 23 July 2016, APIIC had granted approval for extension of time upto December 2018. APIIC vide its letter dated 15 November 2018 has issued a show cause notice to the Company seeking explanation as to why the allotment shall not be cancelled for non implementation of the proposed project. On 13 December 2018, the Company has responded to APIIC explaining the status of the project and seeking further extension by 24 months. The Company has paid ₹ 1.57 million as condonation fee and has received extension from APIIC upto 30 November 2019. While the Agreement for Sale between APIIC

and the Company had been executed on 3 September 2010, the final sale deed was to be executed after commencement of regular commercial operations. The Company has commenced the commercial operations from December 2020 onwards. The Company on 29 December 2021 has paid ₹ 0.69 million to APIIC Limited as condonation fees for the delay in implementation of the project. The Company has incurred capital costs amounting to ₹ 393.55 million as at 31 March 2022 (₹393.55 million as at 31 March 2021) for the construction of the hospital on this land.

- (ii) Delhi Development authority (DDA) has granted 5,500 square meters of land on perpetual lease to Madhukar Multispecialty Hospital Research Centre (MMHRC) in Malviyanagar (Delhi) via lease deed dated 16 September 2005. MMHRC has constructed a hospital building on this land with all infrastructure and services and 50% of the space was sublet to the Company to operate and render healthcare services. DDA vide its letter dated 28 January 2019 to MMHRC has restricted subletting to 25% instead of earlier 50% and accordingly the Company and MMHRC had executed amended the sub lease agreement dated 27 March 2019 which is effective from 1 April 2019. As at 31 March 2022, leasehold improvements and medical equipments include ₹ 112.47 million and ₹ 72.61 million (₹ 119.71 million and ₹ 80.76 million as at 31 March 2021) respectively in respect of this hospital. The Management is utilising the assets for the purpose of providing medical services at MMHRC.
- (iii) Refer note 2.41 for details of incidental expenditure capitalised during the construction period. The interest rate on borrowings is 9.50%
- (iv) Refer note 2.14 for details of assets pledged as security.

**Title deeds of Immovable Properties not held in name of the Company:**

Particulars	As at 31 March 2022	As at 31 March 2021
Relevant line item in the Balance sheet	Property, Plant and Equipment	
Description of item of property	Land	
Gross carrying value	33.06	
Title deeds held in the name of	Government of Andhra Pradesh	
Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	No	
Reason for not being held in the name of the Company	Refer Note (i) above	

## Notes to the Standalone Financial Statements

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

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

#### As at 31 March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	44.92	1.08	-	-	46.00
Projects temporarily suspended	-	-	-	-	-

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

#### As at 31 March 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	237.64	30.67	18.17	0.34	286.82
Projects temporarily suspended	-	-	-	-	-

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

### 2.1(b) Other intangible assets and Intangible assets under development

Particulars	Other Intangible assets	Intangible assets under development
	Software	
<b>Gross block</b>		
<b>Cost as at 1 April 2020</b>	89.61	1.54
Additions	3.60	2.80
Disposals/ capitalisation	-	(3.43)
<b>Cost as at 31 March 2021 (A)</b>	<b>93.21</b>	<b>0.91</b>
<b>Cost as at 1 April 2021</b>	93.21	0.91
Additions	5.42	14.92
Disposals/ capitalisation	-	(4.20)
<b>Cost as at 31 March 2022 (C)</b>	<b>98.63</b>	<b>11.63</b>
<b>Accumulated amortisation</b>		
<b>Accumulated amortisation as at 1 April 2020</b>	68.73	-
Amortisation	10.76	-
Disposals	-	-
<b>Accumulated amortisation as at 31 March 2021 (B)</b>	<b>79.49</b>	-
<b>Accumulated amortisation as at 1 April 2021</b>	79.49	-
Amortisation	6.46	-
Disposals	-	-
<b>Accumulated amortisation as at 31 March 2022 (D)</b>	<b>85.95</b>	-
<b>Net carrying amount</b>		
As at 31 March 2021 (A-B)	13.72	0.91
As at 31 March 2022 (C-D)	12.68	11.63

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

**Intangible assets under development ageing schedule:****As at 31 March 2022**

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	11.63	-	-	-	11.63
Projects temporarily suspended	-	-	-	-	-

**As at 31 March 2021**

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	0.69	-	-	0.22	0.91
Projects temporarily suspended	-	-	-	-	-

	As at 31 March 2022	As at 31 March 2021
<b>2.2 Non-current investments</b>		
(Valued at cost unless stated otherwise)		
<b>Investments at fair value through other comprehensive income</b>		
<b>Investments in unquoted equity instruments</b>		
- Vamana Solar Private Limited* 2,600 shares of ₹ 10 each, fully paid up (31 March 2021: 2,600 shares)	0.03	0.03
<b>Investments at fair value through profit and loss</b>		
<b>Investments in unquoted equity instruments</b>		
Unimed Healthcare Private Limited Nil shares of ₹ 10 each, fully paid up (31 March 2021: 1,000,000 shares)	-	80.00
<b>Investments at cost</b>		
<b>Investments in unquoted equity instruments</b>		
<b>(i) In subsidiaries</b>		
(a) Rainbow Children's Hospital Private Limited 9,999 shares of ₹ 10 each, fully paid up (31 March 2021: 9,999 shares)	0.10	0.10
Less: Impairment loss	(0.10)	(0.10)
	-	-
(b) Rainbow Women & Children's Hospitals Private Limited 9,999 shares of ₹ 10 each, fully paid up (31 March 2021: 9,999 shares)	0.10	0.10
Less: Impairment loss	(0.10)	(0.10)
	-	-
(c) Rainbow Speciality Hospitals Private Limited 14,185,247 shares of ₹ 10 each, fully paid up (31 March 2021: 15,150,000 shares)	142.51	153.46
(d) Rosewalk Healthcare Private Limited 4,317,376 shares of ₹ 10 each, fully paid up (31 March 2021: 4,317,376 shares)	12.24	12.24



## Notes to the Standalone Financial Statements

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

	As at 31 March 2022	As at 31 March 2021
(e) Rainbow Fertility Private Limited 4,499,999 shares of ₹ 10 each, fully paid up (31 March 2021: 4,499,999 shares)	45.00	45.00
(f) Rainbow CRO Private Limited 100,000 shares of ₹ 10 each, fully paid up (31 March 2021: 100,000 shares)	0.10	0.10
<b>(ii) Investments in unquoted debentures</b>		
Rosewalk Healthcare Private Limited 729,209 Compulsorily convertible debentures of ₹ 10 each, fully paid up (31 March 2021: 729,209)	1.86	1.86
	<b>201.74</b>	<b>292.69</b>
Aggregate book value of unquoted investments	201.74	292.69
Aggregate amount of impairment in value of investments	0.20	0.20
*The Company has designated the investments in Vamana Solar Private Limited as equity shares at FVOCI. The fair value of this investment as at 31 March 2022 is ₹ 0.03 million (31 March 2021: ₹ 0.03 million).		
The Company's exposure to credit risk and market risk related to investments has been disclosed in Note 2.42.		
<b>2.3 (a) Other financial assets (non-current)</b>		
Bank deposits with more than 12 months maturity	291.40	149.55
Security deposits	256.76	384.93
	<b>548.16</b>	<b>534.48</b>
The Company's exposure to credit and market risk are disclosed in Note 2.42.		
<b>2.3 (b) Other financial assets (current)</b>		
Share issue expense receivable (refer note 2.33 (e))	172.50	-
	<b>172.50</b>	-
<b>2.4 Income tax assets (net)</b>		
Advance tax (net of provision for taxation)	48.90	42.02
	<b>48.90</b>	<b>42.02</b>
<b>2.5 Other non-current assets</b>		
(Unsecured, considered good)		
Capital advances		
- to other than related parties	141.15	118.54
Prepaid expenses	6.46	1.39
Amounts paid under protest	9.74	8.81
	<b>157.35</b>	<b>128.74</b>
Unsecured, considered doubtful		
Capital advances (credit impaired)	3.33	-
Less: Allowance for doubtful advances	(3.33)	-
	-	-
	<b>157.35</b>	<b>128.74</b>
<b>2.6 Inventories</b>		
(valued at the lower of cost or net realisable value)		
Medical consumables and pharmacy items	138.81	92.94
	<b>138.81</b>	<b>92.94</b>

(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
<b>2.7 Current investments</b>		
<b>Investments at fair value through profit or loss</b>		
Investments in Mutual funds - quoted		
Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan 120,350.29 Units (31 March 2021: Nil units)"	41.30	-
HDFC Liquid Fund - Growth - Direct Plan 10,117.85 Units (31 March 2021: 2,447.28 units)	42.34	10.02
IDFC Cash Fund - Daily Dividend - Direct Plan 0.10 Units (31 March 2021: 17.86 units)	0.00	0.00
IDFC Cash Fund - Growth - Direct Plan 16,479.42 Units (31 March 2021: 12,104.46 units)	42.37	30.09
Tata Liquid Fund - Direct Plan - Daily Dividend 12,602.62 Units (31 March 2021: 7,715.98 units)	42.35	25.06
Nippon India Liquid Fund 1,934.21 Units (31 March 2021: Nil units)	10.07	-
SBI Liquid Fund - Direct Plan - Daily Dividend 12,765.00 Units (31 March 2021: 3,106.90 units)	42.55	10.01
	<b>220.98</b>	<b>75.18</b>
Aggregate amount of quoted investments and market value thereof	220.98	75.18
The Company's exposure to credit risk and market risk related to investments has been disclosed in Note 2.42.		

<b>2.8 Trade receivables</b>		
Trade receivables considered good - unsecured	444.93	499.94
Unbilled revenue considered good - unsecured	109.45	71.07
<b>Total</b>	<b>554.38</b>	<b>571.01</b>
Allowance for expected credit loss	(141.66)	(116.53)
<b>Total trade receivables</b>	<b>412.72</b>	<b>454.48</b>

Trade receivables are unsecured and are derived from revenue earned from providing medical, healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

The Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix..

The Company is subject to concentration of credit risk in its trade receivables for one customer comprising of 23% (31 March 2021: 46%) of Total Trade Receivables. Although the Company is directly affected by the financial condition of its customer, management does not believe significant credit risks exist at the balance sheet date. The Company does not require collateral or other securities to support its accounts receivable.

- The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in note 2.42
- Refer note 2.33 (c) for related party balances and dues from private companies in which director is a director.

## Notes to the Standalone Financial Statements

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

### Trade Receivables ageing schedule:

#### As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled revenue	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Unbilled Revenue, Undisputed - considered good	109.45	-	-	-	-	-	109.45
(ii) Undisputed Trade receivables - considered good	-	246.11	86.43	34.33	49.70	28.36	444.93
(iii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>109.45</b>	<b>246.11</b>	<b>86.43</b>	<b>34.33</b>	<b>49.70</b>	<b>28.36</b>	<b>554.38</b>

#### As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled revenue	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Unbilled Revenue, Undisputed - considered good	71.07	-	-	-	-	-	71.07
(ii) Undisputed Trade receivables - considered good	-	228.73	202.13	31.15	27.43	10.50	499.94
(iii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>71.07</b>	<b>228.73</b>	<b>202.13</b>	<b>31.15</b>	<b>27.43</b>	<b>10.50</b>	<b>571.01</b>

(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
<b>2.9 (a) Cash and cash equivalents</b>		
Cash on hand	5.01	3.81
Balance with banks		
- On current accounts	75.44	39.37
	<b>80.45</b>	<b>43.18</b>
<b>2.9 (b) Bank balances other than cash and cash equivalents</b>		
Deposit account (with original maturity more than 3 months but less than 12 months)*	1,627.91	787.70
Interest accrued on deposits	43.09	16.71
	<b>1,671.00</b>	<b>804.41</b>
*Includes ₹ 30.87 million (31 March 2021: ₹ 78.47 million) towards margin money deposits against bank guarantees and cash credit limits.		
<b>(a)</b> The Company's exposure to credit risk and market risk are disclosed in note 2.42	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>(b) Details of bank balances / deposits</b>		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	75.44	39.37
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	1,627.91	787.70
Bank deposits due to mature after 12 months of the reporting date included under 'Other financial assets' (refer note 2.3)	291.40	149.55
<b>2.10 Loans (non-current)</b>		
(Unsecured, considered good)		
Loans receivable**		
- considered good - unsecured	663.54	-
- which have significant increase in credit risk	-	-
- credit impaired	-	-
	663.54	-
Interest accrued on - Loans receivable**	134.06	-
	<b>797.60</b>	<b>-</b>
<b>Loans (current)</b>		
(Unsecured, considered good)		
Loans receivable**		
- considered good - unsecured	2.47	510.97
- which have significant increase in credit risk	-	-
- credit impaired	-	-
	<b>2.47</b>	<b>510.97</b>
Interest accrued on - Loans receivable**	-	91.83
	<b>2.47</b>	<b>602.80</b>

\*\* Unsecured Loans receivable aggregating as at 31 March 2022: ₹ 666.01 million (31 March 2021: ₹ 510.97 million) was given to 6 parties (31 March 2021: 6 parties) at an interest rate of 9.50% p.a. (31 March 2021: to related party - 9.50% , Others - 10.50% p.a). This loan was given towards the working capital requirements of the borrower.

## Notes to the Standalone Financial Statements

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

Due to the losses incurred by a subsidiary and an external party in the past two years consequent to Covid 19 pandemic, the Company is exposed to risk in respect of the recoverability of the loans granted to these two parties. The Company had carried out an impairment assessment for Loans receivable from the subsidiary and the external party. Based on the detailed impairment evaluation carried out by the Company duly considering the discounted future cashflows of the subsidiary and the external party, the Company has assessed that no impairment is required for the year ended 31 March 2022 (31 March 2021: Nil).

During the year, the Board of Directors have approved the change in terms of repayment from repayable on demand to repayable on 01 April 2024 for Madhukar Rainbow Children's Hospital and Rosewalk Healthcare Private Limited.

### Disclosure under Section 186(4) of the Companies Act, 2013

#### Loans:

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	510.97	504.80
Given during the period	238.70	282.73
Repaid during the period	(83.66)	(276.56)
<b>Closing balance</b>	<b>666.01</b>	<b>510.97</b>

#### Details of Loans advanced during the year ended 31 March 2022:

Name of the borrower	Nature of relationship	Purpose of deposits given	As at 1 April 2021	Placed during the year	Refunded during the year	As at 31 March 2022
Madhukar Rainbow Children's Hospital	Others	Working capital	237.30	197.69	(4.51)	430.48
Rainbow Children's Hospital Private Limited #	Related Party	Working capital	-	0.02	-	0.02
Rainbow Women & Children's Hospital Private Limited #	Related Party	Working capital	0.49	0.02	-	0.51
Rainbow Specialty Hospital Private Limited #	Related Party	Working capital	51.47	-	(51.47)	-
Rosewalk Healthcare Private Limited #	Related Party	Working capital	220.93	39.81	(27.68)	233.06
Rainbow Fertility Private Limited #	Related Party	Working capital	0.68	1.16	-	1.84
Rainbow C R O Private Limited #	Related Party	Working capital	0.10	-	-	0.10
			<b>510.97</b>	<b>238.70</b>	<b>(83.66)</b>	<b>666.01</b>

#### Details of Loans advanced during the year ended 31 March 2021:

Name of the borrower	Nature of relationship	Purpose of deposits given	As at 1 April 2020	Placed during the year	Refunded during the year	As at 31 March 2021
Madhukar Rainbow Children's Hospital	Others	Working capital	218.55	221.74	(202.92)	237.30
Rainbow Women & Children's Hospital Private Limited #	Related Party	Working capital	-	0.49	-	0.49
Rainbow Specialty Hospital Private Limited #	Related Party	Working capital	90.72	-	(39.20)	51.47
Rosewalk Healthcare Private Limited #	Related Party	Working capital	194.75	60.50	(34.44)	220.93
Rainbow Fertility Private Limited #	Related Party	Working capital	0.68	-	-	0.68
Rainbow C R O Private Limited #	Related Party	Working capital	0.10	-	-	0.10
			<b>504.80</b>	<b>282.73</b>	<b>(276.56)</b>	<b>510.97</b>

# Amounts due by private companies in which any director is a director or a member.

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

2.11 Other current assets	As at 31 March 2022	As at 31 March 2021
<i>(Unsecured, considered good)</i>		
Advances to suppliers	30.44	73.64
Prepaid expenses	58.88	23.57
Advance to employees *	9.52	2.58
Balances with government authorities	0.87	0.67
	<b>99.71</b>	<b>100.46</b>
<i>(Unsecured, considered doubtful)</i>		
Other advances (credit impaired)	3.96	-
Less: Allowance for doubtful advances	(3.96)	-
	-	-
* Refer note 2.33 for salary advance to KMP	<b>99.71</b>	<b>100.46</b>

2.12 Share capital	As at 31 March 2022	As at 31 March 2021
<b>Authorised</b>		
139,055,616 (31 March 2021: 59,055,616) equity shares of ₹ 10 each	1,390.56	590.56
1,146,771 (31 March 2021: 1,146,771) 0.0001% Series A Compulsorily Convertible Preference Shares (Series A CCPS) of ₹ 48 each	55.04	55.04
1,133,309 (31 March 2021: 1,133,309) 0.0001% Series B Compulsorily Convertible Preference Shares (Series B CCPS) of ₹ 48 each	54.40	54.40
	<b>1,500.00</b>	<b>700.00</b>
<b>Issued, subscribed and paid-up</b>		
9,40,53,928 (31 March 2021: 43,958,924) equity shares of ₹ 10 each, fully paid-up	940.54	439.59
1,146,771 (31 March 2021: 1,146,771) Series A CCPS of ₹ 48 each, fully paid-up	55.04	55.04
1,133,309 (31 March 2021: 1,133,309) Series B CCPS of ₹ 48 each, fully paid-up	54.40	54.40
	<b>1,049.98</b>	<b>549.03</b>

**a) Reconciliation of equity and preference shares 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	Amount	Number of shares	Amount
<b>(i) Equity shares of ₹ 10 each, fully paid-up</b>				
At the commencement of the year	43,958,924	439.59	43,958,924	439.59
Add: Shares issued during the year	50,095,004	500.95	-	-
<b>At the end of the year</b>	<b>94,053,928</b>	<b>940.54</b>	<b>43,958,924</b>	<b>439.59</b>
<b>(ii) Series A CCPS of ₹ 48 each, fully paid-up</b>				
At the commencement of the year	1,146,771	55.04	1,146,771	55.04
Add: Shares issued during the year	-	-	-	-
At the end of the year	<b>1,146,771</b>	<b>55.04</b>	<b>1,146,771</b>	<b>55.04</b>
<b>(iii) Series B CCPS of ₹ 48 each, fully paid-up</b>				
At the commencement of the year	1,133,309	54.40	1,133,309	54.40
Add: Shares issued during the year	-	-	-	-
At the end of the year	<b>1,133,309</b>	<b>54.40</b>	<b>1,133,309</b>	<b>54.40</b>



## Notes to the Standalone Financial Statements

### 2.12 Share capital (continued)

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

##### i) Equity shares :

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

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

The Company, pursuant to the approval of share holders granted in the extra-ordinary general meeting dated 20 October 2021, has increased its Authorised Share Capital from Rs. 700 million to ₹ 1,500 million.

The Company had a rights issue offered to all the shareholders and has issued and allotted 1,928,000 equity shares of face value ₹ 10 through rights issue to an existing shareholder on 22 October 2021, there are no outstanding rights pending to be subscribed. Subsequent to the Rights Issue, pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 30 November 2021, the Company issued and allotted fully paid-up equity shares of ₹ 10 each as "bonus shares" on 01 December 2021 in the ratio of 1:1 for every one equity share and every one preference share held.

##### ii) Series A CCPS:

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

The holder of this Series A CCPS are entitled to non-cumulative dividend of 0.0001%. However, in the event the Company declares any dividend

on equity shares, then in addition to payment of preference dividend, the holders of Series A CCPS shall also be entitled to receive such dividend in respect of the Series A CCPS as is equivalent to the extent to which the equity shares resulting from the conversion of the Series A CCPS would have been entitled to receive such dividend.

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

##### iii) Series B CCPS:

On 04 February 2016, the Company had allotted 1,133,309 Series B CCPS of ₹ 48 each, fully paid up vide agreement dated 24 December 2015 ('the Series B agreement') entered with CDC India Opportunities Limited. As per the Series B agreement, at the discretion of the Series B CCPS holders, each Series B CCPS is convertible into one equity share of ₹ 10 each, fully paid-up, at any time before the end of 18th year from the date of its allotment. In case the Series B CCPS holders do not opt for conversion, they shall be converted into 1,133,309 equity shares of ₹ 10 each, fully paid-up at the end of 18th year from the date of its allotment.

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

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

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

**2.12 Share capital (continued)****c) Particulars of shareholders holding more than 5% shares of a class of shares:**

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	%	Number of shares	%
<b>(i) Equity shares of ₹ 10 each, fully paid-up held by:</b>				
- Dr. Ramesh Kancharla	36,849,284	39.18%	20,013,742	45.53%
- British International Investment plc (formerly known as CDC Group plc)	18,118,981	19.26%	8,486,105	19.30%
- Dr. Dinesh Kumar Chirla	8,560,000	9.10%	4,800,000	10.92%
- CDC India Opportunities Limited	8,933,163	9.50%	3,899,927	8.87%
- Adarsh Kancharla	7,555,452	8.03%	2,311,950	5.26%
- Kancharla Family Trust	5,179,200	5.51%	-	-
<b>(ii) Series A CCPS of ₹ 48 each, fully paid-up held by:</b>				
- British International Investment plc (formerly known as CDC Group plc)	1,146,771	100%	1,146,771	100%
<b>(iii) Series B CCPS of ₹ 48 each, fully paid-up held by:</b>				
- CDC India Opportunities Limited	1,133,309	100%	1,133,309	100%

As per records of the Company, including its register of shareholder/members and other declarations received from shareholder regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**d) During the five years immediately preceding the reporting date, no shares have been bought back, issued for consideration other than cash other than disclosed below.**

During the year ended 31 March 2022, 48,167,004 equity shares of ₹ 10 each, fully paid up have been allotted as bonus shares by capitalisation of securities premium.

During the year ended 31 March 2018, 34,679,253 equity shares of ₹ 10 each, fully paid up have been allotted as bonus shares by capitalisation of securities premium.

**e) Shareholding of promoters**

Description	31 March 2022			31 March 2021		
	Number of shares	% holding	% of change during the year	Number of shares	% holding	% of change during the year
<b>Equity shares:</b>						
Dr Ramesh Kancharla	3,68,49,284	39.18%	(6.35%)	2,00,13,742	45.53%	-
Dr Dinesh Kumar Chirla	85,60,000	9.10%	(1.82%)	48,00,000	10.92%	-
Dr Adarsh Kancharla	75,55,452	8.03%	2.77%	23,11,950	5.26%	-
<b>Total</b>	<b>5,29,64,736</b>	<b>56.31%</b>		<b>2,71,25,692</b>	<b>61.71%</b>	

## Notes to the Standalone Financial Statements

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

### 2.13 Other equity

Particulars	Securities premium	General reserve	Debenture redemption reserve	Retained earning	Total other equity
<b>Balance as at 1 April 2020</b>	1,513.44	44.43	50.00	2,099.32	3,707.19
Surplus in statement of profit and loss	-	-	-	494.14	494.14
Amount transferred from debenture redemption reserve	-	-	-	5.00	5.00
<b>Appropriations:</b>					
Amount transferred	-	-	(5.00)	-	(5.00)
Remeasurement of defined benefit liability	-	-	-	12.00	12.00
Income tax relating to remeasurement of defined benefit liability	-	-	-	(3.02)	(3.02)
<b>Balance as at 31 March 2021</b>	<b>1,513.44</b>	<b>44.43</b>	<b>45.00</b>	<b>2,607.44</b>	<b>4,210.31</b>

Particulars	Securities premium	General reserve	Debenture redemption reserve	Retained earning	Total other equity
<b>Balance as at 1 April 2021</b>	1,513.44	44.43	45.00	2,607.44	4,210.31
Shares issued during the year	250.64	-	-	-	250.64
Surplus in statement of profit and loss	-	-	-	1,422.91	1,422.91
Amount transferred from debenture redemption reserve	-	-	-	5.00	5.00
<b>Appropriations:</b>					
Amount transferred /utilised	(6.50)	-	(5.00)	-	(11.50)
Issue of bonus shares	(481.67)	-	-	-	(481.67)
Final dividend on equity shares for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	(87.92)	(87.92)
Final dividend on Series A CCPS for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	(2.29)	(2.29)
Final dividend on Series B CCPS for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	(2.27)	(2.27)
Remeasurement of defined benefit liability	-	-	-	13.02	13.02
Income tax relating to remeasurement of defined benefit liability	-	-	-	(3.28)	(3.28)
<b>Balance as at 31 March 2022</b>	<b>1,275.91</b>	<b>44.43</b>	<b>40.00</b>	<b>3,952.61</b>	<b>5,312.95</b>

#### Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

#### General reserve

The general reserve is used time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Standalone Statement of Profit and Loss.

#### Debenture redemption reserve

The Company had issued non-convertible debentures. The Company is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend to its shareholders.

#### Other comprehensive income

Remeasurements of defined benefit plans comprises of actuarial gains and losses.

#### Retained earnings

The amount that can be distributed by the Company as dividends to its equity and preference shareholders.

#### Dividend

The Board of Directors of Company, at its meeting held on 27 May 2022, have proposed a final dividend of ₹ 2 per equity share for the financial year ended 31 March 2022. The proposal is subject to the approval of the shareholders at the forthcoming Annual General Meeting. Final dividend is accounted of in the year in which it is approved by the shareholders. The Board of directors of the Company on 16 July 2021 has declared a dividend of ₹ 2 per equity share for the year ended 31 March 2021 and the same has been approved by the shareholders on 11 August 2021 in the Annual General Meeting.

(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
<b>2.14 Borrowings (non-current)</b>		
<b>Secured</b>		
<b>Debentures (at amortised cost)</b>		
500 (31 March 2021: 500) 9.5% redeemable non-convertible debentures (NCD) of ₹ 800,000 (31 March 2021: 900,000 ) each (secured) (refer note A below)	273.11	397.35
<b>Term loans</b>		
From banks (at amortised cost)		
Vehicle loans (refer note B below)	-	7.84
	<b>273.11</b>	<b>405.19</b>

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

- 10 NCD allotted on 5 October 2016 aggregating to ₹ 10 million
- 90 NCD allotted on 9 February 2017 aggregating to ₹ 90 million
- 400 NCD allotted on 4 July 2018 aggregating to ₹ 400 million.

These NCDs are secured by first ranking fixed charge over all fixed assets (including real estate and mortgage over fixed assets) of the issuer (paripassu with existing secured creditors in relation to existing assets; in priority to existing secured creditors with respect to new assets) and first ranking floating charge over all current assets, including bank assets and receivables of the Company. The company has modified the terms vide amended agreement dated 28 September 2021. As per the amended agreement, the Company shall be entitled to voluntarily pre-pay the NCDs on and from 30 June 2023 only.

The repayment schedule is as under:

Year 0 to 4 - Nil

Year 4 and 5 - 10% of the amount borrowed

Year 6 and 7 - 25% of the amount borrowed

Year 8 - 30% of the amount borrowed

The final redemption date is 5 August 2024. These NCDs carries an interest rate of 9.50% p.a payable in every six months (i.e 4 April and 4 October of every year). Interest rate has been revised from 10.50% p.a to 9.50% p.a. with effect from 5 April 2018 vide amended agreement dated 10 April 2018. Subsequent to previous year ended 31 March 2020, the interest due for the six months as at 31 March 2020 which is payable on 4 April 2020 has been deferred to 3 July 2020 vide agreement dated 3 April 2020. The face value of NCDs have been reduced to ₹ 900,000 each post repayment of installment during the year ended 31 March 2021 and ₹ 800,000 each post repayment of NCDs during the year ended 31 March 2022.

B. Vehicle loans from banks represents loans taken from HDFC Bank Limited amounting to ₹ Nil (31 March 2021: ₹ 7.84 million) disclosed under non-current borrowings and Nil (31 March 2021: ₹ 4.29 million) disclosed under current maturities of long-term debts are secured by hypothecation of vehicles financed by respective banks and carry interest rates of Nil p.a (31 March 2021: 8.17% p.a. to 11.20% p.a.). The Company has repaid the entire amount by 22 October 2021.

C. The Company's exposure to liquidity and interest rate risk relating to borrowings are disclosed in note 2.42

## Notes to the Standalone Financial Statements

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

	As at 31 March 2022	As at 31 March 2021
<b>2.15 Provisions (non-current)</b>		
Provision for employee benefits		
- Gratuity (refer note 2.32(b))	55.69	53.92
	<b>55.69</b>	<b>53.92</b>
<b>2.16 Borrowings (current)</b>		
Current maturities of long-term debts (refer note 2.14)	125.00	53.63
Interest accrued but not due on borrowings	18.53	20.84
	<b>143.53</b>	<b>74.47</b>

**Note:**

(a) The Company's exposure to liquidity and interest rate risk relating to borrowings are disclosed in note 2.42.

<b>2.17 Trade payables</b>		
Trade payables		
- due to micro enterprises and small enterprises (MSME) (refer note 2.39)	58.76	0.53
- due to creditors other than micro enterprises and small enterprises	532.46	505.12
	<b>591.22</b>	<b>505.65</b>

The Company's exposure to liquidity and currency risk and loss allowances related to trade payables are disclosed in note 2.42

Refer note 2.33 for related party balances.

### Trade payables ageing schedule

#### As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than - 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	58.76	-	-	-	58.76
ii) Others	163.58	365.99	1.89	0.75	0.25	532.46
iii) Disputed dues-MSME	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>163.58</b>	<b>424.75</b>	<b>1.89</b>	<b>0.75</b>	<b>0.25</b>	<b>591.22</b>

#### As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than - 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	0.53	-	-	-	0.53
ii) Others	113.83	379.86	8.37	0.66	2.40	505.12
iii) Disputed dues-MSME	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>113.83</b>	<b>380.39</b>	<b>8.37</b>	<b>0.66</b>	<b>2.40</b>	<b>505.65</b>

(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
<b>2.18 Other financial liabilities</b>		
Employee benefit payables ^	168.91	212.40
Creditor for capital goods^	52.02	142.56
Purchase consideration payable	-	3.57
Other payables	2.96	28.74
	<b>223.89</b>	<b>387.27</b>

^ Refer note 2.33 for related party balances.

The Company's exposure to liquidity risk related to other financial liabilities are disclosed in note 2.42.

<b>2.19 Provisions (current)</b>		
Provision for employee benefits		
Gratuity (refer note 2.32 (b))	2.32	2.15
Compensated absences	9.76	20.56
	12.08	22.71
Provision for claims, other than taxes*	1.94	1.94
	<b>14.02</b>	<b>24.65</b>
<b>*Movement in provision for claims, other than taxes:</b>		
Opening balance	1.94	1.94
Add: Addition during the year	-	-
Less: Utilisation/ reversal during the year	-	-
Closing balance	<b>1.94</b>	<b>1.94</b>

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

<b>2.20 Current tax liability (net)</b>		
Provision for taxation (net of advance tax)	-	37.88
	-	<b>37.88</b>

<b>2.21 Other current liabilities</b>		
Contract liabilities (advance from patients)	83.26	52.15
Statutory liabilities (ESI, PF, GST, TDS etc)	45.61	33.01
	<b>128.87</b>	<b>85.16</b>



## Notes to the Standalone Financial Statements

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>2.22 Revenue from operations</b>		
Income from medical and healthcare services		
- Revenue from hospital services (Refer note 2.45)	8,046.18	5,083.74
- Revenue from pharmacy sales (Refer note 2.45)	929.53	844.72
- Revenue from medical service fee (Refer note 2.45)	168.75	161.32
	<b>9,144.46</b>	<b>6,089.78</b>
Other operating income	101.49	54.76
	<b>9,245.95</b>	<b>6,144.54</b>
<b>2.23 Other income</b>		
Interest income on financial assets carried at amortised cost		
- bank deposits	63.48	52.05
- Loans receivable (Refer note 2.33)	59.97	44.15
- financial assets carried at amortised cost	10.46	14.64
Dividend income	7.69	2.02
Net gain on financial assets measured at fair value through profit or loss	3.36	0.15
Liabilities no longer required written back	54.98	2.54
Gain on sale of property, plant and equipment, net	-	0.50
Gain on sale of non-current investment	8.20	-
Foreign exchange gain, net	0.05	0.22
Other non-operating income	-	3.21
	<b>208.19</b>	<b>119.48</b>
<b>2.24 Medical consumables and pharmacy items consumed</b>		
Inventory at the beginning of year	92.94	146.21
Add: Purchases	1,923.85	918.31
Less: Closing Inventory	(138.81)	(92.94)
	<b>1,877.98</b>	<b>971.58</b>
<b>2.25 Employee benefits expense *</b>		
Salaries, wages and bonus	1,005.72	893.67
Contribution to provident and other funds	41.11	45.54
Staff welfare expenses	47.29	21.83
	<b>1,094.12</b>	<b>961.04</b>
* Net of amount capitalised (refer note 2.41)		
<b>2.26 Finance costs*</b>		
Interest cost on financial liabilities measured at amortised cost		
- term loans from banks	0.53	1.28
- on debentures *	39.65	44.49
- on other loans from banks	-	0.74
Interest expense on lease liabilities (Refer note 2.34)	457.11	362.18
Others (including interest on income tax)	2.76	8.19
	<b>500.05</b>	<b>416.88</b>
* Net of amount capitalised (Refer note 2.41)		

(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
<b>2.27 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (Refer note 2.1(a))	476.94	413.40
Amortisation of intangible assets (Refer note 2.1(b))	6.46	10.76
Depreciation of right-of-use assets (Refer note 2.34)	286.47	254.79
	<b>769.87</b>	<b>678.95</b>
<b>2.28 Other expenses *</b>		
Professional charges	1,857.80	1,438.81
Hospital maintenance	45.36	34.99
Canteen expenses	136.46	102.47
Contract wages	214.18	163.53
Housekeeping expenses	47.40	41.84
Power and fuel	149.75	122.63
Lab and investigations	122.29	115.13
Repairs and maintenance		
- Plant and equipment	41.21	62.19
- Others	130.23	128.03
Rent (Refer note 2.34)	14.05	22.67
Rates and taxes	96.41	76.76
Business promotion and advertisement	205.81	86.26
Travelling and conveyance	23.11	14.94
Printing and stationary	46.64	34.34
Bad debts written off	-	3.14
Allowance for expected credit loss	25.13	19.78
Advances written off and allowance for doubtful advances	7.29	-
Loss on sale of property, plant and equipment, net	0.92	-
Communication expenses	54.77	21.87
Insurance	9.77	10.57
Professional and consultancy (refer note 2.36)	30.57	19.85
Directors sitting fees	2.95	2.66
Donations	-	10.04
Corporate social responsibility (refer note 2.40)	16.96	15.70
Bank charges	27.97	21.44
Miscellaneous expenses	7.65	7.00
	<b>3,314.68</b>	<b>2,576.64</b>
<b>* Net of amount capitalised (refer note 2.41)</b>		
<b>2.29 Tax expense, net</b>		
<b>Current tax</b>	575.48	238.53
	575.48	238.53
Deferred tax expense/(credit)	(97.67)	(70.72)
	<b>477.81</b>	<b>167.81</b>
<b>a. Reconciliation of effective tax rate</b>		
Profit before tax	1,897.44	658.93
Enacted tax rates	25.17%	25.17%
Tax expense at enacted rates	477.55	165.84
Expenses not deductible for tax	4.09	4.92
Others	(3.83)	(2.95)
	<b>477.81</b>	<b>167.81</b>

## Notes to the Standalone Financial Statements

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

	As at 31 March 2022	As at 31 March 2021
<b>2.29 Tax expenses, net (continued)</b>		
<b>b. The following table provides the details of income tax assets and income tax liabilities:</b>		
Income tax assets, net	48.90	42.02
Current tax liabilities, net	-	(37.88)
Net current income tax assets at the end of the year	<b>48.90</b>	<b>4.14</b>
<b>c. The gross movement in the net income tax (liabilities)/ assets is as follows:</b>		
Net income tax assets/(liabilities)at the beginning of the year	4.14	(17.80)
Income tax paid	620.24	265.10
Income tax expense for the year including interest expense	(575.48)	(243.16)
Net current income tax assets at the end of the year	<b>48.90</b>	<b>4.14</b>
<b>d. Recognition of deferred tax assets and liabilities</b>		
<b>(i) Deferred tax assets and liabilities are attributable to the following</b>		
	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax liability</b>		
Excess of depreciation on the property, plant and equipment under income-tax, 1961 over depreciation under Companies Act.	267.36	291.60
Right-of-use of Asset	973.53	863.21
Others	1.32	-
<b>Total deferred tax liability</b>	<b>1,242.21</b>	<b>1,154.81</b>
<b>Deferred tax asset</b>		
Provision for impairment on receivables	35.66	29.33
Provision for employee benefits	17.06	19.29
Provision for bonus	30.85	25.06
Lease liabilities (including impact on transition to Ind AS)	1,273.70	1,098.52
<b>Total deferred tax asset</b>	<b>1,357.27</b>	<b>1,172.20</b>
<b>Net deferred tax assets</b>	<b>(115.06)</b>	<b>(17.39)</b>

### (ii) Movement in temporary differences

Particulars	Balance as at 1 April 2021	Recognised in standalone statement of profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2022
Provision for impairment on receivables	29.33	6.33	-	35.66
Provision for employee benefits	19.29	1.05	(3.28)	17.06
Provision for bonus	25.06	5.79	-	30.85
Lease liabilities	1,098.52	175.18	-	1,273.70
Right-of-use of Asset	(863.21)	(110.32)	-	(973.53)
Others	-	(1.32)	-	(1.32)
Excess of depreciation on property, plant and equipment under Income Tax, 1961 over depreciation under Companies Act.	(291.60)	24.24	-	(267.36)
	<b>17.39</b>	<b>100.95</b>	<b>(3.28)</b>	<b>115.06</b>

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

Particulars	Balance as at 1 April 2020	Recognised in standalone statement of profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2021
Provision for impairment on receivables	24.34	4.99	-	29.33
Provision for employee benefits	18.96	3.35	(3.02)	19.29
Provision for bonus	22.91	2.15	-	25.06
Lease liabilities	1,042.31	56.21	-	1,098.52
Others	11.81	(11.81)	-	-
Right-of-use of Asset	(866.53)	3.32	-	(863.21)
Excess of depreciation on property, plant and equipment under Income Tax, 1961 over depreciation under Companies Act.	(307.15)	15.55	-	(291.60)
	<b>(53.35)</b>	<b>73.76</b>	<b>(3.02)</b>	<b>17.39</b>

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

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

	As at 31 March 2022	As at 31 March 2021
(i) Demands under dispute		
- Income-tax matters under dispute	-	19.99
- Value added tax, central sales tax and service tax demand under dispute	32.40	27.17
- Luxury tax demand under dispute	18.55	18.55
(ii) Claims against the Group not acknowledged as debt	84.66	99.17

iii) In February 2019, the Honourable Supreme Court of India vide its judgement, clarified the definition and scope of 'Basic Wages' under the Employees' Provident Funds & Miscellaneous Provision Act, 1952. The judgement is silent on the retrospective application and in the absence of any guidelines by the regulatory authorities and considering the practical difficulties, no effect is given for the earlier periods as the same is currently not determinable.

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

**B) Capital commitments**

	As at 31 March 2022	As at 31 March 2021
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	450.40	5.30

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

**2.31(b)** There were no amounts which were required to be transferred to Investor Education Protection Fund by the Company.

## Notes to the Standalone Financial Statements

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

### 2.32 Employee benefit plans

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

##### (a) Defined contribution benefit plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund and Employee state insurance (ESI), which is a defined contribution plan. The contribution is charged to the Statement of 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 ₹ 33.53 million and ₹ 7.58 million respectively (31 March 2021: ₹ 36.38 million and ₹ 9.16 million respectively) (refer note 2.25)

##### (b) Defined benefit plans

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days' salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹ 2.00 million

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

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

	As at 31 March 2022	As at 31 March 2021
Opening defined benefit obligation	56.07	50.28
Current service cost	16.75	16.48
Interest cost	3.77	3.39
Actuarial (gain)/loss	(13.02)	(12.00)
Benefits paid	(5.56)	(2.08)
Benefit obligation at the end of the year	<b>58.01</b>	<b>56.07</b>
Provisions (current) (Refer note 2.19)	2.32	2.15
Provisions (non-current) (Refer note 2.15)	55.69	53.92

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	16.75	16.48
Interest on defined benefit obligation	3.77	3.39
Net actuarial (gain)/loss recognised in the year	(13.02)	(12.00)
<b>Net gratuity expense</b>	<b>7.50</b>	<b>7.87</b>

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (gain)/loss on defined benefit obligation	(13.02)	(12.00)
Return on plan assets excluding interest income	-	-
<b>Actuarial (gain)/loss recognised in other comprehensive income</b>	<b>(13.02)</b>	<b>(12.00)</b>

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

**Summary of actuarial assumptions**

Financial assumptions at balance sheet date:

	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

**Maturity profile of defined benefit obligation**

	As at 31 March 2022	As at 31 March 2021
1st following year	2.32	2.15
Year 2 to 5	12.45	10.81
Year 6 to 9	15.00	13.00
For 10 years and above	148.76	140.61

**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:

	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	54.49	61.87	52.54	59.94
Salary escalation rate (50 bps movement)	61.72	54.60	59.80	52.59

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

Expected contribution to post-employment benefit plans for the financial year ending 31 March 2023 is ₹ 2.32 millions.

The weighted average duration of the defined benefit obligation is 12.69 years (31 March 2021: 13.18 years)



## Notes to the Standalone Financial Statements

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

### 2.33 Related parties

<b>a) Names of the related parties and description of relationship:</b>	
<b>Entities in which control exists (Subsidiaries)</b>	Rainbow Children's Hospital Private Limited
	Rainbow Women & Children's Hospital Private Limited
	Rainbow Speciality Hospitals Private Limited
	Rosewalk Healthcare Private Limited
	Rainbow Fertility Private Limited
	Rainbow C R O Private Limited
<b>Key managerial personnel (KMP)</b>	Dr. Ramesh Kancharla, Chairman and Managing Director
	Dr. Dinesh Kumar Chirla, Whole-Time Director
	Prof. Anil Dhawan, Independent Director
	Mr. Santanu Mukherjee, Independent Director (appointed w.e.f 22 October 2021)
	Ms. Sundari Raviprasad Pisupati, Independent Director (appointed w.e.f 16 September 2021)
	Mr. Aluri Srinivasa Rao, Independent Director
	Mr. R Gowrisankar, Chief Financial Officer
	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 22 October 2021)
	Mr. Ashish Kapil, Company Secretary (appointed w.e.f 22 October 2021)
	Mr. Yugandhar Meka, Independent director (resigned w.e.f 16 September 2021)
	Mr. Nagarajan Srinivasan, Nominee Director (resigned w.e.f 09 December 2021)
	Mr. Ashish Ahluwalia, Nominee Director (resigned w.e.f 09 December 2021)
<b>Relative of key managerial personnel</b>	Mrs. Padma Kancharla, wife of Dr. Ramesh Kancharla
	Dr. Adarsh Kancharla, son of Dr. Ramesh Kancharla
	Mr. Ramadhara Naidu Kancharla, brother of Dr. Ramesh Kancharla
<b>Enterprise exercising significant influence on the Company</b>	British International Investment plc (formerly known as CDC Group plc)
	CDC India Opportunities Limited
	CDC Emerging Markets Limited
<b>Enterprises where key managerial personnel along with their relatives exercise significant influence</b>	Ravindranath GE Medical Associates Private Limited
	Rainbow Children's Foundation (Trust)
	Sesha Sarojini Medical Infra Private Limited
<b>Enterprises where relative of key managerial personnel is a member</b>	Unimed Healthcare Private Limited

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

**2.33 Related parties (continued)****(b) Following is the summary of significant related party transactions during the year:**

	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
<b>Revenue from professional services rendered</b>		
- Ravindranath GE Medical Associates Private Limited	0.00	0.10
- Rainbow Children's Foundation (Trust)	4.77	3.14
- Rosewalk Healthcare Private Limited	2.23	-
- Mrs. Padma Kancharla	0.16	-
<b>Revenue from pharmacy sales</b>		
- Rainbow Speciality Hospitals Private Limited	2.63	8.10
- Rosewalk Healthcare Private Limited	10.53	12.19
<b>Revenue from medical service fee</b>		
- Rainbow Speciality Hospitals Private Limited	0.70	4.20
<b>Other Operating Income</b>		
- Rosewalk Healthcare Private Limited	-	3.11
<b>Professional services received</b>		
- Ravindranath GE Medical Associates Private Limited	5.27	1.42
<b>Medical consumables and pharmacy items</b>		
- Rainbow Speciality Hospitals Private Limited	2.34	3.85
- Rosewalk Healthcare Private Limited	0.16	0.14
<b>Reimbursement of expenditure</b>		
- Rainbow Speciality Hospitals Private Limited	-	2.30
<b>Security Deposit given</b>		
- Unimed Healthcare Private Limited	30.00	-
<b>Interest income on inter-corporate deposit</b>		
- Rainbow Children's Hospital Private Limited	0.00	-
- Rainbow Women & Children's Hospital Private Limited	0.05	0.03
- Rainbow Speciality Hospitals Private Limited	2.36	5.60
- Rosewalk Healthcare Private Limited	21.27	20.25
- Rainbow Fertility Private Limited	0.13	0.06
- Rainbow C R O Private Limited	0.01	0.01
<b>Proceeds from sale of investments of</b>		
- Rainbow Speciality Hospitals Private Limited	10.95	-
<b>Investment in equity share capital of</b>		
- Rainbow Speciality Hospitals Private Limited	-	16.46
<b>Inter-corporate deposits placed</b>		
- Rainbow Children's Hospital Private Limited	0.02	-
- Rainbow Women & Children's Hospital Private Limited	0.02	0.49
- Rosewalk Healthcare Private Limited	39.81	60.50
- Rainbow Fertility Private Limited	1.16	-
<b>Inter-corporate deposit realised</b>		
- Rainbow Speciality Hospitals Private Limited	51.47	39.23
- Rosewalk Healthcare Private Limited	27.68	34.44
<b>Salary advance to KMP</b>		
- Mr. R.Gowrisankar	2.20	-
<b>Professional charges</b>		
- Dr. Dinesh Kumar Chirla	26.49	13.59
- Mr. Ramadhara Naidu Kancharla	1.93	1.88
<b>Expenses incurred on behalf of related parties</b>		
- Mr. Ramadhara Naidu Kancharla	0.01	0.14

## Notes to the Standalone Financial Statements

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

### 2.33 Related parties (continued)

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Remuneration including variable fee to KMP*</b>		
- Dr. Ramesh Kancharla	60.00	78.07
- Dr. Dinesh Kumar Chirla	8.86	11.20
- Mr. R.Gowrisankar	8.53	6.43
- Mr. Pawan Kumar Mittal	-	1.86
- Ms. Pratusha Channamalla	0.09	-
- Mr. Ashish Kapil	1.54	-
<b>Remuneration to relative of KMP</b>		
- Mr. Ramadhara Naidu Kancharla	3.00	-
<b>Commission to Independent Directors</b>		
- Mr. Yugandhar Meka	0.50	0.60
- Mr. Aluri Srinivasa Rao	1.00	0.60
- Prof. Anil Dhawan	1.00	0.60
- Mrs. Sundari Raviprasad Pisupati	0.50	-
- Mr. Santanu Mukherjee	0.50	-
<b>Sitting fees paid to Independent Directors</b>		
- Mr. Yugandhar Meka	0.10	0.20
- Prof. Anil Dhawan	0.70	0.10
- Mr. Aluri Srinivasa Rao	0.53	0.15
- Mrs. Sundari Raviprasad Pisupati	0.58	-
- Mr. Santanu Mukherjee	0.60	-
<b>Expenditure incurred on behalf of KMP</b>		
- Dr. Ramesh Kancharla	0.01	0.34
<b>Civil works</b>		
- Sessa Sarojini Medical Infra Private Limited	1.22	35.12
<b>Purchase of equity shares in Unimed Healthcare Private Limited</b>		
- Dr. Adarsh Kancharla	-	80.00
<b>Sale of investment in equity shares in Unimed Healthcare Private Limited</b>		
- Mrs. Padma Kancharla	80.00	-
- Gain on sale of equity	8.20	-
<b>Redemption of 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	50.00	50.00
<b>Interest on 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	39.65	44.47
<b>Dividend paid during the year to KMP and relative of KMP</b>		
- Dr. Ramesh Kancharla	40.03	-
- Dr. Dinesh Kumar Chirla	9.60	-
- Mrs. Padma Kancharla	3.60	-
- Dr. Adarsh Kancharla	4.62	-
<b>Dividend paid (on equity share capital and Series A compulsorily convertible preference shares)</b>		
- British International Investment plc (formerly known as CDC Group plc)	19.27	-
<b>Dividend paid (on equity share capital and Series B compulsorily convertible preference shares)</b>		
- CDC India Opportunities Limited	10.07	-

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

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

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

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Trade payables</b>		
- Ravindranath GE Medical Associates Private Limited	-	0.28
- Rainbow Speciality Hospitals Private Limited	-	4.70
- Rosewalk Healthcare Private Limited	0.95	0.79
<b>Other financial liabilities</b>		
- Rosewalk Healthcare Private Limited	-	3.57
<b>Trade receivables</b>		
- Rainbow Speciality Hospitals Private Limited	-	3.82
- Rosewalk Healthcare Private Limited	23.95	11.22
- Rainbow Children's Foundation (Trust)	0.09	-
<b>Other receivables</b>		
- Rainbow Speciality Hospitals Private Limited	-	2.30
<b>Salary advance to KMP</b>		
- Mr. R.Gowrisankar	1.60	-
<b>Remuneration payable to relative of KMP</b>		
- Mr. Ramadhara Naidu Kancharla	0.50	-
<b>Commission payable to Independent Directors</b>		
- Mr. Yugandhar Meka	0.50	0.60
- Mr. Aluri Srinivasa Rao	1.00	0.60
- Prof. Anil Dhawan	1.00	0.60
- Mrs. Sundari Raviprasad Pisupati	0.50	-
- Mr. Santanu Mukherjee	0.50	-
<b>Reimbursement of expenditure</b>		
- Mr. Ramadhara Naidu Kancharla	-	0.01
<b>Capital creditors</b>		
- Sesha Sarojini Medical Infra Private Limited	-	22.08
<b>Borrowings (before adjustments of transaction costs incurred as required as per Ind AS 109)</b>		
- CDC Emerging Markets Limited	400.00	450.00
<b>Interest accrued but not due on long-term borrowings payable</b>		
- CDC Emerging Markets Limited	18.53	20.84
<b>Remuneration payable to KMP</b>		
- Dr. Ramesh Kancharla	-	29.58
- Dr. Dinesh Kumar Chirla	-	0.80
<b>Professional fee payable to KMP</b>		
- Dr. Dinesh Kumar Chirla	2.90	1.18
<b>Non-current investments in equity shares</b>		
- Rainbow Women & Children's Hospital Private Limited	0.10	0.10
- Rainbow Speciality Hospitals Private Limited	142.51	153.46
- Rainbow Children's Hospital Private Limited	0.10	0.10
- Rosewalk Healthcare Private Limited	12.24	12.24
- Rainbow Fertility Private Limited	45.00	45.00
- Rainbow C R O Private Limited	0.10	0.10
<b>Non-current investments in debentures</b>		
- Rosewalk Healthcare Private Limited	1.86	1.86

## Notes to the Standalone Financial Statements

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

	As at 31 March 2022	As at 31 March 2021
<b>Inter corporate deposits</b>		
- Rainbow Women & Children's Hospital Private Limited	0.51	0.49
- Rainbow Children's Hospital Private Limited	0.02	-
- Rainbow Speciality Hospitals Private Limited	-	51.45
- Rosewalk Healthcare Private Limited	233.06	220.95
- Rainbow Fertility Private Limited	1.84	0.68
- Rainbow C R O Private Limited	0.10	0.10
<b>Interest accrued on inter corporate deposits</b>		
- Rainbow Women & Children's Hospital Private Limited	0.08	0.03
- Rainbow Children's Hospital Private Limited	0.00	-
- Rainbow Speciality Hospitals Private Limited	-	15.38
- Rosewalk Healthcare Private Limited	56.94	35.68
- Rainbow Fertility Private Limited	0.22	0.09
- Rainbow C R O Private Limited	0.02	0.01
<b>Rental Security Deposit</b>		
- Unimed Healthcare Private Limited	30.00	-

- d) Refer note 2.2 for details of investment made in subsidiaries.
- e) Share issue expenses (refer note 2.3 (b) - Share issues expenses receivable) of ₹ 172.50 million incurred by the Company is towards Initial Public Offering ('IPO') of the equity shares held by the selling shareholders. As per the agreement with the selling shareholders, these expenses are recoverable from Dr Ramesh Kancharla, Dr. Dinesh Kumar Chirla, Dr. Adarsh Kancharla, Mrs. Padma Kancharla, British International Investment plc (formerly known as CDC Group plc) and CDC India Opportunities Limited, upon successful completion of IPO in proportion to the shares that are expected to be offered to the public in the offering.
- f) All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross and undiscounted.)

### 2.34 Leases

#### A Transition to Ind AS 116 "Leases" w.e.f April 01, 2019:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 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.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, under modified retrospective transition method using incremental borrowing rate as at April 1, 2019. The Company has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment. The weighted average incremental borrowing rate of 9.5% has been applied to lease liabilities recognised in the balance sheet at the date of initial application..

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

- B** Following are the changes in the carrying values of right of use assets for the year ended 31 March 2021 and 31 March 2022:

Particulars	Category of ROU Assets	
	Buildings	
<b>Cost as at 1 April 2020</b>	3,653.11	
Additions	354.75	
Disposals	(73.26)	
<b>Cost as at 31 March 2021 (A)</b>	<b>3,934.60</b>	
<b>Cost as at 1 April 2021</b>	3,934.60	
Additions	982.03	
Disposals	(67.89)	
<b>Cost as at 31 March 2022 (C)</b>	<b>4,848.74</b>	
<b>Accumulated amortisation</b>		
<b>Accumulated depreciation as at 1 April 2020</b>	250.00	
Depreciation charge for the year	254.79	
Disposals	-	
<b>Accumulated depreciation as at 31 March 2021 (B)</b>	<b>504.79</b>	
<b>Accumulated depreciation as at 1 April 2021</b>	504.79	
Depreciation charge for the year	286.47	
Disposals	(61.86)	
<b>Accumulated depreciation as at 31 March 2022 (D)</b>	<b>729.40</b>	
<b>Net carrying amounts</b>		
As at 31 March 2022 (C-D)	4,119.34	
As at 31 March 2021 (A-B)	3,429.81	

\*The aggregate depreciation expense for the year on ROU assets is included under depreciation and amortisation expense in the Standalone Statement of Profit and Loss (Refer note 2.27).

The Company has certain leases for Vikramपुरi and Hebbal for which the registration of the lease deed is pending. The Management has assessed that there would be no change in the lease terms and the delay is administrative in nature.

- 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	14.05	22.67
Low value leases	-	-
Variable lease expenses	-	-
<b>Total</b>	<b>14.05</b>	<b>22.67</b>

- D** Following is the movement in lease liabilities for the year ended 31 March 2022 :

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Opening Balance</b>	4,364.77	4,140.98
Additions	730.52	354.75
Finance cost	457.11	362.18
Disposals	(15.71)	(75.98)
Payment of lease liabilities	(476.31)	(417.16)
<b>Lease liability at the end of the year</b>	<b>5,060.38</b>	<b>4,364.77</b>
Non-current lease liabilities	4,992.05	4,315.63
Current lease liabilities	68.33	49.14



## Notes to the Standalone Financial Statements

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

**E** The following is the cash outflow on leases during the year:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Payment of lease liabilities	19.20	50.21
Interest on lease liabilities	457.11	258.44
Short-term lease expense	14.05	22.67
<b>Total cash outflow on leases</b>	<b>490.36</b>	<b>331.32</b>

**F** The table below provides details regarding the contractual maturities of lease liabilities as at year end on an undiscounted basis:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Less than 1 year	525.20	452.14
1 to 5 years	2,224.98	2,460.09
Over 5 years	7,367.35	6,133.90

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

### 2.35 Segment reporting

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

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

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

### 2.36 Professional and consultancy expenses includes auditors' remuneration (excluding GST)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Statutory audit fees *	4.00	3.20
Reimbursement of expenses	0.28	0.10
<b>Total</b>	<b>4.28</b>	<b>3.30</b>

\* Auditor's fees of ₹ 22.60 million (excluding reimbursements) towards IPO deliverables is not included above (refer note : 2.33(e)).

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

**2.37 Earnings per equity share :**

The earnings per share has been computed as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year (A)	1,422.91	494.14
Less: Preference dividend for the year	4.56	-
<b>Profit attributable to equity shareholders (B)</b>	<b>1,418.35</b>	<b>494.14</b>
<b>Shares:</b>		
Number of equity shares at the beginning of the year	43,958,924	43,958,924
Add: Rights issued ##	1,928,000	-
Add: Bonus shares issued #	45,886,924	-
Add: Bonus equity shares issued to preference share holders #	2,280,080	-
Total number of equity shares outstanding at the end of the year	94,053,928	43,958,924
<b>Weighted average number of equity shares outstanding during the year – Basic</b>	<b>93,420,727</b>	<b>43,958,924</b>
Add: Bonus shares issued considered for calculation of earnings per share for previous year #	-	45,886,924
Add: Bonus equity shares issued to preference share holders considered for calculation of earnings per share for previous year #	-	2,280,080
Add: Bonus element on account of Rights Issue of shares issued considered for calculation of earnings per share for previous year ##	-	1,647,033
<b>Number of equity shares at the end of year (C)</b>	<b>93,420,727</b>	<b>93,772,961</b>
Number of equity shares arising out of convertible preference shares that have dilutive effect on the EPS at the beginning of the year	2,280,080	2,280,080
<b>Number of convertible preference shares that have dilutive effect on the EPS at the end of year (D)</b>	<b>2,280,080</b>	<b>2,280,080</b>
<b>Weighted average number of equity shares outstanding during the year – Diluted (E = C+D)</b>	<b>95,700,807</b>	<b>96,053,041</b>
<b>Earnings per share*</b>		
Earnings per share of par value ₹ 10 - Basic (₹) (B/C)	15.18	5.27
Earnings per share of par value ₹ 10 - Diluted (₹) (A/E)	14.87	5.14

# The Company on 1 December 2021 has issued and allotted bonus equity shares in the ratio of 1:1 for every one equity share and every one preference share held. In line with the requirements of Ind AS 33, for the purpose of EPS calculations, bonus shares issued has been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

## The Company has issued and allotted equity shares through rights issue to an existing shareholder on 22 October 2021. The exercise price is less than the fair value of the equity shares and hence the inherent discount is similar to a bonus issue as per Ind AS 33. In line with the requirements of Ind AS 33, for the purpose of EPS calculations, the bonus element in rights issue of shares has been retrospectively adjusted as if the event had occurred at the beginning of the earliest period presented.

## Notes to the Standalone Financial Statements

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

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Number of non resident share holders	2	2
Number of shares held by non-resident shareholders		
- Equity shares	27,052,144	12,386,032
- Series A CCPS	1,146,771	1,146,771
- Series B CCPS	1,133,309	1,133,309
Amount remitted during the year (amount in millions)*		
- Equity shares	16.97	-
- Series A CCPS	2.30	-

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

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 has been made in the Standalone 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 Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	As at 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;		
- Principal	58.76	0.53
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 2.42

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

**2.40 Corporate social responsibility**

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the company are promotion of education, sports, rural development activities, medical facilities, employment and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>ii) Details of Corporate social responsibility expenditure</b>		
(i) Gross amount required to be spent by the Company during the year	16.96	15.70
(ii) Amount approved by the Board to be spent during the year	16.96	15.70
(iii) Amount spent during the year (in cash)		
- construction/ acquisition of any asset	-	-
- on purpose other than above	16.96	15.70
(iv) (Shortfall) / Excess at the end of the year	-	-
(v) Total of previous years shortfall*	8.50	8.50
(vi) Details of related party transactions	NA	NA
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA
(viii) Reason for shortfall *		
For the year ending 31 March 2022 and 31 March 2021 :		
(ix) Nature of CSR activities:		
a) Promotion of education and sports	0.55	2.47
b) Rural development activities	-	-
c) Promotion of medical facilities and	11.36	10.01
d) Ensuring environmental sustainability	5.05	3.22

\*The shortfall pertains to year ended 31 March 2020 and 31 March 2019, there was no requirement to transfer the funds to a separate bank account or creating a provision for these years.

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

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Employee benefit expenses (A)</b>	0.18	4.02
<b>Other expenses:</b>		
Rent	2.99	7.13
Consultancy and project expenses	12.56	1.97
Travelling and conveyance	0.78	1.37
Power and fuel	-	0.74
Other expenses	0.64	1.84
<b>Total (B)</b>	<b>16.97</b>	<b>13.05</b>
<b>Finance cost (C)</b>	-	<b>11.24</b>
<b>Total (A+B+C)</b>	<b>17.15</b>	<b>28.31</b>

## Notes to the Standalone Financial Statements

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

### 2.42 Financial risk management

#### Risk management framework

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

#### Credit risk

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

#### Trade and other receivables

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

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

Particulars	Carrying amount	
	As at 31 March 2022	As at 31 March 2021
Insurance companies and Third-Party Administrator (TPA)	236.60	154.12
Central and state government (including public sector undertakings)	85.95	78.57
Corporates, individual customers and others	231.83	338.32
<b>Total</b>	<b>554.38</b>	<b>571.01</b>

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

#### As at 31 March 2022

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 30 days	241.14	3.80%	9.17
31-180 days	114.42	7.79%	8.92
6 months - 1 year	86.43	12.93%	11.18
1-2 years	34.33	100.00%	34.33
2-3 years	49.70	100.00%	49.70
More than 3 years	28.36	100.00%	28.36
	<b>554.38</b>		<b>141.66</b>

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

**As at 31 March 2021**

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 30 days	191.72	2.64%	5.07
31-180 days	108.08	9.93%	10.73
6 months - 1 year	202.13	15.66%	31.65
1-2 years	31.15	100.00%	31.15
2-3 years	27.43	100.00%	27.43
More than 3 years	10.50	100.00%	10.50
	<b>571.01</b>		<b>116.53</b>

Management believes that the unimpaired amounts that are past due by more than six months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

**Movement in allowance for impairment in respect of trade receivables is as follows:**

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	116.53	96.75
Add: Expected credit loss recognised	25.13	19.78
Net remeasurement of provision	141.66	116.53

**Cash and bank balances, loans and other financial assets**

Cash and bank balances comprises of deposits with bank, interest accrued on deposits and other financial assets consists of security deposits,. These deposits are held with credit worthy banks. The credit worthiness of such banks are evaluated by the Management on an ongoing basis and is considered to be good with low credit risk. Further, the Company maintains exposure in money market liquid mutual funds and loans. The Company has set counter-parties limits based on multiple factors including financial position, credit rating, etc. Loans are assessed on lifetime expected credit loss model and no impairment loss is anticipated. The Company's maximum exposure to credit risk as at 31 March 2022 and 31 March 2021 is the carrying value of each class of financial assets.

The security deposit pertains to rent deposit given to lessors. The Company does not expect any losses from non-performance by these counter-parties.

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

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

**Following are the financial assets at the reporting date.**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	412.72	454.48
Cash and cash equivalents	80.45	43.18
Bank balances other than cash and cash equivalents	1,671.00	804.41
Investments	422.72	367.87
Other financial assets	720.66	534.48
Loans	800.07	602.80
<b>Total</b>	<b>4,107.62</b>	<b>2,807.22</b>

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.



## Notes to the Standalone Financial Statements

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

### As at 31 March 2022

Particulars	Carrying Amount	Within 1 year	1-5 Years	More than five years	Total amount
Borrowings (current & non-current)	416.64	143.53	275.00	-	418.53
Trade payables	591.22	591.22	-	-	591.22
Other financial liabilities	223.89	223.89	-	-	223.89
Lease Liabilities	5,060.38	525.20	2,224.98	7,367.35	10,117.53
<b>Total</b>	<b>6,292.13</b>	<b>1,483.84</b>	<b>2,499.98</b>	<b>7,367.35</b>	<b>11,351.17</b>

### As at 31 March 2021

Particulars	Carrying Amount	Within 1 year	1-5 Years	More than five years	Total amount
Borrowings (current & non-current)	479.66	75.14	407.85	-	482.99
Trade payables	505.65	505.65	-	-	505.65
Other financial liabilities	387.27	387.27	-	-	387.27
Lease Liabilities	4,364.77	452.14	2,460.09	6,133.90	9,046.13
<b>Total</b>	<b>5,737.35</b>	<b>1,420.20</b>	<b>2,867.94</b>	<b>6,133.90</b>	<b>10,422.04</b>

### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will effect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interests rate. Interest rate risk primarily arises from the Company's borrowings, investments in bank deposits and loans given.

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

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Fixed rate instruments (excluding interest accrued)</b>		
Financial assets	2,585.32	1,448.22
Financial liabilities	398.11	458.82

### Sensitivity analysis

#### Foreign currency risk

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

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

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

**Exposure to currency risk**

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

Particulars	Currency	As at 31 March 2022	
		Amount in foreign currency (in whole no's)	Amount in functional currency
Trade payables	USD	6,538	0.49
Creditors for capital goods	USD	8,000	0.60

Particulars	Currency	As at 31 March 2022	
		Amount in foreign currency (in whole no's)	Amount in functional currency
Creditors for capital goods	EUR	9,713	1.13

**Sensitivity analysis:**

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

	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2022</b>				
USD (5% movement)	0.05	(0.05)	0.04	(0.04)
<b>31 March 2021</b>				
EUR (5% movement)	0.06	(0.06)	0.04	(0.04)

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**2.43 Capital management**

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. Total debt includes borrowings and bank overdraft.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Total debt	416.64	479.66
Total equity	6,362.93	4,759.34
<b>Debt to equity ratio</b>	<b>0.07</b>	<b>0.10</b>

## Notes to the Standalone Financial Statements

### 2.44 Financial instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts in the Balance sheet are as follows:

As at 31 March 2022

Particulars	Note	Carrying values						Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant un-observable inputs (Level 3)
		Measured at fair value through profit or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities - amortised cost	Total carrying amount				
<b>Financial assets measured at fair value</b>										
Investments in equity instruments *	2.2	-	0.03	-	-	-	0.03	-	-	0.03
Investments in mutual funds	2.7	220.98	-	-	-	-	220.98	220.98	-	-
		<b>220.98</b>	<b>0.03</b>	-	-	-	<b>221.01</b>	<b>220.98</b>	-	<b>0.03</b>
<b>Financial assets at amortised cost</b>										
Trade receivables	2.8	-	-	412.72	-	-	412.72	-	-	-
Cash and cash equivalents	2.9 (a)	-	-	80.45	-	-	80.45	-	-	-
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	1,671.00	-	-	1,671.00	-	-	-
Loans	2.10	-	-	800.07	-	-	800.07	-	-	-
Other financial assets	2.3 (a) & 2.3 (b)	-	-	720.66	-	-	720.66	-	-	-
		-	-	<b>3,684.90</b>	-	-	<b>3,684.90</b>	-	-	-
<b>Financial liabilities at amortised cost</b>										
Borrowings	2.14 & 2.16	-	-	-	416.64	-	416.64	-	-	-
Trade payables	2.17	-	-	-	591.22	-	591.22	-	-	-
Other financial liabilities	2.18	-	-	-	223.89	-	223.89	-	-	-
		-	-	-	<b>1,231.75</b>	-	<b>1,231.75</b>	-	-	-

## 2.44 Financial instruments (continued)

As at 31 March 2021

Particulars	Note	Carrying values					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant un-observable inputs (Level 3)
		Measured at fair value through profit or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities - amortised cost	Total carrying amount			
<b>Financial assets measured at fair value</b>									
Investments in equity instruments *	2.2	80.00	0.03	-	-	80.03	-	80.03	
Investments in mutual funds	2.7	75.18	-	-	-	75.18	75.18	-	
		<b>155.18</b>	<b>0.03</b>	-	-	<b>155.21</b>	<b>75.18</b>	<b>80.03</b>	
<b>Financial assets at amortised cost</b>									
Trade receivables	2.8	-	-	454.48	-	454.48	-	-	
Cash and cash equivalents	2.9 (a)	-	-	43.18	-	43.18	-	-	
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	804.41	-	804.41	-	-	
Loans	2.10	-	-	602.80	-	602.80	-	-	
Other financial assets	2.3 (a) & 2.3 (b)	-	-	534.48	-	534.48	-	-	
		-	-	<b>2,439.35</b>	-	<b>2,439.35</b>	-	-	
<b>Financial liabilities at amortised cost</b>									
Borrowings	2.14 & 2.16	-	-	-	479.66	479.66	-	-	
Trade payables	2.17	-	-	-	505.65	505.65	-	-	
Other financial liabilities	2.18	-	-	-	387.27	387.27	-	-	
		-	-	-	<b>1,372.58</b>	<b>1,372.58</b>	-	-	

Note: The Company has not disclosed fair values of financial assets and liabilities such as investments, trade receivables, loans, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables, borrowings and other financial liabilities since their carrying amounts are reasonable approximates of fair values.

**Fair value hierarchy****Level 1**

Includes financial instruments measured using quoted prices. The fair value of all mutual funds which is valued using the closing Net Asset Value (NAV) as at the reporting period.

**Level 2**

The fair value of financial instruments not actively traded in an active market is determined

**Level 3**

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2022 and 31 March 2021.

\* Fair value information relating to investment in equity instruments are not presented as these are not material to the standalone financial statements.

## Notes to the Standalone Financial Statements

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

### 2.45 Revenue from contracts with customers

#### Disaggregated revenue information

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income from medical and healthcare services</b>		
Revenue from hospital services	8,046.18	5,083.74
Revenue from pharmacy sales	929.53	844.72
Revenue from medical service fee	168.75	161.32
<b>Total revenue from contracts with customers</b>	<b>9,144.46</b>	<b>6,089.78</b>

#### Location of revenue recognition

**Note:** All the business operations of the Company are in India.

#### Timing of revenue recognition

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Services transferred at a point of time	2,335.34	1,025.85
Goods transferred at a point of time	929.53	844.72
<b>Total revenue from contracts with customers</b>	<b>3,264.87</b>	<b>1,870.57</b>

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2022 and 31 March 2021.

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Contracted price</b>	8,254.57	5,273.07
Reduction towards variable consideration components*		
-Discounts	(31.11)	(26.46)
-Disallowances	(8.53)	(1.55)
<b>Revenue recognised</b>	<b>8,214.93</b>	<b>5,245.06</b>

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

#### Contract balances

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables**	444.93	499.94
Unbilled revenue	109.45	71.07
Contract liabilities (advance from patients)#	83.26	52.15

#### Movement in contract liabilities during the year:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	52.15	49.80
Less: Revenue recognised from above	(52.15)	(49.80)
Add: Addition during the year	83.26	52.15
<b>Balance at the end of the year</b>	<b>83.26</b>	<b>52.15</b>

\*\*Trade receivables are non-interest bearing and are generally on terms of 30 days.

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

#### Performance Obligation

The revenue from rendering Medical & Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by Ind AS 115.

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

**2.46 Impact of COVID-19:**

During the previous year, the COVID-19 pandemic impacted the revenues and profitability of the Company, with a decline in occupancy impacting the hospital business revenues, profitability and cash flows. The Company took various initiatives to support operations and optimise the cost. With a slew of these measures, the Company has been able to significantly reduce the negative impact on business. During the current year, the Company has further witnessed improvement in business and it has gradually moved towards normalisation of business during the current year.

The Company has a well-capitalised Balance Sheet and has managed its liquidity position via cost efficiency initiatives, better working capital management and internal funding. Accordingly, the Company continues to prepare the standalone financial statements on a going concern basis. As per the Management's current assessment, no significant impact is expected on the carrying amounts of inventories, tangible assets, intangible assets, trade receivables, investments and other financial assets.

The Company has considered the possible effects on the carrying amounts of receivables, loans, intangibles, inventories and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these Standalone Financial Statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates, the Company expects to fully recover the carrying amount of receivables, loans, intangibles, inventories and investments. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

**2.47** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its Standalone financial statements in the year in which, the Code becomes effective and the related rules to determine the financial impact are published.

**2.48** As per Section 203 of Companies Act 2013, read with rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company is required to have a whole-time Company Secretary. The position of Company Secretary was vacant from 1 April 2021 to 31 August 2021.

**2.49 Ratios as per the Schedule III requirements****a) Current Ratio = Current Assets divided by Current Liabilities (excluding current borrowings)**

Particulars	31 March 2022	31 March 2021
Current Assets	2,798.64	2,173.45
Current Liabilities (excluding current borrowings)	1,026.33	1,089.75
<b>Ratio</b>	<b>2.73</b>	<b>1.99</b>
<b>% Change from previous year</b>	<b>37.19%</b>	

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

This ratio has increased from 1.99 in March 2021 to 2.73 in March 2022 mainly due to increase in bank deposits (with original maturity more than 3 months but less than 12 months) and current investments.

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

Particulars	31 March 2022	31 March 2021
Total debt	416.64	479.66
Shareholder's Equity	6,362.93	4,759.34
<b>Ratio</b>	<b>0.07</b>	<b>0.10</b>
<b>% Change from previous year</b>	<b>-30.00%</b>	

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

This ratio has decreased from 0.10 in March 2021 to 0.07 in March 2022 mainly due to repayment of borrowings and increase in equity on account of increase in share capital.



## Notes to the Standalone Financial Statements

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

### 2.49 Ratios as per the Schedule III requirements (continued)

#### c) Debt Service Coverage Ratio = Earnings available for debt service divided by interest and lease payments + principal repayments

Particulars	31 March 2022	31 March 2021
Net Profit after tax	1,422.91	494.14
<b>Add: Non cash operating expenses and finance cost</b>	<b>1,270.84</b>	<b>1,095.33</b>
-Depreciation and amortizations	769.87	678.95
-Finance cost	500.05	416.88
-(Gain) / Loss on sale of property, plant and equipment	0.92	(0.50)
<b>Earnings available for debt service</b>	<b>2,693.75</b>	<b>1,589.47</b>
Interest cost on borrowings	40.18	46.51
Payment of lease liabilities	476.31	417.16
Principal repayments	60.71	94.72
<b>Total Interest and principal repayments</b>	<b>577.20</b>	<b>558.39</b>
<b>Ratio</b>	<b>4.67</b>	<b>2.85</b>
<b>% Change from previous year</b>	<b>63.86%</b>	

#### Reasons for change more than 25%:

This ratio has increased from 2.85 in March 2021 to 4.67 in March 2022 mainly due to increase in earnings available for debt services on account of increase in net profit after tax during the year.

#### d) Return on Equity Ratio / Return on Investment Ratio = Net profit after taxes - preference dividend divided by average shareholder's equity

Particulars	31 March 2022	31 March 2021
Net profit after taxes	1,422.91	494.14
Average Shareholder's Equity	5,561.14	4,507.75
<b>Ratio</b>	<b>25.59%</b>	<b>10.96%</b>
<b>% Change from previous year</b>	<b>133.49%</b>	

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

This ratio has increased from 10.96% in March 2021 to 25.59% in March 2022 on account of increase in Net profit after taxes due to increase in business volumes, which was offset by increase in share capital.

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

Particulars	31 March 2022	31 March 2021
Cost of Medical consumables and pharmacy items consumed *	1,877.98	971.58
Average Inventory	115.88	119.56
<b>Inventory Turnover Ratio</b>	<b>16.21</b>	<b>8.13</b>
<b>% Change from previous year</b>	<b>99.38%</b>	

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

This ratio has increased from 8.13 in March 2021 to 16.21 in March 2022 mainly due to purchase of covid vaccines.

#### f) Trade Receivables turnover ratio = Revenue from operations divided by Average Trade Receivables

Particulars	31 March 2022	31 March 2021
Revenue from operations	9,245.95	6,144.54
Average Trade Receivables	433.60	374.42
<b>Ratio</b>	<b>21.32</b>	<b>16.41</b>
<b>% Change from previous year</b>	<b>29.92%</b>	

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

This ratio has increased from 16.41 in March 2021 to 21.32 in March 2022 mainly due to increase in volume of sales.

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

**2.49 Ratios as per the Schedule III requirements (continued)****g) Trade payables turnover ratio = Purchases divided by Average Trade Payables**

Particulars	31 March 2022	31 March 2021
Purchases	1,923.85	918.31
Average Trade Payables	548.44	408.94
<b>Ratio</b>	<b>3.51</b>	<b>2.25</b>
<b>% Change from previous year</b>	<b>56.00%</b>	

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

This ratio has increased from 2.25 in March 2021 to 3.51 in March 2022 mainly due to purchase of covid vaccines.

**h) Net capital Turnover Ratio = Revenue from operations divided by Working Capital where Working Capital= Current Assets - Current Liabilities (excluding current borrowings)**

Particulars	31 March 2022	31 March 2021
Revenue from operations	9,245.95	6,144.54
Working Capital	1,772.31	1,083.70
<b>Ratio</b>	<b>5.22</b>	<b>5.67</b>
<b>% Change from previous year</b>	<b>-7.94%</b>	

**Reason for change more than 25%: Not applicable****i) Net profit ratio = Net profit after taxes divided by Revenue from operations**

Particulars	31 March 2022	31 March 2021
Net profit after taxes	1,422.91	494.14
Revenue from operations	9,245.95	6,144.54
<b>Ratio</b>	<b>15.39%</b>	<b>8.04%</b>
<b>% Change from previous year</b>	<b>91.42%</b>	

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

This ratio has increased from 8.04% in March 2021 to 15.39% in March 2022 mainly due to increase in Net profit after taxes which was on account of increase in revenue from operations.

**j) Return on Capital employed (pre cash)=Earnings Before Interest and Taxes (EBIT) divided by Capital Employed (pre cash)**

Particulars	31 March 2022	31 March 2021
Profit before tax* (A)	1,897.44	658.93
Finance Costs* (B)	500.05	416.88
Other Income* (C)	208.19	119.48
<b>EBIT (D) = (A)+(B)-(C)</b>	<b>2,189.30</b>	<b>956.33</b>
<b>Capital Employed (Pre Cash) (J)=( E)-(F)-(G)-(H)-(I)</b>	<b>9,711.35</b>	<b>8,611.31</b>
Total Assets (E)	12,853.64	10,698.30
Current Liabilities (F)	1,169.86	1,164.22
Current Investments (G)	220.98	75.18
Cash and Cash equivalents (H)	80.45	43.18
Bank balances other than cash and cash equivalents (I)	1,671.00	804.41
<b>Ratio (D)/(J)</b>	<b>22.54%</b>	<b>11.11%</b>
<b>% Change from previous year</b>	<b>102.88%</b>	

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

This ratio has increased from 11.11% in March 2021 to 22.54% in March 2022 mainly due to increase in earnings which was on account of increase in revenue from operations.

**2.50 Employee share based payment**

Pursuant to the resolutions passed by the Board on 27 November 2021 and by the Shareholders on 30 November 2021, the Company approved 'The Rainbow Employee Stock Option Scheme 2021 ("ESOP Scheme")' in compliance with the SEBI SBEB Regulations. The ESOP Scheme is for issue of employee stock options to eligible employees, which may result in an issuance of a maximum number of 2,049,660 Equity Shares. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock option.

## Notes to the Standalone Financial Statements

The Company has not granted any options under ESOP Scheme. The total number of options available under ESOP Scheme is 2,049,660 which are exercisable for 2,049,660 Equity Shares.

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

### Other Statutory Information:

- i. The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- ii. The Company do not have any transactions with companies struck off.
- iii. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
- v. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii. The loan has been utilised for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- viii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- ix. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### 2.52 Subsequent events

- i) Subsequent to 31 March 2022, the Board of Directors of the Company in their meeting held on 04 April 2022, approved conversion of (i) 1,146,771 0.0001% Series A Compulsorily Convertible Preference Shares (CCPS) of face value of ₹ 48 each into 1,146,771 Equity Shares of ₹ 10 each and (ii) 1,133,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of ₹ 48 each into 1,133,309 Equity Shares of ₹ 10 each, at a conversion ratio of 1:1, ranking pari passu with the existing Equity Shares of the Company.
- ii) Subsequent to 31 March 2022, the Company has offered and issued 29,178,021 Equity Shares of ₹ 10 each in relation to Initial Public Offering ('IPO') comprising a fresh issue of Equity shares by the Company and an offer for sale of the Equity Shares by certain existing shareholders of the Company. Subsequent to the IPO, the Equity Shares of the Company were listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 10 May 2022.

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwijha Shyamsukha**

Partner

Membership No.: 064550

Place: Hyderabad

Date: 27 May 2022

for and on behalf of the Board of Directors of

**Rainbow Children's Medicare Limited**

(formerly Rainbow Children's Medicare Private Limited)

CIN: U85110TG1998PLC029914

**Dr. Ramesh Kancharla**

Chairman and Managing Director

DIN: 00212270

**R Gowrisankar**

Chief Financial Officer

Place: Hyderabad

Date: 27 May 2022

**Dr. Dinesh Kumar Chirla**

Director

DIN: 01395841

**Ashish Kapil**

Company Secretary

Membership no: A31782

Place: Hyderabad

Date: 27 May 2022

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Rainbow Children's Medicare Limited

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

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Rainbow Children's Medicare Limited (formerly known as 'Rainbow Children's Medicare Private Limited') (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at 31 March 2022 and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

## Key Audit Matters (continued)

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
<p><b>Impairment of Loan receivable</b></p> <p>Refer Note 2.10 to the consolidated financial statements</p> <p>During the year, the Group has given an unsecured loan to an external party amounting to ₹ 197.69 million. The total loan outstanding as at year end is ₹ 507.27 million (including interest accrued ₹ 76.80 million)</p> <p>Due to the losses incurred by the external party in the past two years consequent to Covid 19 pandemic, the Group is exposed to risk in respect of the recoverability of the loan granted to the aforementioned party.</p> <p>The Group carries out assessment of recoverability of these loan and impairment at every period end. This assessment uses several key assumptions including estimates of future cash flows, discount rate and growth rate.</p> <p>We have identified impairment of loans as a key audit matter because recoverability assessment involves Group's significant judgement and estimates.</p>	<p>In view of the significance of the matter, we performed the following procedures:</p> <ol style="list-style-type: none"> <li>1. Evaluated the design and implementation and tested operating effectiveness of key internal controls over the Group's impairment assessment process of the loan receivable.</li> <li>2. Traced loan given/repaid during the year to bank statements and assessed the compliance with the stipulated terms of the loan agreement.</li> <li>3. Obtained independent confirmations of balances as at 31 March 2022 from the external party.</li> <li>4. Assessed the net worth of the external party on the basis of latest available financial statements.</li> <li>5. Obtained the business projections of the external party and performed the following procedures: <ul style="list-style-type: none"> <li>• Compared the actual revenues and cash flows generated by the external party during the year with the budgets and estimates of the previous year.</li> <li>• Evaluated the reasonability of future cash flow projections prepared by the external party with respect to the key assumptions which include discount rate and growth rate. Involved our valuation experts to assess the valuation methodologies and key assumptions used for impairment assessment.</li> <li>• Verified the classification and disclosures of the loan in accordance with accounting standards</li> </ul> </li> </ol>

## Other Information

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that

are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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

### Other Matters

(a) We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 549.93 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 510.22 million and net cash flows (before consolidation adjustments) amounting to ₹ 5.95 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India 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 Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matters" paragraph:
  - a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 2.31 (A) to the consolidated financial statements.

- b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
- c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.
- d) (i) The Management of the Holding Company whose financial statements have been audited under the Act has represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 2.52 (v) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other 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 by or on behalf of the Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”); or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Management of the Holding Company whose financial statements have been audited under the Act has represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief, as disclosed in the Note 2.52 (vi) to the accounts, no funds have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any such subsidiaries incorporated in India 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 Parties or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- e) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 2.13 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

Further, six subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

- C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**for B S R & Associates LLP**

Chartered Accountants

Firm’s Registration No.116231W/W-100024

**Jhahanwijha Shyamsukha**

Partner

Membership Number: 064550

UDIN: 22064550AJVAV7440

Place: Hyderabad

Date: 27 May 2022

**Annexure A to the Independent Auditors' Report on the consolidated financial statements of Rainbow Children's Medicare Limited for the year ended 31 March 2022**

(With reference to the Annexure A referred to in Paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

S. No	Name of the entity	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	Rainbow Children's Medicare Limited	U85110TG1998PLC029914	Holding Company	Clause (i) (c) Clause (iii) (e)
2.	Rosewalk Healthcare Private Limited	U74900TG2015PTC139548	Subsidiary Company	Clause (xix)

**for B S R & Associates LLP**

Chartered Accountants

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

**Jhahanwijha Shyamsukha**

Partner

Membership Number: 064550

UDIN: 22064550AJSAW7440

Place: Hyderabad

Date: 27 May 2022

## **Annexure B to the Independent Auditors' report on the consolidated financial statements of Rainbow Children's Medicare Limited for the year ended 31 March 2022**

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

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Rainbow Children's Medicare Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

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

#### **Management's Responsibility and Board of Directors' for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

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

A company's internal financial controls with reference to consolidated 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 consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to six subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Chartered Accountants

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

#### **Jhahanwijha Shyamsukha**

Partner

Membership Number: 064550

UDIN: 22064550AJSVAW7440

Place: Hyderabad

Date: 27 May 2022

## Statement of Audited Consolidated financial

# CONSOLIDATED BALANCE SHEET

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

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	2.1(a)	4,186.93	3,988.95
b. Capital work-in-progress	2.1(a)	45.97	286.79
c. Right-of-use of assets	2.34	4,353.94	3,688.95
d. Goodwill	2.1(b)	29.87	29.87
e. Other intangible assets	2.1(b)	13.69	15.31
f. Intangible assets under development	2.1(b)	11.59	0.87
g. Financial assets			
(i) Investments	2.2	0.03	80.03
(ii) Loans	2.10	507.26	-
(iii) Other financial assets	2.3(a)	555.92	546.90
h. Deferred tax assets (net)	2.29(d)	113.95	27.88
i. Income tax assets (net)	2.4	57.70	44.92
j. Other non-current assets	2.5	178.58	131.04
<b>Total non-current assets</b>		<b>10,055.43</b>	<b>8,841.51</b>
<b>Current assets</b>			
a. Inventories	2.6	148.23	100.97
b. Financial assets			
(i) Investments	2.7	220.98	102.62
(ii) Trade receivables	2.8	404.07	439.65
(iii) Cash and cash equivalents	2.9(a)	99.79	56.58
(iv) Bank balances other than (iii) above	2.9(b)	1,752.36	890.16
(v) Loans	2.10	-	277.94
(vi) Other financial assets	2.3(b)	172.50	-
c. Other current assets	2.11	104.13	103.24
<b>Total current assets</b>		<b>2,902.06</b>	<b>1,971.16</b>
<b>TOTAL ASSETS</b>		<b>12,957.49</b>	<b>10,812.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a. Equity share capital	2.12	1,049.98	549.03
b. Other equity	2.13	4,978.06	3,914.60
<b>Equity attributable to owners of the Company</b>		<b>6,028.04</b>	<b>4,463.63</b>
Non-controlling interest		34.61	20.13
<b>TOTAL EQUITY</b>		<b>6,062.65</b>	<b>4,483.76</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	2.14	273.11	405.20
(ii) Lease liabilities	2.34	5,312.37	4,647.74
b. Provisions	2.15	57.49	55.19
<b>Total non-current liabilities</b>		<b>5,642.97</b>	<b>5,108.13</b>
<b>Current liabilities</b>			
a. Financial liabilities			
(i) Borrowings	2.16	143.53	74.47
(ii) Lease liabilities	2.34	80.06	57.33
(iii) Trade payables	2.17		
a) Total outstanding dues to micro enterprises and small enterprises		62.58	0.53
b) Total outstanding dues to creditor other than micro enterprises and small enterprises		581.16	536.72
(iv) Other financial liabilities	2.18	229.77	394.55
b. Other current liabilities	2.21	139.65	94.03
c. Provisions	2.19	14.52	24.70
d. Current tax liabilities (net)	2.20	0.60	38.45
<b>Total current liabilities</b>		<b>1,251.87</b>	<b>1,220.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,957.49</b>	<b>10,812.67</b>
Significant accounting policies	1		

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

As per our Report of even date attached

for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwijha Shyamsukha**  
Partner  
Membership No.: 064550

Place: Hyderabad  
Date: 27 May 2022

for and on behalf of the Board of Directors of  
**Rainbow Children's Medicare Limited**  
(formerly Rainbow Children's Medicare Private Limited)  
CIN: U85110TG1998PLC029914

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

**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 27 May 2022

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

**Ashish Kapil**  
Company Secretary  
Membership no: A31782

Place: Hyderabad  
Date: 27 May 2022



## Statement of Audited Consolidated financial

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

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

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	2.22	9,737.58	6,500.47
Other income	2.23	189.37	102.63
<b>Total income</b>		<b>9,926.95</b>	<b>6,603.10</b>
<b>EXPENSES</b>			
Medical consumables and pharmacy items consumed	2.24	1,947.29	1,032.62
Employee benefits expense	2.25	1,160.71	1,020.94
Finance costs	2.26	532.03	440.63
Depreciation and amortisation expense	2.27	832.63	733.38
Other expenses	2.28	3,580.83	2,818.57
<b>Total expenses</b>		<b>8,053.49</b>	<b>6,046.14</b>
<b>Profit before tax</b>		<b>1,873.46</b>	<b>556.96</b>
<b>Tax expenses:</b>	2.29		
(a) Current tax		576.13	239.12
(b) Deferred tax expense/(credit)		(89.40)	(77.84)
<b>Total tax expense</b>		<b>486.73</b>	<b>161.28</b>
<b>Profit for the year</b>		<b>1,386.73</b>	<b>395.68</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		13.63	12.54
Income tax relating to re-measurement gain on defined benefit plans	2.29	(3.36)	(3.10)
<b>Other comprehensive income for the year, net of tax</b>		<b>10.27</b>	<b>9.44</b>
<b>Total Comprehensive Income for the year</b>		<b>1,397.00</b>	<b>405.12</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		1,382.66	400.18
Non-controlling interests		4.07	(4.50)
<b>Other comprehensive income for the year attributable to:</b>			
Owners of the Company		10.23	9.41
Non-controlling interests		0.04	0.03
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		1,392.89	409.59
Non-controlling interests		4.11	(4.47)
Earnings per share (face value of share ₹ 10 each)	2.37		
- Basic (Rs)		14.75	4.27
- Diluted (Rs)		14.45	4.17
Significant accounting policies	1		

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

As per our Report of even date attached

for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwija Shyamsukha**  
Partner  
Membership No.: 064550

Place: Hyderabad  
Date: 27 May 2022

for and on behalf of the Board of Directors of  
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(formerly Rainbow Children's Medicare Private Limited)  
CIN: U85110TG1998PLC029914

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

**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 27 May 2022

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

**Ashish Kapil**  
Company Secretary  
Membership no: A31782

Place: Hyderabad  
Date: 27 May 2022

# CONSOLIDATED STATEMENT OF CASH FLOWS

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash flows from operating activities</b>		
Profit before tax	1,873.46	556.96
<b>Adjustments:</b>		
Depreciation and amortisation expense	832.63	733.38
Dividend income	(8.28)	(2.64)
Unrealised foreign exchange (gain)/loss, net	(0.05)	0.01
Net gain on financial assets measured at fair value through profit or loss	(3.36)	(0.17)
Interest income on financial assets carried at amortised cost	(114.67)	(90.41)
Finance costs	532.03	440.63
Advances written off	3.72	-
Allowances for doubtful advances	3.57	-
Allowance for expected credit loss	25.89	27.60
Bad debts written off	0.71	3.15
Net loss / (gain) on sale of property, plant and equipment	0.92	(1.08)
Net gain on sale of Investment	(8.20)	-
Liabilities no longer required written back	(54.81)	(3.34)
	<b>3,083.56</b>	<b>1,664.09</b>
<b>Adjustments for working capital:</b>		
(Increase) / Decrease in inventories	(47.26)	58.80
Decrease / (Increase) in trade receivables	8.98	(30.77)
(Increase) in financial and other assets	(309.60)	(4.38)
Increase / (Decrease) in trade payables	151.23	(48.22)
(Decrease) / Increase in financial liabilities and provisions	(22.87)	52.51
<b>Cash generated from operations</b>	<b>2,864.04</b>	<b>1,692.03</b>
Income tax paid	(626.76)	(264.89)
<b>Net cash flow from operating activities (A)</b>	<b>2,237.28</b>	<b>1,427.14</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangibles including capital advances and capital work-in-progress	(622.25)	(761.03)
Proceeds from sale of property, plant and equipment	0.61	2.25
Bank deposits (placed) / matured with maturity of more than three months, net	(971.04)	(45.21)
Interest received	50.92	74.97
Dividend received	11.64	2.64
Investment in mutual funds placed, net	(118.36)	(3.62)
Proceeds from sale of / (investments) in unquoted equity instruments	88.20	(80.00)
Loans advanced during the year	(197.13)	(221.75)
Loans realised during the year	3.96	202.95
<b>Net cash used in investing activities (B)</b>	<b>(1,753.45)</b>	<b>(828.80)</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	(60.72)	(52.57)
Payment of lease liabilities	(516.54)	(445.04)
Interest paid	(45.25)	(52.48)

## Statement of Audited Consolidated financial

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend paid during the year on equity and preference shares	(92.48)	-
Proceeds from issue of share capital (net of share issue expense)	263.42	-
Repayments of short-term borrowings, (net)	-	(42.14)
Net consideration received on dilution of investment in subsidiary	10.95	-
Net consideration paid for acquisition of shares in subsidiary	-	(16.50)
<b>Net cash used in financing activities (C)</b>	<b>(440.62)</b>	<b>(608.73)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>43.21</b>	<b>(10.39)</b>
Cash and cash equivalents at the beginning of the year	56.58	66.97
Cash and cash equivalents at the end of the year (note b)	<b>99.79</b>	<b>56.58</b>

a) The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".

b) Components of cash and cash equivalents as at (Refer note 2.9 (a))

	As at 31 March 2022	As at 31 March 2021
Cash on hand	5.55	4.36
Balance with banks:		
- Current accounts	94.24	52.22
	<b>99.79</b>	<b>56.58</b>

c) Reconciliation between opening and closing balances in the Balance sheet for liabilities and financial assets arising from financing activities for movement in Consolidated Statement of Cash Flows are given below.

	As at 31 March 2022	As at 31 March 2021
<b>Opening balance:</b>		
Borrowings (excluding interest accrued)	458.83	553.54
Lease liabilities	4,705.07	4,325.44
<b>Movement:</b>		
<b>Borrowings:</b>		
Repayment of borrowings	(60.72)	(94.71)
<b>Lease liabilities</b>		
Interest expense on lease liabilities	489.09	385.94
Addition / (disposals) to lease liabilities	714.81	438.73
Payment of lease liabilities	(516.54)	(445.04)
<b>Closing balance</b>		
Borrowings (excluding interest accrued)	398.11	458.83
Lease liabilities	5,392.43	4,705.07

As per our Report of even date attached

for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwijha Shyamsukha**  
Partner  
Membership No.: 064550

Place: Hyderabad  
Date: 27 May 2022

for and on behalf of the Board of Directors of  
**Rainbow Children's Medicare Limited**  
(formerly Rainbow Children's Medicare Private Limited)  
CIN: U85110TG1998PLC029914

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

**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 27 May 2022

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

**Ashish Kapil**  
Company Secretary  
Membership no: A31782

Place: Hyderabad  
Date: 27 May 2022

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

Particulars	Equity share capital	Other equity							Non-Controlling Interest	Total Equity
		Reserves and surplus					Equity attributable to shareholders of the Company			
		Securities premium	General reserve	Debenture redemption reserve	Capital reserve	Retained earning				
<b>Balance as at 1 April 2020</b>	549.03	1,513.42	43.89	50.00	8.95	1,888.73	3,505.00	39.11	3,544.11	
Profit/(loss) for the year	-	-	-	-	-	400.18	400.18	(4.50)	395.68	
Non-controlling interest in the subsidiary	-	-	-	-	-	-	-	(14.50)	(14.50)	
Amount transferred from debenture redemption reserve	-	-	-	-	-	5.00	5.00	-	5.00	
<b>Appropriations:</b>										
Amount transferred	-	-	-	(5.00)	-	-	(5.00)	-	(5.00)	
Remeasurement of defined benefit liability	-	-	-	-	-	12.51	12.51	0.03	12.54	
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	-	(3.09)	(3.09)	(0.01)	(3.10)	
<b>Balance as at 31 March 2021</b>	<b>549.03</b>	<b>1,513.42</b>	<b>43.89</b>	<b>45.00</b>	<b>8.95</b>	<b>2,303.33</b>	<b>3,914.60</b>	<b>20.13</b>	<b>3,934.73</b>	

Particulars	Equity share capital	Other equity							Non-Controlling Interest	Total Equity
		Reserves and surplus					Equity attributable to shareholders of the Company			
		Securities premium	General reserve	Debenture redemption reserve	Capital reserve	Retained earning				
<b>Balance as at 1 April 2021</b>	549.03	1,513.42	43.89	45.00	8.95	2,303.33	3,914.60	20.13	3,934.73	
Shares issued during the year	500.95	250.64	-	-	-	-	250.64	-	250.64	
Profit for the year	-	-	-	-	-	1,382.66	1,382.66	4.07	1,386.73	
Non-controlling interest in the subsidiary	-	-	-	-	-	0.58	0.58	10.37	10.95	
Amount transferred from debenture redemption reserve	-	-	-	-	-	5.00	5.00	-	5.00	
<b>Appropriations:</b>										
Amount transferred	-	(6.50)	-	(5.00)	-	-	(11.50)	-	(11.50)	
Issue of bonus shares	-	(481.67)	-	-	-	-	(481.67)	-	(481.67)	
Final dividend on equity shares for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	-	(87.92)	(87.92)	-	(87.92)	
Final dividend on Series A CCPS for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	-	(2.29)	(2.29)	-	(2.29)	
Final dividend on Series B CCPS for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	-	(2.27)	(2.27)	-	(2.27)	
Remeasurement of defined benefit liability	-	-	-	-	-	13.58	13.58	0.05	13.63	
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	-	(3.35)	(3.35)	(0.01)	(3.36)	
<b>Balance as at 31 March 2022</b>	<b>1,049.98</b>	<b>1,275.89</b>	<b>43.89</b>	<b>40.00</b>	<b>8.95</b>	<b>3,609.32</b>	<b>4,978.06</b>	<b>34.61</b>	<b>5,012.67</b>	

As per our Report of even date attached

for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwijha Shyamsukha**  
Partner  
Membership No.: 064550

Place: Hyderabad  
Date: 27 May 2022

for and on behalf of the Board of Directors of  
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Chairman and Managing Director  
DIN: 00212270

**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 27 May 2022

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

**Ashish Kapil**  
Company Secretary  
Membership no: A31782

Place: Hyderabad  
Date: 27 May 2022

## Notes to the Consolidated Financial Statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 1. Significant accounting policies

#### 1.1 Group information

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

As a part of its business activities, the Company holds interests in its subsidiaries (the Company and its subsidiaries hereinafter referred to as the 'Group') through which it manages and operate a network of hospitals.

The Company was converted into a public limited company under the Companies Act, 2013 on 20 November 2021 and consequently, the name was changed to "Rainbow Children's Medicare Limited".

#### 1.2 Basis of preparation of the consolidated financial statements

##### (i) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") 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 consolidated financial statements were approved by the Board of Directors and authorized for issue on 27 May 2022.

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

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

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

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

Estimates and underlying assumptions are reviewed on an 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 Consolidated Financial Statements.

##### Judgments

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

- Lease Classification and identification of lease component [refer note 2.34]

##### Assumptions and estimation uncertainties

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

- recognition of deferred tax assets: availability of future taxable profits against which tax losses carried forward can be used. [note 2.29(d)]
- measurement of defined benefit obligations; key actuarial assumptions. [note 2.32]
- useful life of tangible and intangible assets [note 2.1(a and b)]

- impairment test of non-financial assets including goodwill; key assumptions underlying recoverable amounts [note 2.1(b)]
- recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources. [note 2.30]
- impairment of non-financial assets and financial assets. [note 2.44]

**(v) Subsidiaries considered in the Consolidated Financial Statements**

Name of the Company	Country of Incorporation	Proportion of ownership interest (%) and voting power held	
		As at	As at
		31 March 2022	31 March 2021
<b>Subsidiary Companies</b>			
Rainbow Children's Hospital Private Limited	India	99.99	99.99
Rainbow Women & Children's Hospitals Private Limited	India	99.99	99.99
Rainbow Speciality Hospitals Private Limited	India	78.81	84.17
Rosewalk Healthcare Private Limited	India	99.99	99.99
Rainbow Fertility Private Limited	India	99.99	99.99
Rainbow C R O Private Limited	India	99.99	99.99

**Business combination and goodwill**

Business combinations are accounted for under Ind AS 103 using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate

classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in

host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the



## Notes to the Consolidated Financial Statements

unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### (vi) Principles of consolidation

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements;

(iii) The Group's voting rights and potential voting rights;

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in these Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The Consolidated Financial Statements of the Holding Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, expenses and cash flows after eliminating intra-group balances/ transactions and resulting unrealised profits in full. Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory, property, plant and equipment are eliminated in full). Unrealised losses resulting from intra-group transactions have also been eliminated in full as per Ind AS 110. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance sheet of the Holding Company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

The excess/ deficit of cost to the Holding Company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made is recognised in the Consolidated Financial Statements as goodwill/ capital reserve. The Holding Company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.

Non-Controlling Interests (NCI) in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since

the date the holding subsidiary relationship came into existence.

The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Holding Company for its separate financial statements.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e. year ended on 31 March.

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

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

##### **Assets**

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

- i. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

##### **Liabilities**

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

- i. it is expected to be settled in the Group's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or

- iv. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

##### **Operating cycle**

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

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

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

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

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

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

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

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

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

## Notes to the Consolidated Financial Statements

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

Further information about the assumptions made in measuring fair values is included in the following notes in Financial instruments [note 2.44]

### 1.3 Significant accounting policies

#### a. Financial Instruments

##### i. Recognition and initial measurement

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

##### ii. Classification and subsequent measurement

###### Financial assets:

###### *Financial assets carried at amortised cost*

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

###### *Financial assets at fair value through other comprehensive income*

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

###### *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 Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows 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 Group 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.

#### 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 consolidated 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 Group, 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 consolidated 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 consolidated 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

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 Group, the value of which is not expected to diminish in the foreseeable future, is capitalised and recorded in the Balance sheet as computer software at cost of acquisition less accumulated amortisation and accumulated impairment losses. Computer software is amortised on straight line basis over a period of five years.

## Notes to the Consolidated Financial Statements

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

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

### d. Impairment of assets

#### i. Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the Group 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 Group 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 Group measures loss allowances at an amount equal to lifetime expected credit losses.

The Group 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 Group in accordance with the contract and the cash flows that the Group 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 Group's procedures for recovery of amounts due.

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

The Group'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.

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 Group'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 Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is

reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been 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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

#### f. Inventories

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

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

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

#### g. Employee benefits

##### i. Short-term employee benefits

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

##### ii. Post-employment benefit

###### *Defined contribution plans*

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

###### *Defined benefit plans*

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

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

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

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



## Notes to the Consolidated Financial Statements

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

### Compensated absences

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

### h. Revenue recognition

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

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

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for components of variable consideration which constitutes discounts, estimated disallowances and any other rights and obligations as specified in the contract with the customer. In determining the transaction price for the hospital services, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue 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 Group 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 Consolidated Statement of Profit and Loss.

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

### Contract balances:

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

### i. Leases

The Group 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 Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group 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.

### **Group as a lessee**

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

#### **i. Right-of-use assets**

The Group 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 Group 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 Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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.

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 Group 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.

## Notes to the Consolidated Financial Statements

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 Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

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

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

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

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

### k. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number 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 Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in statement of profit and loss, net of any reimbursement.

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

### Onerous Contracts

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

### m. Contingent liabilities and contingent assets

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

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

#### **n. Borrowings**

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

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

#### **o. Foreign currencies**

Transactions in foreign currencies are initially recorded by the Group 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 Group'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.

#### **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 Group 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. Share issue expenses**

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the securities premium account.

#### **t. 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 Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

##### **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

## Notes to the Consolidated Financial Statements

is essentially a clarification, and the Group 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 Group 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 Group does not expect the amendment to have any significant impact in its financial statements.

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

**2.1(a) Property, plant and equipment and capital work-in-progress**

Particulars	Freehold land (refer note (i) below)	Buildings (refer note (i) below)	Leasehold Improvements	Medical equipments	Plant and equipment fixtures	Furniture and fixtures	Office equipments	Vehicles	Computers	Total	Capital work-in-progress
<b>Gross block</b>											
<b>Cost as at 1 April 2020</b>	33.06	-	2,228.39	1,161.88	553.06	349.84	142.19	95.34	73.74	4,637.50	425.96
Additions	-	393.57	152.91	213.52	112.61	53.99	27.74	21.66	18.66	994.66	844.70
Disposals*	-	-	-	-	-	(0.60)	(0.14)	(8.20)	(0.99)	(9.93)	(983.87)
<b>Cost as at 31 March 2021</b>	<b>33.06</b>	<b>393.57</b>	<b>2,381.30</b>	<b>1,375.40</b>	<b>665.67</b>	<b>403.23</b>	<b>169.79</b>	<b>108.80</b>	<b>91.41</b>	<b>5,622.23</b>	<b>286.79</b>
<b>Cost as at 1 April 2021</b>	33.06	393.57	2,381.30	1,375.40	665.67	403.23	169.79	108.80	91.41	5,622.23	286.79
Additions	-	4.54	319.17	153.04	97.02	43.08	32.25	45.61	19.22	713.93	455.63
Disposals*	-	-	(4.27)	(1.83)	(2.03)	(2.72)	(1.48)	-	(0.22)	(12.55)	(696.45)
<b>Cost as at 31 March 2022</b>	<b>33.06</b>	<b>398.11</b>	<b>2,696.20</b>	<b>1,526.61</b>	<b>760.66</b>	<b>443.59</b>	<b>200.56</b>	<b>154.41</b>	<b>110.41</b>	<b>6,323.61</b>	<b>45.97</b>
<b>Accumulated depreciation:</b>											
<b>Accumulated depreciation as at 1 April 2020</b>	-	-	364.70	418.39	110.58	117.94	86.07	38.84	54.86	1,191.38	-
Depreciation	-	1.77	122.11	181.97	42.04	38.96	29.02	18.86	15.98	450.71	-
Disposals	-	-	-	-	-	(0.26)	(0.03)	(7.56)	(0.96)	(8.81)	-
<b>Accumulated depreciation as at 31 March 2021</b>	<b>-</b>	<b>1.77</b>	<b>486.81</b>	<b>600.36</b>	<b>152.62</b>	<b>156.64</b>	<b>115.06</b>	<b>50.14</b>	<b>69.88</b>	<b>1,633.28</b>	<b>-</b>
<b>Accumulated depreciation as at 1 April 2021</b>	-	1.77	486.81	600.36	152.62	156.64	115.06	50.14	69.88	1,633.28	-
Depreciation	-	6.75	141.94	206.82	51.80	43.75	26.78	21.25	15.33	514.42	-
Disposals	-	-	(4.27)	(1.83)	(1.05)	(2.72)	(0.93)	-	(0.22)	(11.02)	-
<b>Accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>8.52</b>	<b>624.48</b>	<b>805.35</b>	<b>203.37</b>	<b>197.67</b>	<b>140.91</b>	<b>71.39</b>	<b>84.99</b>	<b>2,136.68</b>	<b>-</b>
<b>Net carrying amount</b>											
As at 31 March 2021	33.06	391.80	1,894.49	775.04	513.05	246.59	54.73	58.66	21.53	3,988.95	286.79
As at 31 March 2022	33.06	389.59	2,071.72	721.26	557.29	245.92	59.65	83.02	25.42	4,186.93	45.97

\* Disposals with respect to capital-work-in progress represents property, plant and equipment capitalisations.

Note:

(i) The Holding Company vide sale agreement dated 3 September 2010 was allotted 1 acre of land by Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") for setting up a children hospital at Health city, Chinagadli, Vishakhapatnam to facilitate socio economic development within 2 years from the date of possession of land i.e. by October 2012. The Holding Company had



## Notes to the Consolidated Financial Statements

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

paid an amount of ₹ 30.88 million towards acquisition of the said land and incurred an additional amount of ₹ 2.19 million towards other incidental charges. As per the Clause 8(c) of the land agreement entered with APIIC, the construction of proposed hospital was required to be completed within 2 years from the date of taking the possession of the land, otherwise the land will need to be returned back to APIIC. The Holding Company had filed an application with APIIC seeking extension of the timelines for development of the Project based on indicative project plan till August 2014 vide letter dated 17 August 2012. APIIC had considered the request and granted extension till the said date upon payment of condonation fee which was paid by the Holding Company and timeline was extended upto August 2014. The Holding Company failed to meet the revised timelines and consequently, APIIC had issued a cancellation of allotment order on 24 March 2015. The Holding Company had submitted detailed reasons to APIIC for the delay in completion of the project and applied for revoking of the cancellation order. On 23 July 2016, APIIC had granted approval for extension of time upto December 2018. APIIC vide its letter dated 15 November 2018 has issued a show cause notice to the Holding Company seeking explanation as to why the allotment shall not be cancelled for non implementation of the proposed project. On 13 December 2018, the Holding Company has responded to APIIC explaining the status of the project and seeking further extension by 24 months. The Holding Company has paid ₹ 1.57 million as condonation fee and has received extension from APIIC upto 30 November 2019. While the Agreement for Sale between APIIC and the Holding Company had been executed on 3 September 2010, the final sale deed was to be executed after commencement of regular commercial operations. The Holding Company has commenced the commercial operations from December 2020 onwards. The Holding Company on 29 December 2021 has paid ₹ 0.69 million to APIIC Limited as condonation fees for the delay in implementation of the project. The Holding Company has incurred capital costs amounting to ₹ 393.55 million as at 31 March 2022 (₹393.55 million as at 31 March 2021) for the construction of the hospital on this land.

- (ii) Delhi Development authority (DDA) has granted 5,500 square meters of land on perpetual lease to Madhukar Multispecialty Hospital Research Centre (MMHRC) in Malviyanagar (Delhi) via lease deed dated 16 September 2005. MMHRC has constructed a hospital building on this land with all infrastructure and services and 50% of the space was sublet to the Holding Company to operate and render healthcare services. DDA vide its letter dated 28 January 2019 to MMHRC has restricted subletting to 25% instead of earlier 50% and accordingly the Holding Company and MMHRC had executed amended the sub lease agreement dated 27 March 2019, which is effective from 1 April 2019. As at 31 March 2022, leasehold improvements and medical equipments include ₹ 112.47 million and Rs 72.61 million (₹ 119.71 million and ₹ 80.76 million as at 31 March 2021) respectively in respect of this hospital. The Management is utilising the assets for the purpose of providing medical services at MMHRC.
- (iii) Refer note 2.41 for details of incidental expenditure capitalised during the construction period. The interest rate on borrowings is 9.50%
- (iv) Refer note 2.14 for details of assets pledged as security.

### Title deeds of Immovable Properties not held in name of the Holding Company:

Particulars	As at	As at
	31 March 2022	31 March 2021
Relevant line item in the Balance sheet	Property, plant and equipment	
Description of item of property	Land	
Gross carrying value	33.06	
Title deeds held in the name of	Government of Andhra Pradesh	
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	
Reason for not being held in the name of the Company	Refer note (i) above	

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

#### As at 31 March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	44.89	1.08	-	-	45.97
Projects temporarily suspended	-	-	-	-	-

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

#### As at 31 March 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	237.61	30.67	18.17	0.34	286.79
Projects temporarily suspended	-	-	-	-	-

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

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

**2.1(b) Other intangible assets, Goodwill and Intangible assets under development**

Particulars	Goodwill	Other intangible assets	Intangible assets under development
		Software	
<b>Gross block</b>			
<b>Cost as at 1 April 2020</b>	29.87	93.28	1.50
Additions	-	3.92	2.80
Disposals/ capitalisation	-	-	(3.43)
<b>Cost as at 31 March 2021</b>	<b>29.87</b>	<b>97.20</b>	<b>0.87</b>
<b>Cost as at 1 April 2021</b>	29.87	97.20	0.87
Additions	-	5.58	14.92
Disposals/ capitalisation	-	-	(4.20)
<b>Cost as at 31 March 2022</b>	<b>29.87</b>	<b>102.78</b>	<b>11.59</b>
<b>Accumulated amortisation</b>			
<b>Accumulated amortisation as at 1 April 2020</b>	-	70.42	-
Amortisation	-	11.47	-
Disposals	-	-	-
<b>Accumulated amortisation as at 31 March 2021</b>	<b>-</b>	<b>81.89</b>	<b>-</b>
<b>Accumulated amortisation as at 1 April 2021</b>	-	81.89	-
Amortisation	-	7.20	-
Disposals	-	-	-
<b>Accumulated amortisation as at 31 March 2022</b>	<b>-</b>	<b>89.09</b>	<b>-</b>
<b>Net carrying amount</b>			
As at 31 March 2021	29.87	15.31	0.87
As at 31 March 2022	29.87	13.69	11.59

At subsidiary level (cash generating unit (CGUs) ), the goodwill is tested for impairment annually at the year-end or more frequently if there are indicators that goodwill might be impaired. The goodwill is allocated to CGU's.

The Group made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by Management. Which reflects a more appropriate indication/trend of future track of business. Cash flows beyond the five-year period were extrapolated using estimate rates stated below.

The key assumptions for the value-in-use calculations are those regarding the discount rates and terminal growth rates. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The terminal growth rates are based on industry growth forecasts.

Key assumptions used for value in use calculations are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Terminal growth rate	5.00%	5.00%
Discount rate	14.10%	13.70%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Management estimates discount rates using post-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and its operating segments and is derived from its weighted average cost of capital (WACC).

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

### Intangible assets under development ageing schedule:

#### As at 31 March 2022

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	11.59	-	-	-	11.59
Projects temporarily suspended	-	-	-	-	-

#### As at 31 March 2021

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	0.65	-	-	0.22	0.87
Projects temporarily suspended	-	-	-	-	-

	As at 31 March 2022	As at 31 March 2021
<b>2.2 Non-current investments</b>		
(Valued at cost unless stated otherwise)		
<b>Investments at fair value through other comprehensive income</b>		
<b>Investments in unquoted equity instruments</b>		
Vamana Solar Private Limited* 2,600 shares of ₹ 10 each, fully paid up (31 March 2021: 2,600 shares)	0.03	0.03
<b>Investments at fair value through profit and loss</b>		
<b>Investment in unquoted equity instruments</b>		
Unimed Healthcare Private Limited Nil shares of ₹ 10 each, fully paid up (31 March 2021: 1,000,000 shares)	-	80.00
	<b>0.03</b>	<b>80.03</b>
Aggregate amount of unquoted investments	0.03	80.03
Aggregate amount of impairment in value of investments	-	-

\*The Group has designated the investments in Vamana Solar Private Limited as equity shares at FVOCI. The fair value of this investment as at 31 March 2022 is ₹ 0.03 million (31 March 2021: ₹ 0.03 million).

The Group's exposure to credit risk and market risk related to investments has been disclosed in note 2.42.

	As at 31 March 2022	As at 31 March 2021
<b>2.3 (a) Other financial assets (non-current)</b>		
Bank deposits with more than 12 months maturity	291.40	154.96
Security deposits	264.52	391.94
	<b>555.92</b>	<b>546.90</b>

The Group's exposure to credit and market risk are disclosed in Note 2.42.

<b>2.3 (b) Other financial assets (current)</b>		
(Unsecured, considered good)		
Share issue expense receivable (refer note 2.33 (e))	172.50	-
	<b>172.50</b>	<b>-</b>
<b>2.4 Income tax assets (net)</b>		
Advance tax (net of provision for taxation)	57.70	44.92
	<b>57.70</b>	<b>44.92</b>

(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
<b>2.5 Other non-current assets</b>		
(Unsecured, considered good)		
Capital advances		
- to other than related parties	161.99	119.69
Prepaid expenses	6.85	2.54
Amounts paid under protest	9.74	8.81
	<b>178.58</b>	<b>131.04</b>
Unsecured, considered doubtful		
Capital advances (credit impaired)	3.33	-
Less: Allowance for doubtful advances	(3.33)	-
	-	-
	<b>178.58</b>	<b>131.04</b>
<b>2.6 Inventories</b>		
(valued at the lower of cost or net realisable value)		
Medical consumables and pharmacy items	148.23	100.97
	<b>148.23</b>	<b>100.97</b>
<b>2.7 Current investments</b>		
<b>Investments at fair value through profit or loss</b>		
Investments in Mutual funds - quoted		
Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan 120,350.29 units (31 March 2021: Nil units)	41.30	-
HDFC Liquid Fund - Growth - Direct Plan 10,117.85 units (31 March 2021: 11,215.06 units)	42.34	37.43
IDFC Cash Fund - Daily Dividend - Direct Plan 17.86 units (31 March 2021: 17.86 units)	0.00	0.00
IDFC Cash Fund - Growth - Direct Plan 16,479.42 units (31 March 2021: 12,104.46 units)	42.37	30.09
HDFC Overnight Fund - Growth - Direct Plan Nil units (31 March 2021: 4.81 units)	-	0.01
Tata Liquid Fund - Direct Plan - Daily Dividend 12,602.62 units (31 March 2021: 7,715.98 units)	42.35	25.08
Nippon India Liquid Fund 1,934.21 units (31 March 2021: Nil units)	10.07	-
SBI Liquid Fund - Direct Plan - Daily Dividend 12,765.00 units (31 March 2021: 3,106.90 units)	42.55	10.01
	<b>220.98</b>	<b>102.62</b>
Aggregate amount of quoted investments and market value thereof	220.98	102.62
The Group's exposure to credit risk and market risk related to investments has been disclosed in note 2.42.		
<b>2.8 Trade receivables</b>		
Trade receivables considered good - unsecured	439.58	490.46
Unbilled revenue considered good - unsecured	118.37	77.28
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
<b>Total</b>	<b>557.95</b>	<b>567.74</b>
Less: Allowance for expected credit loss	(153.88)	(128.09)
<b>Total trade receivables</b>	<b>404.07</b>	<b>439.65</b>

## Notes to the Consolidated Financial Statements

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

	As at 31 March 2022	As at 31 March 2021
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Trade receivables are unsecured and are derived from revenue earned from providing medical, healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

The Group has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

The Group is subject to concentrations of credit risk in its accounts receivable for one customer comprising of 23% (31 March 2021: 47%) of Total Trade Receivables. Although the Group is directly affected by the financial condition of its customer, management does not believe significant credit risks exist at the balance sheet date. The Group does not require collateral or other securities to support its accounts receivable.

- (a) The Group's exposure to credit risk and loss allowances related to trade receivables are disclosed in note 2.42.
- (b) Refer note 2.33 for related party balances and dues from private companies in which director is a director.

### Trade Receivables ageing schedule:

#### As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Unbilled Revenue (Undisputed - considered good)	118.37	-	-	-	-	-	118.37
(ii) Undisputed Trade receivables - considered good	-	237.37	77.35	42.13	55.06	27.67	439.58
(iii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>118.37</b>	<b>237.37</b>	<b>77.35</b>	<b>42.13</b>	<b>55.06</b>	<b>27.67</b>	<b>557.95</b>

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

**As at 31 March 2021**

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Unbilled Revenue (Undisputed - considered good)	77.28	-	-	-	-	-	77.28
(ii) Undisputed Trade receivables – considered good	-	206.39	203.74	42.30	27.53	10.50	490.46
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(v) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>77.28</b>	<b>206.39</b>	<b>203.74</b>	<b>42.30</b>	<b>27.53</b>	<b>10.50</b>	<b>567.74</b>

	As at 31 March 2022	As at 31 March 2021
<b>2.9 (a) Cash and cash equivalents</b>		
Cash on hand	5.55	4.36
Balance with banks		
- On current accounts	94.24	52.22
	<b>99.79</b>	<b>56.58</b>

	As at 31 March 2022	As at 31 March 2021
<b>2.9 (b) Bank balances other than cash and cash equivalents</b>		
Deposit account (with original maturity more than 3 months but less than 12 months)*	1,704.99	870.39
Interest accrued on deposits	47.37	19.77
	<b>1,752.36</b>	<b>890.16</b>

\*Includes ₹ 30.87 million (31 March 2021: ₹ 78.47 million) towards margin money deposits against bank guarantees and cash credit limits.

(a) The Group's exposure to credit risk and market risk are disclosed in note 2.42.

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

Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	94.24	52.22
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	1,704.99	870.39
Bank deposits due to mature after 12 months of the reporting date included under 'Other financial assets' (refer note 2.3)	291.40	154.96



## Notes to the Consolidated Financial Statements

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

### 2.10 Loans (non-current)

<b>(Unsecured, considered good)</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Loans receivable**		
- considered good - unsecured	430.47	-
- which have significant increase in credit risk	-	-
- credit impaired	-	-
	<b>430.47</b>	-
Interest accrued on - Loans receivable**	76.79	-
	<b>507.26</b>	-
<b>Loans (current)</b>		
(Unsecured, considered good)		
Loans receivable**		
- considered good - unsecured	-	237.30
- which have significant increase in credit risk	-	-
- credit impaired	-	-
	-	<b>237.30</b>
Interest accrued on - Loans receivable**	-	40.64
	-	<b>277.94</b>

\*\* Unsecured Loan was given to an external party (Madhukar Rainbow Children's Hospital) at an interest rate of 9.50% p.a. (31 March 2021: 10.50% p.a.). This loan was given towards the working capital requirements of the borrower.

Due to the losses incurred by external party in the past two years consequent to Covid 19 pandemic, the Group is exposed to risk in respect of the recoverability of the loan granted to this party. The Group had carried out an impairment assessment for Loan receivable from the external party. Based on the detailed impairment evaluation carried out by the Group duly considering the discounted future cashflows of the external party, the Group has assessed that no impairment is required for the year ended 31 March 2022 (31 March 2021: Nil).

Their were no loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties (as defined under Companies Act, 2013), either severally or jointly with any other person granted by the Group during the year ended 31 March 2022 and 31 March 2021 respectively.

The Group's exposure to credit and currency risk and loss allowances related to Loans are disclosed in note 2.42.

During the year, the Board of Directors of Holding Company have approved the change in terms of repayment from repayable on demand to repayable on 01 April 2024.

#### Disclosure under Section 186(4) of the Companies Act, 2013

Loans:

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Opening balance	237.30	218.50
Given during the year	197.13	221.75
Repaid during the year	(3.96)	(202.95)
<b>Closing balance</b>	<b>430.47</b>	<b>237.30</b>

(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
<b>2.11 Other current assets</b>		
(Unsecured, considered good)		
Advances to suppliers	33.02	74.79
Prepaid expenses	60.19	24.52
Advance to employees *	9.74	2.73
Balances with government authorities	1.18	1.20
	<b>104.13</b>	<b>103.24</b>
Unsecured, considered doubtful		
Other advances (credit impaired)	3.96	-
Less: Allowance for doubtful advances	(3.96)	-
	-	-
	<b>104.13</b>	<b>103.24</b>

\* Refer note 2.33 for advance to KMP

	As at 31 March 2022	As at 31 March 2021
<b>2.12 Share capital</b>		
<b>Authorised</b>		
139,055,616 (31 March 2021: 59,055,616) equity shares of ₹ 10 each	1,390.56	590.56
1,146,771 (31 March 2021: 1,146,771) 0.0001% Series A Compulsorily Convertible Preference Shares (Series A CCPS) of ₹ 48 each	55.04	55.04
1,133,309 (31 March 2021: 1,133,309) 0.0001% Series B Compulsorily Convertible Preference Shares (Series B CCPS) of ₹ 48 each	54.40	54.40
	<b>1,500.00</b>	<b>700.00</b>
<b>Issued, subscribed and paid-up</b>		
94,053,928 (31 March 2021: 43,958,924) equity shares of ₹ 10 each, fully paid-up	940.54	439.59
1,146,771 (31 March 2021: 1,146,771) Series A CCPS of ₹ 48 each, fully paid-up	55.04	55.04
1,133,309 (31 March 2021: 1,133,309) Series B CCPS of ₹ 48 each, fully paid-up	54.40	54.40
	<b>1,049.98</b>	<b>549.03</b>

## Notes to the Consolidated Financial Statements

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

### a) Reconciliation of equity and preference shares 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	Amount	Number of shares	Amount
<b>(i) Equity shares of ₹ 10 each, fully paid-up</b>				
At the commencement of the year	43,958,924	439.59	43,958,924	439.59
Add: Shares issued during the year	50,095,004	500.95	-	-
<b>At the end of the year</b>	<b>94,053,928</b>	<b>940.54</b>	<b>43,958,924</b>	<b>439.59</b>
<b>(ii) Series A CCPS of ₹ 48 each, fully paid-up</b>				
At the commencement of the year	1,146,771	55.04	1,146,771	55.04
Add: Shares issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>1,146,771</b>	<b>55.04</b>	<b>1,146,771</b>	<b>55.04</b>
<b>(iii) Series B CCPS of ₹ 48 each, fully paid-up</b>				
At the commencement of the year	1,133,309	54.40	1,133,309	54.40
Add: Shares issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>1,133,309</b>	<b>54.40</b>	<b>1,133,309</b>	<b>54.40</b>

### b) Rights, preferences and restrictions attached

#### i) Equity shares :

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

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

The Holding company, pursuant to the approval of share holders granted in the extra-ordinary general meeting dated 20 October 2021, has increased its Authorised Share Capital from ₹ 700 million to ₹ 1,500 million.

The Holding company had a rights issue offered to all the shareholders and has issued and allotted 1,928,000 equity shares of face value ₹ 10 through rights issue to an existing shareholder on 22 October 2021, there are no outstanding rights pending to be subscribed. Subsequent to the Rights Issue, pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 30 November 2021, the Holding company issued and allotted fully paid-up equity shares of ₹ 10 each as "bonus shares" on 01 December 2021 in the ratio of 1:1 for every one equity share and every one preference share held.

#### ii) Series A CCPS:

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

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

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

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

**iii) Series B CCPS:**

On 04 February 2016, the Holding Company had allotted 1,133,309 Series B CCPS of ₹ 48 each, fully paid up vide agreement dated 24 December 2015 ('the Series B agreement') entered with CDC India Opportunities Limited. As per the Series B agreement, at the discretion of the Series B CCPS holders, each Series B CCPS is convertible into one equity share of ₹ 10 each, fully paid-up, at any time before the end of 18th year from the date of its allotment. In case the Series B CCPS holders do not opt for conversion, they shall be converted into 1,133,309 equity shares of ₹ 10 each, fully paid-up at the end of 18th year from the date of its allotment.

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

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

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

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	%	Number of shares	%
<b>(i) Equity shares of ₹ 10 each, fully paid-up held by:</b>				
- Dr. Ramesh Kancharla	36,849,284	39.18%	20,013,742	45.53%
- British International Investment plc (formerly known as CDC Group plc)	18,118,981	19.26%	8,486,105	19.30%
- Dr. Dinesh Kumar Chirla	8,560,000	9.10%	4,800,000	10.92%
- CDC India Opportunities Limited	8,933,163	9.50%	3,899,927	8.87%
- Dr. Adarsh Kancharla	7,555,452	8.03%	2,311,950	5.26%
- Kancharla Family Trust	5,179,200	5.51%	-	-
<b>(ii) Series A CCPS of ₹ 48 each, fully paid-up held by:</b>				
- British International Investment plc (formerly known as CDC Group plc)	1,146,771	100%	1,146,771	100%
<b>(iii) Series B CCPS of ₹ 48 each, fully paid-up held by:</b>				
- CDC India Opportunities Limited	1,133,309	100%	1,133,309	100%

As per records of the Holding Company, including its register of shareholder/members and other declarations received from shareholder regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**d) During the five years immediately preceding the reporting date, no shares have been bought back, issued for consideration other than cash other than disclosed below:**

During the year ended 31 March 2022, 48,167,004 equity shares of ₹ 10 each, fully paid up have been allotted as bonus shares by capitalisation of securities premium.

During the year ended 31 March 2018, 34,679,253 equity shares of ₹ 10 each, fully paid up have been allotted as bonus shares by capitalisation of securities premium.

**e) Shareholding of promoters (each class)**

Description	31 March 2022			31 March 2021		
	Number of shares	% holding	% of change during the year	Number of shares	% holding	% of change during the year
<b>Equity shares:</b>						
Dr Ramesh Kancharla	36,849,284	39.18%	(6.35%)	20,013,742	45.53%	-
Dr Dinesh Kumar Chirla	8,560,000	9.10%	(1.82%)	4,800,000	10.92%	-
Dr Adarsh Kancharla	7,555,452	8.03%	2.77%	2,311,950	5.26%	-
<b>Total</b>	<b>52,964,736</b>	<b>56.31%</b>		<b>27,125,692</b>	<b>61.71%</b>	

## Notes to the Consolidated Financial Statements

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

### 2.13 Other equity

Particulars	Securities premium	General reserve	Debenture redemption reserve	Capital reserve	Retained earning	Total other equity
<b>Balance as at 1 April 2020</b>	1,513.42	43.89	50.00	8.95	1,888.73	3,505.00
Surplus in statement of profit and loss	-	-	-	-	400.18	400.18
Amount transferred from debenture redemption reserve	-	-	-	-	5.00	5.00
<b>Appropriations:</b>						
Amount transferred	-	-	(5.00)	-	-	(5.00)
Remeasurement of defined benefit liability	-	-	-	-	12.51	12.51
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(3.09)	(3.09)
<b>Balance as at 31 March 2021</b>	<b>1,513.42</b>	<b>43.89</b>	<b>45.00</b>	<b>8.95</b>	<b>2,303.33</b>	<b>3,914.60</b>

Particulars	Securities premium	General reserve	Debenture redemption reserve	Capital reserve	Retained earning	Total other equity
<b>Balance as at 1 April 2021</b>	1,513.42	43.89	45.00	8.95	2,303.33	3,914.60
Surplus in statement of profit and loss	-	-	-	-	1,382.66	1,382.66
Shares issued during the year	250.64	-	-	-	-	250.64
Non-controlling interest in the subsidiary	-	-	-	-	0.58	0.58
Amount transferred from debenture redemption reserve	-	-	-	-	5.00	5.00
<b>Appropriations:</b>						
Amount transferred	(6.50)	-	(5.00)	-	-	(11.50)
Issue of bonus shares	(481.67)	-	-	-	-	(481.67)
Final dividend on equity shares for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	(87.92)	(87.92)
Final dividend on Series A CCPS for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	(2.29)	(2.29)
Final dividend on Series B CCPS for the year ended 31 March 2021 i.e. ₹ 2 per share	-	-	-	-	(2.27)	(2.27)
Remeasurement of defined benefit liability	-	-	-	-	13.58	13.58
Income tax relating to remeasurement of defined benefit liability	-	-	-	-	(3.35)	(3.35)
<b>Balance as at 31 March 2022</b>	<b>1,275.89</b>	<b>43.89</b>	<b>40.00</b>	<b>8.95</b>	<b>3,609.32</b>	<b>4,978.06</b>

#### Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

#### General reserve

The general reserve is used time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Consolidated Statement of Profit and Loss.

#### Debenture redemption reserve

The Holding Company had issued non-convertible debentures. The Holding Company is required to create debenture redemption reserve out of the profits of the Holding Company available for payment of dividend to its shareholders.

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

#### Other comprehensive income

Remeasurements of defined benefit plans comprises of actuarial gains and losses.

#### Retained earnings

The amount that can be distributed by the Holding Company as dividends to its equity and preference shareholders.

#### Dividend

The Board of Directors of Holding Company, at its meeting held on 27 May 2022, have proposed a final dividend of ₹ 2.00 per equity share for the financial year ended 31 March 2022. The proposal is subject to the approval of the shareholders at the forthcoming Annual General Meeting. Final dividend is accounted of in the year in which it is approved by the shareholders. The Board of directors of the Holding Company on 16 July 2021 has declared a dividend of ₹ 2 per equity share for the year ended 31 March 2021 and the same has been approved by the shareholders of Holding Company on 11 August 2021 in the Annual General Meeting.

#### Capital Reserve

The Group has acquired a subsidiary through business combination resulting in bargain purchase.

	As at 31 March 2022	As at 31 March 2021
<b>2.14 Borrowings (non-current)</b>		
<b>Secured</b>		
<b>Debentures (at amortised cost)</b>		
500 (31 March 2021: 500) 9.5% redeemable non-convertible debentures (NCD) of ₹ 800,000 (31 March 2021: 900,000) each (secured) (refer note A below)	273.11	397.35
<b>Term loans</b>		
From banks (at amortised cost)		
Vehicle loans (refer note B below)	-	7.85
	<b>273.11</b>	<b>405.20</b>

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

- 10 NCD allotted on 5 October 2016 aggregating to ₹ 10 million
- 90 NCD allotted on 9 February 2017 aggregating to ₹ 90 million
- 400 NCD allotted on 4 July 2018 aggregating to ₹ 400 million.

These NCDs are secured by first ranking fixed charge over all fixed assets (including real estate and mortgage over fixed assets) of the issuer (paripassu with existing secured creditors in relation to existing assets; in priority to existing secured creditors with respect to new assets) and first ranking floating charge over all current assets, including bank assets and receivables of the Holding Company. The Holding company has modified the terms vide amended agreement dated 28 September 2021. As per the amended agreement, the Holding Company shall be entitled to voluntarily pre-pay the NCDs on and from 30 June 2023 only.

The repayment schedule is as under:

Year 0 to 4 - Nil

Year 4 and 5 - 10% of the amount borrowed

Year 6 and 7 - 25% of the amount borrowed

Year 8 - 30% of the amount borrowed

The final redemption date is 5 August 2024. These NCDs carries an interest rate of 9.50% p.a payable in every six month (i.e. 4 April and 4 October of every year). Interest rate has been revised from 10.50% p.a to 9.50% p.a. with effect from 5 April 2018 vide amended agreement dated 10 April 2018. Subsequent to year ended 31 March 2020, the interest due for the six months as at 31 March 2020 which is payable on 04 April 2020 has been deferred to 03 July 2020 vide agreement dated 03 April 2020. The face value of NCDs have been reduced to Rs. 900,000 each post repayment of installment during the year ended 31 March 2021 and ₹ 800,000 each post repayment of NCDs during the year ended 31 March 2022.



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

- B. Vehicle loans from banks represents loans taken from HDFC Bank Limited amounting to ₹ Nil (31 March 2021: ₹ 7.85 million) disclosed under non-current borrowings and ₹ Nil (31 March 2021: ₹ 4.29 million) disclosed under current maturities of long-term debts are secured by hypothecation of vehicles financed by respective banks and carry interest rates in the range of Nil. (31 March 2021: 8.17% p.a. to 11.20% p.a.). The Holding Company has repaid the entire amount by 22 October 2021.

- C. The Group's exposure to liquidity and interest rate risk related to borrowings are disclosed in note 2.42.

<b>2.15</b>	Provisions (non-current)		
	Provision for employee benefits		
	- Gratuity (refer note 2.32(b))	57.49	55.19
		<b>57.49</b>	<b>55.19</b>

<b>2.16</b>	Borrowings (current)		
	Current maturities of long-term debts (refer note 2.14)	125.00	53.63
	Interest accrued but not due on borrowings	18.53	20.84
		<b>143.53</b>	<b>74.47</b>

The Group's exposure to liquidity and interest rate risk related to borrowings are disclosed in note 2.42.

### 2.17 Trade payables

	As at 31 March 2022	As at 31 March 2021
- due to micro enterprises and small enterprises (MSME) (refer note 2.39)	62.58	0.53
- due to creditors other than micro enterprises and small enterprises	581.16	536.72
	<b>643.74</b>	<b>537.25</b>

The Group's exposure to liquidity and currency risk and loss allowances related to trade payables are disclosed in note 2.42.

Refer note 2.33 for related party balances.

#### Trade payables ageing schedule

##### As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	62.58	-	-	-	62.58
ii) Others	174.22	405.11	1.83	-	-	581.16
iii) Disputed dues-MSME	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>174.22</b>	<b>467.69</b>	<b>1.83</b>	<b>-</b>	<b>-</b>	<b>643.74</b>

##### As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	-	0.53	-	-	-	0.53
ii) Others	121.31	408.20	3.66	1.15	2.40	536.72
iii) Disputed dues-MSME	-	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>121.31</b>	<b>408.73</b>	<b>3.66</b>	<b>1.15</b>	<b>2.40</b>	<b>537.25</b>

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

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>2.18 Other financial liabilities</b>		
Employee benefit payables <sup>^</sup>	174.79	219.68
Creditors for capital goods <sup>^</sup>	52.02	142.56
Purchase consideration payable	-	3.57
Other payables	2.96	28.74
	<b>229.77</b>	<b>394.55</b>
^ Refer note 2.33 for related party balances.		
The Group's exposure to liquidity risk related to other financial liabilities are disclosed in note 2.42.		
<b>2.19 Provisions (current)</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 2.32 (b))	2.32	2.20
Compensated absences	10.26	20.56
	12.58	22.76
Provision for claims, other than taxes*	1.94	1.94
	<b>14.52</b>	<b>24.70</b>
<b>*Movement in provision for claims, other than taxes:</b>		
Opening balance	<b>1.94</b>	<b>1.94</b>
Add: Addition during the year	-	-
Less: Utilisation/ reversal during the year	-	-
Closing balance	<b>1.94</b>	<b>1.94</b>
Provision for claims, other than taxes represents claims pending before Courts and based on Management's estimate of claims, provision is made on prudent basis that possible outflow of resources may arise in future.		
<b>2.20 Current tax liabilities (net)</b>		
Provision for taxation (net of advance tax)	0.60	38.45
	<b>0.60</b>	<b>38.45</b>
<b>2.21 Other current liabilities</b>		
Contract liabilities (advance from patients)	90.97	58.82
Statutory liabilities (ESI, PF, GST, TDS etc.)	48.68	35.21
	<b>139.65</b>	<b>94.03</b>

## Notes to the Consolidated Financial Statements

(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
<b>2.22 Revenue from operations</b>		
Income from medical and healthcare services		
- Revenue from hospital services (Refer note 2.45)	8,533.99	5,380.07
- Revenue from pharmacy sales (Refer note 2.45)	932.42	858.48
- Revenue from medical service fee (Refer note 2.45)	168.77	161.32
	<b>9,635.18</b>	<b>6,399.87</b>
Other operating income	102.40	100.60
	<b>9,737.58</b>	<b>6,500.47</b>
<b>2.23 Other income</b>		
Interest income on financial assets carried at amortised cost		
- bank deposits	67.55	57.13
- Loans receivable	36.15	18.20
- other financial assets carried at amortised cost	10.97	15.08
Dividend income	8.28	2.64
Net gain on financial assets measured at fair value through profit or loss	3.36	0.17
Liabilities no longer required written back	54.81	3.34
Gain on sale of property, plant & equipment	-	1.08
Gain on sale of non-current investment	8.20	-
Foreign exchange gain, net	0.05	0.22
Other non-operating income	-	4.77
	<b>189.37</b>	<b>102.63</b>
<b>2.24 Medical consumables and pharmacy items consumed</b>		
Inventory at the beginning of year	100.97	159.77
Add: Purchases during the year	1,994.55	973.82
Less: Closing Inventory	(148.23)	(100.97)
	<b>1,947.29</b>	<b>1,032.62</b>
<b>2.25 Employee benefits expense *</b>		
Salaries, wages and bonus	1,068.61	949.77
Contribution to provident and other funds	43.73	48.23
Staff welfare expenses	48.37	22.94
	<b>1,160.71</b>	<b>1,020.94</b>
* Net of amount capitalised (refer note 2.41)		
<b>2.26 Finance costs</b>		
Interest cost on financial liabilities measured at amortised cost		
- term loans from banks	0.53	1.28
- on debentures *	39.65	44.47
- on other loans from banks	-	0.75
Interest expense on lease liabilities (Refer note 2.34)	489.09	385.94
Others (including interest on income tax)	2.76	8.19
	<b>532.03</b>	<b>440.63</b>
* Net of amount capitalised (Refer note 2.41)		

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

	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
<b>2.27 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (Refer note 2.1(a))	514.42	450.71
Amortisation of intangible assets (Refer note 2.1(b))	7.20	11.47
Depreciation of right-of-use assets (Refer note 2.34)	311.01	271.20
	<b>832.63</b>	<b>733.38</b>
<b>2.28 Other expenses *</b>		
Professional charges	2,037.60	1,594.55
Hospital maintenance	47.50	36.97
Canteen expenses	145.94	111.69
Contract wages	222.50	171.69
Housekeeping expenses	50.39	44.23
Power and fuel	168.11	138.42
Lab and investigations	123.05	120.28
Repairs and maintenance		
- Plant and equipment	43.30	64.74
- Others	146.33	137.66
Rent (Refer note 2.34)	14.15	28.95
Rates and taxes	103.44	82.31
Business promotion and advertisement	215.10	90.49
Travelling and conveyance	23.53	15.32
Printing and stationary	48.17	35.48
Bad debts written off	0.71	3.15
Advances written off	3.72	-
Allowances for doubtful advances	3.57	-
Allowance for expected credit loss	25.89	27.60
Loss on sale of property, plant & equipment, net	0.92	-
Communication expenses	55.96	23.12
Insurance	10.19	11.02
Professional and consultancy (refer note 2.36)	33.24	26.02
Directors sitting fees	2.95	0.45
Donations	-	10.04
Corporate social responsibility (refer note 2.40)	16.96	15.70
Bank charges	29.66	23.09
Miscellaneous expenses	7.95	5.60
	<b>3,580.83</b>	<b>2,818.57</b>

\* Net of amount capitalised (refer note 2.41)

## Notes to the Consolidated Financial Statements

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

	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
<b>2.29 Tax expense, net</b>		
Current tax	576.13	239.12
	<b>576.13</b>	<b>239.12</b>
Deferred tax expense/(credit)	(89.40)	(77.84)
	<b>486.73</b>	<b>161.28</b>
<b>a. Reconciliation of effective tax rate</b>		
Profit before tax	<b>1,873.46</b>	<b>556.96</b>
Enacted tax rates	25.17%	25.17%
Tax expense at enacted rates	471.51	140.18
Expenses not deductible for tax	4.75	4.92
Unrecognised deferred tax assets, net	12.19	24.75
Others	(1.73)	(8.57)
	<b>486.73</b>	<b>161.28</b>

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(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
<b>2.29 Tax expenses, net (continued)</b>		
<b>b. The following table provides the details of income tax assets and income tax liabilities:</b>		
Income tax assets, net	57.70	44.92
Current tax liabilities, net	(0.60)	(38.45)
<b>Net current income tax assets at the end of the year</b>	<b>57.10</b>	<b>6.47</b>
<b>c. The gross movement in the net income tax (liabilities)/ assets is as follows:</b>		
Net income tax assets / (liabilities) at the beginning of the year	6.47	(14.67)
Income tax paid	626.76	264.89
Income tax expense for the year including interest expense	(576.13)	(243.75)
<b>Net current income tax assets at the end of the year</b>	<b>57.10</b>	<b>6.47</b>
<b>d. Recognition of deferred tax assets and liabilities</b>		

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

Particulars	As at	As at
	31 March 2022	31 March 2021
<b>Deferred tax liability</b>		
Excess of depreciation on property, plant and equipment under Income Tax, 1961 over depreciation under Companies Act.	272.92	297.71
Right-of-use of Asset	1,008.31	901.84
Others	1.32	-
<b>Total deferred tax liability</b>	<b>1,282.55</b>	<b>1,199.55</b>
<b>Deferred tax asset</b>		
Provision for impairment on receivables	38.69	29.33
Provision for employee benefits	17.26	19.29
Provision for bonus	30.85	25.22
Unabsorbed depreciation losses carried forward	0.17	12.20
Lease liabilities (including impact on transition to Ind AS)	1,309.53	1,138.04
Others	-	3.35
<b>Total deferred tax asset</b>	<b>1,396.50</b>	<b>1,227.43</b>
<b>Net deferred tax asset</b>	<b>(113.95)</b>	<b>(27.88)</b>

**(ii) Movement in temporary differences**

Particulars	Balance as at 1 April 2021	Recognised in consolidated statement of profit or loss	Recognised in OCI	Balance as at 31 March 2022
Provision for impairment on receivables	29.33	9.36	-	38.69
Provision for employee benefits	19.29	1.33	(3.36)	17.26
Provision for bonus	25.22	5.63	-	30.85
Unabsorbed depreciation losses carried forward	12.20	(12.03)	-	0.17
Lease liabilities	1,138.04	171.49	-	1,309.53
Others	3.35	(4.67)	-	(1.32)
Right-of-use of asset	(901.84)	(106.47)	-	(1,008.31)
Excess of depreciation on property, plant and equipment under Income Tax, 1961 over depreciation under Companies Act.	(297.71)	24.79	-	(272.92)
	<b>27.88</b>	<b>89.43</b>	<b>(3.36)</b>	<b>113.95</b>



## Notes to the Consolidated Financial Statements

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

Particulars	Balance as at 1 April 2020	Recognised in consolidated statement of profit or loss	Recognised in OCI	Balance as at 31 March 2021
Provision for impairment on receivables	24.35	4.98	-	29.33
Provision for employee benefits	18.93	3.27	(3.10)	19.29
Provision for bonus	22.91	2.31	-	25.22
Unabsorbed depreciation losses carried forward	7.87	4.33	-	12.20
Lease liabilities	1,042.21	95.83	-	1,138.04
Others	-	3.35	-	3.35
Right-of-use of Asset	(854.67)	(47.17)	-	(901.84)
Excess of depreciation on property, plant and equipment under Income Tax, 1961 over depreciation under Companies Act.	(311.78)	14.07	-	(297.71)
	<b>(50.18)</b>	<b>77.84</b>	<b>(3.10)</b>	<b>27.88</b>

Deferred tax assets have not been recognised for Rosewalk Healthcare Private Limited ('subsidiary') on Unabsorbed depreciation of ₹ 109.89 (31 March 2021: ₹ 92.00) and brought forward losses of ₹ 411.95 million (31 March 2021: 375.28 million) because it's not probable that future taxable profit will be available against which the subsidiary can use the benefit thereon. The brought forward losses expire in the year 2025 to 2030. The unabsorbed depreciation do not expire under current tax legislation.

### 2.30 Contingent liabilities and commitments

	As at 31 March 2022	As at 31 March 2021
<b>A) Contingent liabilities</b>		
(i) Demands under dispute		
- Income-tax matters under dispute	-	19.99
- Value added tax, central sales tax and service tax demand under dispute	32.40	27.17
- Luxury tax demand under dispute	18.55	18.55
(ii) Claims against the Group not acknowledged as debt	84.66	99.17

iii) In February 2019, the Honorable Supreme Court of India vide its judgement, clarified the definition and scope of 'Basic Wages' under the Employees' Provident Funds & Miscellaneous Provision Act, 1952. The judgement is silent on the retrospective application and in the absence of any guidelines by the regulatory authorities and considering the practical difficulties, no effect is given for the earlier periods as the same is currently not determinable.

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

### B) Capital commitments

	As at 31 March 2022	As at 31 March 2021
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	468.61	5.61

**2.31(a)** The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**2.31(b)** There were no amounts which were required to be transferred to Investor Education Protection Fund by the Group.

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

**2.32 Employee benefit plans****The employee benefit schemes are as under:****(a) Defined contribution benefit plans**

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund and Employee state insurance (ESI), which is a defined contribution plan. The contribution is charged to the Statement of 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 ₹ 35.83 million and ₹ 7.89 million respectively (31 March 2021: ₹ 38.44 million and ₹ 9.76 million respectively) (refer note 2.25)

**(b) Defined benefit plans**

The Group provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days' salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹ 2.00 million.

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

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

	As at 31 March 2022	As at 31 March 2021
Opening defined benefit obligation	57.39	51.01
Current service cost	17.75	17.56
Interest cost	3.86	3.44
Actuarial (gain)/loss	(13.63)	(12.54)
Benefits paid	(5.56)	(2.08)
<b>Benefit obligation at the end of the year</b>	<b>59.81</b>	<b>57.39</b>
Provisions (current) (Refer note 2.19)	2.32	2.20
Provisions (non-current) (Refer note 2.15)	57.49	55.19

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	17.75	17.56
Interest on defined benefit obligation	3.86	3.44
Net actuarial (gain)/loss recognised in the year	(13.63)	(12.54)
<b>Net gratuity expenses</b>	<b>7.98</b>	<b>8.46</b>

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (gain)/loss on defined benefit obligation	(13.63)	(12.54)
Return on plan assets excluding interest income	-	-
<b>Actuarial (gain)/loss recognised in other comprehensive income</b>	<b>(13.63)</b>	<b>(12.54)</b>

## Notes to the Consolidated Financial Statements

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

### Summary of actuarial assumptions

Financial assumptions at balance sheet date:

	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

### Maturity profile of defined benefit obligation

	As at 31 March 2022	As at 31 March 2021
1st following year	2.32	2.20
Year 2 to 5	12.79	11.00
Year 6 to 9	15.49	13.34
For 10 years and above	154.84	145.13

**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:

	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	56.17	63.81	53.20	60.70
Salary escalation rate (50 bps movement)	63.66	56.27	60.50	53.20

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

Expected contribution to post-employment benefit plans for the next year ending 31 March 2023 is ₹ 2.32 millions (31 March 2022: ₹ 2.20 millions)

The weighted average duration of the defined benefit obligation is 12.69 years (31 March 2021: 13.18 years)

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

**2.33 Related parties****a) Names of the related parties and description of relationship:**

<b>Key managerial personnel (KMP)</b>	Dr. Ramesh Kancharla, Chairman and Managing Director
	Dr. Dinesh Kumar Chirla, Whole-Time Director
	Prof. Anil Dhawan, Independent Director
	Mr. Santanu Mukherjee, Independent Director (appointed w.e.f 22 October 2021)
	Ms. Sundari Raviprasad Pisupati, Independent Director (appointed w.e.f 16 September 2021)
	Mr. Aluri Srinivasa Rao, Independent Director
	Mr. R Gowrisankar, Chief Financial Officer
	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 22 October 2021)
	Mr. Ashish Kapil, Company Secretary (appointed w.e.f 22 October 2021)
	Mr. Yugandhar Meka, Independent director (resigned w.e.f 16 September 2021)
	Mr. Nagarajan Srinivasan, Nominee Director (resigned w.e.f 09 December 2021)
	Mr. Ashish Ahluwalia, Nominee Director (resigned w.e.f 09 December 2021)
<b>Relative of key managerial personnel</b>	Mrs. Padma Kancharla, wife of Dr. Ramesh Kancharla
	Dr. Adarsh Kancharla, son of Dr. Ramesh Kancharla
	Mr. Ramadhara Naidu Kancharla, brother of Dr. Ramesh Kancharla
<b>Enterprise exercising significant influence on the Group</b>	British International Investment plc (formerly known as CDC Group plc)
	CDC India Opportunities Limited
	CDC Emerging Markets Limited
<b>Enterprises where key managerial personnel along with their relatives exercise significant influence</b>	Ravindranath GE Medical Associates Private Limited
	Rainbow Children's Foundation (Trust)
	Sesha Sarojini Medical Infra Private Limited
<b>Enterprises where relative of key managerial personnel is a member</b>	Unimed Healthcare Private Limited

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

	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
<b>Revenue from professional services rendered</b>		
- Ravindranath GE Medical Associates Private Limited	0.00	0.10
- Rainbow Children's Foundation (Trust)	4.77	3.14
- Mrs. Padma Kancharla	0.16	-
<b>Professional services received</b>		
- Ravindranath GE Medical Associates Private Limited	5.34	1.42
<b>Salary advance given to KMP</b>		
- Mr. R.Gowrisankar	2.20	-
<b>Professional charges paid</b>		
- Dr. Dinesh Kumar Chirla	26.49	13.59
- Mr. Ramadhara Naidu Kancharla	1.93	1.88
<b>Expenses incurred on behalf of related parties</b>		
- Mr. Ramadhara Naidu Kancharla	0.01	0.14
<b>Remuneration including variable fee to KMP<sup>A</sup></b>		
- Dr. Ramesh Kancharla	60.00	78.07
- Dr. Dinesh Kumar Chirla	8.86	11.20

## Notes to the Consolidated Financial Statements

(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
- Mr. R.Gowrisankar	8.53	6.43
- Mr. Pawan Kumar Mittal	-	1.86
- Ms. Pratusha Channamalla	0.09	-
- Mr. Ashish Kapil	1.54	-
<b>Remuneration to relative of KMP</b>		
- Mr. Ramadhara Naidu Kancharla	3.00	-
<b>Security Deposit given</b>		
- Unimed Healthcare Private Limited	30.00	-
^The KMP's are covered by the Group's gratuity policy and are eligible for compensated absences along with other employees of the Group. The proportionate amount of gratuity and compensated absences cost pertaining to the KMP has not been included in the aforementioned disclosures as these are not determined on an individual basis.		
<b>Commission to Independent Directors</b>		
- Mr. Yugandhar Meka	0.50	0.60
- Mr. Aluri Srinivasa Rao	1.00	0.60
- Prof. Anil Dhawan	1.00	0.60
- Mrs. Sundari Raviprasad Pisupati	0.50	-
- Mr. Santanu Mukherjee	0.50	-
<b>Sitting fees paid to Independent Directors</b>		
- Mr. Yugandhar Meka	0.10	0.20
- Prof. Anil Dhawan	0.70	0.10
- Mr. Aluri Srinivasa Rao	0.53	0.15
- Mrs. Sundari Raviprasad Pisupati	0.58	-
- Mr. Santanu Mukherjee	0.60	-
<b>Expenditure incurred on behalf of KMP</b>		
- Dr. Ramesh Kancharla	0.01	0.34
<b>Civil works</b>		
- Sesha Sarojini Medical Infra Private Limited	1.22	35.12
<b>Purchase of equity shares in Unimed Healthcare Private Limited</b>		
- Dr. Adarsh Kancharla	-	80.00
<b>Sale of investment - equity shares of Unimed Healthcare Private Limited</b>		
- Mrs. Padma Kancharla	80.00	-
- Gain on sale of equity	8.20	-
<b>Redemption of 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	50.00	50.00
<b>Interest on 9.50% redeemable non-convertible debentures</b>		
- CDC Emerging Markets Limited	39.65	44.47
<b>Dividend paid during the year to KMP and relative of KMP</b>		
- Dr. Ramesh Kancharla	40.03	-
- Dr. Dinesh Kumar Chirla	9.60	-
- Mrs. Padma Kancharla	3.60	-
- Dr. Adarsh Kancharla	4.62	-
<b>Dividend paid (on equity share capital and Series A compulsorily convertible preference shares)</b>		
- British International Investment plc (formerly known as CDC Group plc)	19.27	-
<b>Dividend paid (on equity share capital and Series B compulsorily convertible preference shares)</b>		

(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
- CDC India Opportunities Limited	10.07	-

**c) The Group has the following amounts due from/ to the related parties:**

	As at 31 March 2022	As at 31 March 2021
<b>Trade payables</b>		
- Ravindranath GE Medical Associates Private Limited	-	0.28
<b>Trade receivables</b>		
- Rainbow Children's Foundation (Trust)	0.09	-
<b>Salary advance to KMP</b>		
- Mr. R.Gowrisankar	1.60	-
<b>Reimbursement of expenditure</b>		
- Mr. Ramadhara Naidu Kancharla	-	0.01
<b>Capital creditors</b>		
- Sessa Sarojini Medical Infra Private Limited	-	22.08
<b>Commission payable to Independent Directors</b>		
- Mr. Yugandhar Meka	0.50	0.60
- Mr. Aluri Srinivasa Rao	1.00	0.60
- Prof. Anil Dhawan	1.00	0.60
- Mrs. Sundari Raviprasad Pisupati	0.50	-
- Mr. Santanu Mukherjee	0.50	-
<b>Borrowings</b> (before adjustments of transaction costs incurred as required as per Ind AS 109)		
- CDC Emerging Markets Limited	400.00	450.00
<b>Interest accrued but not due on borrowings</b>		
- CDC Emerging Markets Limited	18.53	20.84
<b>Remuneration payable to KMP</b>		
- Dr. Ramesh Kancharla	-	29.58
- Dr. Dinesh Kumar Chirla	-	0.80
<b>Professional fee payable to KMP</b>		
- Dr. Dinesh Kumar Chirla	2.90	1.18
<b>Remuneration payable to relative of KMP</b>		
- Mr. Ramadhara Naidu Kancharla	0.50	-
<b>Rental Security Deposit</b>		
- Unimed Healthcare Private Limited	30.00	-

- d) All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross and undiscounted.)
- e) Share issue expenses (refer note 2.3 (b) - Share issues expenses receivable) of ₹ 172.50 million incurred by the Holding Company is towards Initial Public Offering ('IPO') of the equity shares held by the selling shareholders. As per the agreement with the selling shareholders, these expenses are recoverable from Dr Ramesh Kancharla, Dr. Dinesh Kumar Chirla, Dr. Adarsh Kancharla, Mrs. Padma Kancharla, British International Investment plc (formerly known as CDC Group plc) and CDC India Opportunities Limited, upon successful completion of IPO in proportion to the shares that are expected to be offered to the public in the offering.



## Notes to the Consolidated Financial Statements

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

### 2.34 Leases

#### A Transition to Ind AS 116 “Leases” w.e.f 1 April 2019:

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 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.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, under modified retrospective transition method using incremental borrowing rate as at April 1, 2019.

The Group has elected not to apply the requirements of Ind AS 116 “Leases” to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment. The weighted average incremental borrowing rate of 9.5% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

#### B Following are the changes in the carrying values of right of use assets for the year ended 31 March 2022 and 31 March 2021:

Particulars	Category of ROU Assets
	Buildings
<b>Cost as at 1 April 2020</b>	3,774.35
Additions	517.27
Disposals	(73.66)
<b>Cost as at 31 March 2021</b>	<b>4,217.96</b>
<b>Cost as at 1 April 2021</b>	4,217.96
Additions	982.03
Disposals	(67.89)
<b>Cost as at 31 March 2022</b>	<b>5,132.10</b>
<b>Accumulated depreciation</b>	
<b>Accumulated depreciation as at 1 April 2020</b>	257.87
Depreciation charge for the year	271.14
Disposals	-
<b>Accumulated depreciation as at 31 March 2021</b>	<b>529.01</b>
<b>Accumulated depreciation as at 1 April 2021</b>	529.01
Depreciation charge for the year	311.01
Disposals	(61.86)
<b>Accumulated depreciation as at 31 March 2022</b>	<b>778.16</b>
<b>Net Carrying amounts</b>	
As at 31 March 2022	4,353.94
As at 31 March 2021	3,688.95

\*The aggregate depreciation expense for the year on ROU assets is included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss (Refer note 2.27).

The Holding Company has certain leases for Vikarampuri and Hebbal for which the registration of the lease deed is pending. The Management has assessed that there would be no change in the lease terms and the delay is administrative in nature.

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

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Short- term lease	14.15	28.95
Low value assets	-	-
Variable lease expenses	-	-
<b>Total</b>	<b>14.15</b>	<b>28.95</b>

**D** Following is the movement in lease liabilities for the year ended 31 March 2022 and 31 March 2021:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Opening Balance</b>	4,705.07	4,325.44
Additions	730.52	516.31
Finance cost	489.09	385.94
Disposals	(15.71)	(77.58)
Payment of lease liabilities	(516.54)	(445.04)
<b>Lease liability at the end of the year</b>	<b>5,392.43</b>	<b>4,705.07</b>
Non-current lease liabilities	5,312.37	4,647.74
Current lease liabilities	80.06	57.33

**E** The following is the cash outflow on leases during the years:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Payment of lease liabilities	27.45	59.10
Interest on lease liabilities	489.09	385.94
Short-term lease expense	14.15	28.95
<b>Total cash outflow on leases</b>	<b>530.69</b>	<b>473.99</b>

**F** The table below provides details regarding the contractual maturities of lease liabilities as at year-end on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	526.96	460.39
1 to 5 years	2,275.03	2,546.56
More than 5 years	7,099.32	6,371.28

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

### 2.35 Segment reporting

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

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

## Notes to the Consolidated Financial Statements

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

### 2.36 Professional and consultancy expenses includes auditors' remuneration (excluding GST)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Statutory audit fees *	4.00	3.20
Reimbursement of expenses	0.28	0.10
Total	4.28	3.30

\* Auditor's fees of ₹ 22.60 million (excluding reimbursements) towards IPO deliverables is not included above (refer note : 2.33(e)).

### 2.37 Earnings per share (EPS):

The earnings per share has been computed as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year (After adjusting Non-Controlling Interest) (A)	1,382.66	400.18
Less: Preference dividend for the year	4.56	-
<b>Profit attributable to equity shareholders (After adjusting Non-Controlling Interest (B))</b>	<b>1,378.10</b>	<b>400.18</b>
<b>Shares</b>		
Number of equity shares at the beginning of the year	43,958,924	43,958,924
Add: Rights issued ##	1,928,000	-
Add: Bonus shares issued #	45,886,924	-
Add: Bonus equity shares issued to preference share holders #	2,280,080	-
Total number of equity shares outstanding at the end of the year	94,053,928	43,958,924
<b>Weighted average number of equity shares outstanding at the end of year – Basic</b>	<b>93,420,727</b>	<b>43,958,924</b>
Add: Bonus shares issued considered for calculation of earnings per share for previous year #	-	45,886,924
Add: Bonus equity shares issued to preference share holders considered for calculation of earnings per share for previous year #	-	2,280,080
Add: Bonus element on account of Rights Issue of shares issued considered for calculation of earnings per share for previous year ##	-	1,647,033
<b>Number of equity shares at the end of year (C)</b>	<b>93,420,727</b>	<b>93,772,961</b>
Number of equity shares arising out of convertible preference shares that have dilutive effect on the EPS at the beginning of the year	2,280,080	2,280,080
<b>Number of convertible preference shares that have dilutive effect on the EPS at the end of year (D)</b>	<b>2,280,080</b>	<b>2,280,080</b>
<b>Weighted average number of equity shares outstanding during the year – Diluted EPS (E = C+D)</b>	<b>95,700,807</b>	<b>96,053,041</b>
<b>Earnings per share</b>		
Earnings per share of par value (₹ 10) - Basic (₹) (B/C)	14.75	4.27
Earnings per share of par value (₹ 10) - Diluted (₹) (A/E)	14.45	4.17

#The Holding Company on 1 December 2021 has issued and allotted bonus equity shares in the ratio of 1:1 for every one equity share and every one preference share held. In line with the requirements of Ind AS 33, for the purpose of EPS calculations, bonus shares issued has been considered as if the event of bonus issue had occurred at the beginning of the earliest year presented.

## The Holding Company has issued and allotted equity shares through rights issue to an existing shareholder on 22 October 2021. The exercise price is less than the fair value of the equity shares and hence the inherent discount is similar to a bonus issue as per Ind AS 33. In line with the requirements of Ind AS 33, for the purpose of EPS calculations, the bonus element in rights issue of shares has been retrospectively adjusted as if the event had occurred at the beginning of the earliest year presented.

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

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Number of non resident share holders	2	2
Number of shares held by non-resident shareholders		
- Equity shares	27,052,144	12,386,032
- Series A CCPS	1,146,771	1,146,771
- Series B CCPS	1,133,309	1,133,309
Amount remitted during the year (amount in millions)*		
- Equity shares	16.97	-
- Series A CCPS	2.30	-

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

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 has been made in the Consolidated Financial Statements based on information received and available with the Group. Further, in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier under the said MSMED Act.

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;		
- Principal	62.58	0.53
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year ) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Group.

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 2.42.

## Notes to the Consolidated Financial Statements

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

### 2.40 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Holding Company. The proposed areas for CSR activities, as per the CSR policy of the Holding Company are promotion of education and sports, rural development activities, medical facilities, and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>ii) Details of Corporate social responsibility expenditure</b>		
(i) Gross amount required to be spent by the Holding Company during the year	16.96	15.70
(ii) Amount approved by the Board to be spent during the year	16.96	15.70
(iii) Amount spent during the year (in cash)		
- construction/ acquisition of any asset	-	-
- on purpose other than above	16.96	15.70
(iv) (Shortfall) / Excess at the end of the year	-	-
(v) Total of previous years shortfall*	8.50	8.50
(vi) Details of related party transactions	NA	NA
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA
(viii) Reason for shortfall *		
For the year ending 31 March 2022 and 31 March 2021 :		
(ix) Nature of CSR activities:		
a) Promotion of education and sports	0.55	2.47
b) Rural development activities	-	-
c) Promotion of medical facilities and	11.36	10.01
d) Ensuring environmental sustainability	5.05	3.22

\*The shortfall pertains to year ended 31 March 2020 and 31 March 2019, there was no requirement to transfer the funds to a separate bank account or creating a provision for these years.

### 2.41 Incidental expenditure capitalised during the construction period

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Employee benefit expenses (A)</b>	<b>0.18</b>	<b>4.02</b>
<b>Other expenses:</b>		
Rent	2.99	7.13
Consultancy and project expenses	12.56	1.97
Travelling and conveyance	0.78	1.37
Power and fuel	-	0.74
Other expenses	0.64	1.84
<b>Total (B)</b>	<b>16.97</b>	<b>13.05</b>
<b>Finance cost (C)</b>	<b>-</b>	<b>11.24</b>
<b>Total (A+B+C)</b>	<b>17.15</b>	<b>28.31</b>

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

**2.42 Financial risk management****Risk management framework**

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

**Credit risk**

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

**Trade and other receivables**

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Insurance companies and Third-Party Administrator (TPA)	236.60	154.12
Central and state government (including public sector undertakings)	85.95	78.57
Corporates, individual customers and others	235.40	335.05
<b>Total</b>	<b>557.95</b>	<b>567.74</b>

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

**As at 31 March 2022**

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 30 days	240.67	4.03%	9.69
31-180 days	115.07	8.22%	9.45
6 months - 1 year	77.35	12.77%	9.88
1-2 years	42.13	100.00%	42.13
2-3 years	55.06	100.00%	55.06
More than 3 years	27.67	100.00%	27.67
	<b>557.95</b>		<b>153.88</b>

**As at 31 March 2021**

Age	Gross carrying amount	Weighted average loss rate	Allowance for expected credit loss
Less than 30 days	173.98	2.91%	5.07
31-180 days	109.69	9.78%	10.73
6 months - 1 year	203.74	15.69%	31.96
1-2 years	42.30	100.00%	42.30
2-3 years	27.53	100.00%	27.53
More than 3 years	10.50	100.00%	10.50
	<b>567.74</b>		<b>128.09</b>



## Notes to the Consolidated Financial Statements

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

Management believes that the unimpaired amounts that are past due by more than six months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

### Movement in allowance for impairment in respect of trade receivables is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	128.09	100.49
Add: Expected credit loss recognised	25.79	27.60
Net remeasurement of provision	<b>153.88</b>	<b>128.09</b>

### Cash and bank balances, loans and other financial assets

Cash and bank balances comprises of deposits with bank, interest accrued on deposits and other financial assets consists of security deposits. These deposits are held with credit worthy banks. The credit worthiness of such banks are evaluated by the Management on an ongoing basis and is considered to be good with low credit risk. Further, the Group maintains exposure in money market liquid mutual funds and loans. The Group has set counter-parties limits based on multiple factors including financial position, credit rating, etc. Loans are assessed on lifetime expected credit loss model and no impairment loss is anticipated. The Group's maximum exposure to credit risk as at 31 March 2022 and 31 March 2021 is the carrying value of each class of financial assets.

The security deposit pertains to rent deposit given to lessors. The Group does not expect any losses from non-performance by these counter-parties.

### Liquidity risk

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

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

### Following are the financial assets at the reporting date.

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	404.07	439.65
Cash and cash equivalents	99.79	56.58
Bank balances other than cash and cash equivalents	1,752.36	890.16
Investments	221.01	182.65
Other financial assets	728.42	546.90
Loans	507.26	277.94
<b>Total</b>	<b>3,712.91</b>	<b>2,393.88</b>

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

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

#### As at 31 March 2022

Particulars	Carrying Amount	Within 1 year	1-5 Years	More than five years	Total amount
Borrowings (current & non current)	416.64	143.53	275.00	-	418.53
Trade payables	643.74	643.74	-	-	643.74
Other financial liabilities	229.77	229.77	-	-	229.77
Lease liabilities	5,392.43	526.96	2,275.03	7,099.32	9,901.31
<b>Total</b>	<b>6,682.58</b>	<b>1,544.00</b>	<b>2,550.03</b>	<b>7,099.32</b>	<b>11,193.35</b>

#### As at 31 March 2021

Particulars	Carrying Amount	Within 1 year	1-5 Years	More than five years	Total amount
Borrowings (current & non current)	479.67	74.47	407.85	-	482.32
Trade payables	537.25	537.25	-	-	537.25
Other financial liabilities	394.55	394.55	-	-	394.55
Lease liabilities	4,705.07	460.39	2,546.56	6,371.28	9,378.23
<b>Total</b>	<b>6,116.54</b>	<b>1,466.66</b>	<b>2,954.41</b>	<b>6,371.28</b>	<b>10,792.34</b>

#### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will effect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interests rate. Interest rate risk primarily arises from the Group's borrowings, investments with bank deposits and loans given.

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Fixed rate instruments (excluding interest accrued)</b>		
Financial assets	2,426.86	1,262.65
Financial liabilities	398.11	458.83

#### Sensitivity analysis

##### Foreign currency risk

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

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

## Notes to the Consolidated Financial Statements

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

### Exposure to currency risk

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

Particulars	Currency	As at 31 March 2022		As at 31 March 2021	
		Amount in foreign currency (in whole no's)	Amount in functional currency	Amount in foreign currency (in whole no's)	Amount in functional currency
Creditors for capital goods	EUR	-	-	9,713	1.13
Creditors for capital goods	USD	8,000	0.60	-	-
Trade payables	USD	6,538	0.49	-	-

### Sensitivity analysis:

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

	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2022</b>				
USD (5% movement)	0.05	(0.05)	0.04	(0.04)
<b>31 March 2021</b>				
EUR (5% movement)	0.06	(0.06)	0.04	(0.04)

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

### 2.43 Capital management

The Group's policy is to maintain a stable and strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves. Total debt include borrowings and bank overdraft.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Group's adjusted debt to equity ratio is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Total debt	416.64	479.67
Total equity	6,062.65	4,483.76
<b>Debt to equity ratio</b>	<b>0.07</b>	<b>0.11</b>

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

**2.44 Financial instruments**

The fair values of financial assets and financial liabilities, together with the carrying amounts in the Balance sheet are as follows:

**As at 31 March 2022**

Particulars	Note	Carrying values					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Measured at fair value through profit or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities - amortised cost	Total carrying amount			
<b>Financial assets measured at fair value</b>									
Investments in equity instruments*	2.2	-	0.03	-	-	0.03	-	-	0.03
Investments in mutual funds	2.7	220.98	-	-	-	220.98	220.98	-	-
		<b>220.98</b>	<b>0.03</b>	-	-	<b>221.01</b>	<b>220.98</b>	-	<b>0.03</b>
<b>Financial assets at amortised cost</b>									
Trade receivables	2.8	-	-	404.07	-	404.07	-	-	-
Cash and cash equivalents	2.9 (a)	-	-	99.79	-	99.79	-	-	-
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	1,752.36	-	1,752.36	-	-	-
Loans	2.10	-	-	507.26	-	507.26	-	-	-
Other financial assets	2.3 (a) & 2.3 (b)	-	-	728.42	-	728.42	-	-	-
		-	-	<b>3,491.90</b>	-	<b>3,491.90</b>	-	-	-
<b>Financial liabilities at amortised cost</b>									
Borrowings	2.14 & 2.16	-	-	-	416.64	416.64	-	-	-
Trade payables	2.17	-	-	-	643.74	643.74	-	-	-
Other financial liabilities	2.18	-	-	-	229.77	229.77	-	-	-
		-	-	-	<b>1,290.15</b>	<b>1,290.15</b>	-	-	-

## Notes to the Consolidated Financial Statements

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

Particulars	Note	Carrying values					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Measured at fair value through profit or loss account	Fair value through other comprehensive income	Other financial assets – amortised cost	Other financial liabilities - amortised cost	Total carrying amount			
<b>Financial assets measured at fair value</b>									
Investments in equity instruments*	2.2	80.00	0.03	-	-	80.03	-	80.03	
Investments in mutual funds	2.7	102.62	-	-	-	102.62	102.62	-	
		<b>182.62</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>182.65</b>	<b>102.62</b>	<b>80.03</b>	
<b>Financial assets at amortised cost</b>									
Trade receivables	2.8	-	-	439.65	-	439.65	-	-	
Cash and cash equivalents	2.9 (a)	-	-	56.58	-	56.58	-	-	
Bank balances other than cash and cash equivalents	2.9 (b)	-	-	890.16	-	890.16	-	-	
Loans	2.10	-	-	277.94	-	277.94	-	-	
Other financial assets	2.3 (a) & 2.3 (b)	-	-	546.90	-	546.90	-	-	
		-	-	<b>2,211.23</b>	<b>-</b>	<b>2,211.23</b>	-	-	
<b>Financial liabilities at amortised cost</b>									
Borrowings	2.14 & 2.16	-	-	-	479.67	479.67	-	-	
Trade payables	2.17	-	-	-	537.25	537.25	-	-	
Other financial liabilities	2.18	-	-	-	394.55	394.55	-	-	
		-	-	-	<b>1,411.47</b>	<b>1,411.47</b>	-	-	

Note: The Group has not disclosed fair values of financial assets and liabilities such as investments, trade receivables, loans, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables, borrowings and other financial liabilities since their carrying amounts are reasonable approximates of fair values.

### Fair value hierarchy

#### Level 1

Includes financial instruments measured using quoted prices. The fair value of all mutual funds which is valued using the closing Net Asset Value (NAV) as at the reporting period.

#### Level 2

The fair value of financial instruments not actively traded in an active market is determined using valuation techniques

which maximize the use of observable market data and rely as little as possible on entity specific estimates. If the significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

#### Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2022 and 31 March 2021

\* - Fair value information relating to investment in equity instruments are not presented as these are not material to the consolidated financial statements

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

**2.45 Revenue from contracts with customers****Disaggregated revenue information**

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income from medical and healthcare services</b>		
Revenue from hospital services	8,533.99	5,380.07
Revenue from pharmacy sales	932.42	858.48
Revenue from medical service fee	168.77	161.32
<b>Total revenue from contracts with customers</b>	<b>9,635.18</b>	<b>6,399.87</b>

**Location of revenue recognition****Note:** All the business operations of the Group are in India.**Timing of revenue recognition**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Services transferred at a point of time	2,394.57	1,070.47
Goods transferred at a point of time	932.42	858.48
<b>Total revenue from contracts with customers</b>	<b>3,326.99</b>	<b>1,928.95</b>

No single customer represents 10% or more of the Group's total revenue during the years ended 31 March 2022 and 31 March 2021.

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Contracted price</b>	8,746.30	5,571.07
Reduction towards variable consideration components*		
-Discounts	(34.56)	(27.56)
-Disallowances	(8.98)	(2.12)
<b>Revenue recognised</b>	<b>8,702.76</b>	<b>5,541.39</b>

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

**Contract balances**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables*	439.58	490.46
Unbilled revenue	118.37	77.28
Contract liabilities (advance from patients)#	90.97	58.82

**Movement in contract liabilities during the year:**

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	58.82	51.48
Less: Revenue recognised from above	(58.82)	(51.48)
Add: Addition during the year	90.97	58.82
<b>Balance at the end of the year</b>	<b>90.97</b>	<b>58.82</b>

\* Trade receivables are non-interest bearing and are generally on terms of 30 days.

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

**Performance obligation**

The revenue from rendering Medical &amp; Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by Ind AS 115.



## Notes to the Consolidated Financial Statements

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

### 2.46 Impact of COVID-19:

During the previous year, the COVID-19 pandemic impacted the revenues and profitability of the Group with a decline in occupancy impacting the hospital business revenues, profitability and cash flows. The Group took various initiatives to support operations and optimise the cost. With a slew of these measures, the Group has been able to significantly reduce the negative impact on business. During the current year, the Group has further witnessed improvement in business and it has gradually moved towards normalisation of business during the current year.

The Group has a well-capitalised Balance Sheet and has managed its liquidity position via cost efficiency initiatives, better working capital management and internal funding. Accordingly, the Group continues to prepare the consolidated financial statements on a going concern basis. As per the Management's current assessment, no significant impact is expected on the carrying amounts of inventories, tangible assets, intangible assets, trade receivables, investments and other financial assets.

The Group has considered the possible effects on the carrying amounts of receivables, loans, intangibles, inventories and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these Consolidated Financial Statements has used internal and external sources of information. The Group has performed sensitivity analysis on the assumptions used and based on current estimates, the Group expects to fully recover the carrying amount of receivables, loans, intangibles, inventories and investments. As the outbreak continues to evolve, the Group will continue to closely monitor any material changes to future economic conditions.

**2.47** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its Consolidated Financial statements in the year in which, the Code becomes effective and the related rules to determine the financial impact are published.

**2.48** As per Section 203 of the Companies Act 2013, read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Holding Company is required to have a whole-time Company Secretary. The position of Company Secretary was vacant from 1 April 2021 to 31 August 2021.

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

**2.49 Additional information as required under para 2 of General Instruction of Division II of Schedule III to the Companies Act, 2013.****31 March 2022**

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated total comprehensive income	Amount
<b>Holding Company</b>								
Rainbow Children's Medicare Limited	104.95%	6,362.93	102.61%	1,422.91	94.84%	9.74	102.55%	1,432.65
<b>Wholly owned subsidiary</b>								
Rainbow Children's Hospital Private Limited	0.00%	(0.04)	0.00%	(0.04)	-	-	0.00%	(0.04)
Rainbow Woman and Children's Hospital Private Limited	-0.01%	(0.57)	-0.01%	(0.08)	-	-	-0.01%	(0.08)
Rosewalk Healthcare Private Limited	-5.71%	(346.16)	-4.21%	(58.40)	2.73%	0.28	-4.16%	(58.12)
Rainbow C R O Private Limited	0.00%	(0.13)	0.00%	(0.04)	-	-	0.00%	(0.04)
Rainbow Fertility Private Limited	0.80%	48.62	0.13%	1.76	-	-	0.13%	1.76
<b>Subsidiary</b>								
Rainbow Speciality Hospital Private Limited	2.69%	163.32	1.49%	20.62	2.04%	0.21	1.49%	20.83
Non-controlling interests in subsidiary	0.57%	34.61	0.29%	4.07	0.39%	0.04	0.29%	4.11
Elimination	-3.30%	(199.93)	-0.29%	(4.07)	-	-	-0.29%	(4.07)
<b>Total</b>	<b>100.00%</b>	<b>6,062.65</b>	<b>100.00%</b>	<b>1,386.73</b>	<b>100.00%</b>	<b>10.27</b>	<b>100.00%</b>	<b>1,397.00</b>

Note: Net assets, share in profit or loss and other comprehensive income of the Holding Company and subsidiaries are as per the standalone financial statements of respective entities.

## Notes to the Consolidated Financial Statements

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

**31 March 2021**

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated total comprehensive income	Amount
<b>Holding Company</b>								
Rainbow Children's Medicare Limited	106.15%	4,759.34	124.80%	493.80	95.34%	9.00	124.11%	502.80
<b>Wholly owned subsidiary</b>								
Rainbow Children's Hospital Private Limited	0.00%	(0.00)	0.00%	(0.02)	-	-	0.00%	(0.02)
Rainbow Woman and Children's Hospital Private Limited	-0.01%	(0.48)	-0.01%	(0.05)	-	-	-0.01%	(0.05)
Rosewalk Healthcare Private Limited	-6.42%	(288.03)	-19.99%	(79.11)	2.22%	0.21	-19.48%	(78.90)
Rainbow C R O Private Limited	0.00%	(0.09)	0.01%	(0.03)	-	-	-0.01%	(0.03)
Rainbow Fertility Private Limited	1.05%	46.86	0.65%	2.58	-	-	0.64%	2.58
<b>Subsidiary</b>								
Rainbow Speciality Hospital Private Limited	3.18%	142.45	-4.83%	(19.12)	2.22%	0.21	-4.67%	(18.91)
Non-controlling interests in subsidiary	0.45%	20.13	-1.14%	(4.50)	0.21%	0.02	-1.11%	(4.48)
Elimination	-4.38%	(196.42)	0.54%	2.13	-	-	0.53%	2.13
<b>Total</b>	<b>100.00%</b>	<b>4,483.76</b>	<b>100.00%</b>	<b>395.68</b>	<b>100.00%</b>	<b>9.44</b>	<b>100.00%</b>	<b>405.12</b>

Note: Net assets, share in profit or loss and other comprehensive income of the Holding Company and subsidiaries are as per the standalone financial statements of respective entities.

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

**2.50 Ratios as per the Schedule III requirements****a) Current Ratio = Current Assets divided by Current Liabilities (excluding current borrowings)**

Particulars	31 March 2022	31 March 2021
Current Assets	2,902.06	1,971.16
Current Liabilities (excluding current borrowings)	1,108.34	1,146.31
<b>Ratio</b>	<b>2.62</b>	<b>1.72</b>
<b>% Change from previous year</b>	<b>52.33%</b>	

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

This ratio has increased from 1.72 in March 2021 to 2.62 in March 2022 mainly due to increase in bank deposits (with original maturity more than 3 months but less than 12 months) and current investments.

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

Particulars	31 March 2022	31 March 2021
Total debt	416.64	479.67
Shareholder's Equity	6,062.65	4,483.76
<b>Ratio</b>	<b>0.07</b>	<b>0.11</b>
<b>% Change from previous year</b>	<b>-36.36%</b>	

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

This ratio has decreased from 0.11 in March 2021 to 0.07 in March 2022 mainly due to repayment of borrowings and increase in equity on account of increase in share capital.

**c) Debt Service Coverage Ratio = Earnings available for debt service divided by interest and lease payments + principal repayments**

Particulars	31 March 2022	31 March 2021
Net Profit after tax	<b>1,386.73</b>	<b>395.68</b>
<b>Add: Non cash operating expenses and finance cost</b>	<b>1,365.58</b>	<b>1,172.93</b>
-Depreciation and amortizations	832.63	733.38
-Finance cost	532.03	440.63
-(Gain) / Loss on sale of property, plant and equipment	0.92	(1.08)
<b>Earnings available for debt service</b>	<b>2,752.31</b>	<b>1,568.61</b>
Interest cost on borrowings	40.18	46.50
Lease payments	516.54	445.04
Principal repayments	60.72	94.71
<b>Total Interest and principal repayments</b>	<b>617.44</b>	<b>586.25</b>
<b>Ratio</b>	<b>4.46</b>	<b>2.68</b>
<b>% Change from previous year</b>	<b>66.42%</b>	

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

This ratio has increased from 2.68 in March 2021 to 4.46 in March 2022 mainly due to increase in earnings available for debt service on account of increase in profit during the year.

## Notes to the Consolidated Financial Statements

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

### d) Return on Equity Ratio / Return on Investment Ratio = Net profit after taxes by average shareholder's equity

Particulars	31 March 2022	31 March 2021
Net profit after taxes	1,386.73	395.68
<b>Average Shareholder's Equity (excluding Non-controlling interest)</b>	<b>5,245.84</b>	<b>4,258.97</b>
Ratio	26.43%	9.29%
<b>% Change from previous year</b>	<b>184.50%</b>	

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

This ratio has increased from 9.29% in March 2021 to 26.43% in March 2022 on account of increase in Net profit after taxes due to increase in business volumes, which was offset by increase in share capital.

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

Particulars	31 March 2022	31 March 2021
Medical consumables and pharmacy items consumed	1,947.29	1,032.62
Average Inventory	124.60	130.37
<b>Inventory Turnover Ratio</b>	<b>15.63</b>	<b>7.92</b>
<b>% Change from previous year</b>	<b>97.35%</b>	

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

This ratio has increased from 7.92 in March 2021 to 15.63 in March 2022 mainly due to purchase of covid vaccines.

### f) Trade Receivables turnover ratio = Revenue from operations divided by Average Trade Receivables

Particulars	31 March 2022	31 March 2021
Revenue from operations	9,737.58	6,500.47
Average Trade Receivables	421.86	439.64
<b>Ratio</b>	<b>23.08</b>	<b>14.79</b>
<b>% Change from previous year</b>	<b>56.09%</b>	

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

This ratio has increased from 14.79 in March 2021 to 23.08 in March 2022 due to increase in the credit sales, overall increase in business volumes and better collection efficiency.

### g) Trade payables turnover ratio = Net purchases divided by Average Trade Payables

Particulars	31 March 2022	31 March 2021
Purchases	1,994.55	973.82
Average Trade Payables	590.50	559.50
<b>Ratio</b>	<b>3.38</b>	<b>1.74</b>
<b>% Change from previous year</b>	<b>94.25%</b>	

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

This ratio has increased from 1.74 in March 2021 to 3.38 in March 2022 mainly due to purchase of covid vaccines.

### h) Net capital Turnover Ratio = Revenue from operations divided by Working Capital where Working Capital= Current Assets - Current Liabilities (excluding current borrowings)

Particulars	31 March 2022	31 March 2021
Revenue from operations	9,737.58	6,500.47
Working capital	1,793.72	824.85
<b>Ratio</b>	<b>5.43</b>	<b>7.88</b>
<b>% Change from previous year</b>	<b>-31.09%</b>	

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

This ratio has increased from 6.09 % in March 2021 to 14.24% in March 2022 mainly due to increase in Net profit after taxes which was on account of increase in revenue from operations.

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

**i) Net profit ratio = Net profit after taxes divided by Revenue from operations**

Particulars	31 March 2022	31 March 2021
Net profit after taxes	1,386.73	395.68
Revenue from operations	9,737.58	6,500.47
<b>Ratio</b>	<b>14.24%</b>	<b>6.09%</b>
<b>% Change from previous year</b>	<b>133.83%</b>	

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

This ratio has increased from 6.09 % in March 2021 to 14.24% in March 2022 mainly due to increase in Net profit after taxes which was on account of increase in revenue from operations.

**j) Return on Capital employed (pre cash)=Earnings Before Interest and Taxes (EBIT) divided by Capital Employed (pre cash)**

Particulars	31 March 2022	31 March 2021
Profit before tax (A)	1,873.46	556.96
Finance Costs (B)	532.03	440.63
Other Income (C)	189.37	102.63
<b>EBIT (D) = (A)+(B)-(C)</b>	<b>2,216.12</b>	<b>894.96</b>
<b>Capital Employed (Pre Cash) (J)=( E)-(F)-(G)-(H)-(I)</b>	<b>9,632.49</b>	<b>8,542.53</b>
Total Assets (E)	12,957.49	10,812.67
Current Liabilities (F)	1,251.87	1,220.78
Current Investments (G)	220.98	102.62
Cash and Cash equivalents (H)	99.79	56.58
Bank balances other than cash and cash equivalents (I)	1,752.36	890.16
<b>Ratio (D)/(J)</b>	<b>23.01%</b>	<b>10.48%</b>
<b>% Change from previous year</b>	<b>119.56%</b>	

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

This ratio has increased from 10.48 % in March 2021 to 23.01 % in March 2022 mainly due to increase in earnings which was on account of increase in revenue from operations.

**2.51 Employee share based payment**

Pursuant to the resolutions passed by the Board on 27 November 2021 and by the Shareholders on 30 November 2021, the Holding company approved 'The Rainbow Employee Stock Option Scheme 2021 ("ESOP Scheme")' is in compliance with the SEBI SBEB Regulations. The ESOP Scheme is for issue of employee stock options to eligible employees, which may result in an issuance of a maximum number of 2,049,660 Equity Shares. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock option.

The Holding Company has not granted any options under ESOP Scheme. The total number of options available under ESOP Scheme is 2,049,660 which are exercisable for 2,049,660 Equity Shares.

**2.52** The MCA wide notification dated 24 March 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from 01 April 2021. The Group has incorporated the changes as per the said amendment in the financial statements and has also changed comparative numbers wherever applicable.

**Other Statutory Information:**

- i. The Group do not have any Benami property and neither any proceedings have been initiated or is pending against the Group for holding any Benami property.
- ii. The Group do not have any transactions with companies struck off.
- iii. The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Group has not been declared a willful defaulter by any bank or financial institution or any other lender during the current year.



## Notes to the Consolidated Financial Statements

- v. The Group have not advanced or loaned or invested funds to any other persons or entities including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii. The loan has been utilised for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- viii. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- ix. The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

### 2.53 Subsequent events

- i) Subsequent to 31 March 2022, the Board of Directors of the Holding company in their meeting held on 04 April 2022, approved conversion of (i) 11,46,771 0.0001% Series A Compulsorily Convertible Preference Shares of face value of ₹ 48 each into 11,46,771 Equity Shares of ₹ 10/- each and (ii) 11,33,309 0.0001% Series B Compulsorily Convertible Preference Shares of face value of ₹ 48 each into 11,33,309 Equity Shares of ₹ 10 each, at a conversion ratio of 1:1, ranking pari passu with the existing Equity Shares of the Holding company.
- ii) Subsequent to 31 March 2022, the Holding company has offered and issued 29,178,021 Equity Shares of ₹ 10 each in relation to Initial Public Offering ('IPO') comprising a fresh issue of Equity shares by the Holding company and an offer for sale of the Equity Shares by certain existing shareholders of the Holding company. Subsequent to the IPO, the Equity Shares of the Holding company were listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 10 May 2022.

As per our Report of even date attached

for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W/W-100024

**Jhahanwijha Shyamsukha**  
Partner  
Membership No.: 064550

Place: Hyderabad  
Date: 27 May 2022

for and on behalf of the Board of Directors of  
**Rainbow Children's Medicare Limited**  
(formerly Rainbow Children's Medicare Private Limited)  
CIN: U85110TG1998PLC029914

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

**R Gowrisankar**  
Chief Financial Officer

Place: Hyderabad  
Date: 27 May 2022

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

**Ashish Kapil**  
Company Secretary  
Membership no: A31782

Place: Hyderabad  
Date: 27 May 2022

## RAINBOW CHILDREN'S MEDICARE LIMITED

Corporate Identity Number: L85110TG1998PLC029914

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

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

Website: www.rainbowhospitals.in; E-Mail: companysecretary@rainbowhospitals.in

Phone: +91 40 49692244

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty-fourth (24<sup>th</sup>) Annual General Meeting ("AGM") of the members of Rainbow Children's Medicare Limited ("the Company") will be held on Thursday, September 15, 2022 at 11:30 A.M. IST through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility, to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial statements of the Company for the Financial Year ended March 31, 2022, the reports of the Auditors and Board of Directors thereon and the Audited Consolidated Financial statements of the Company for the Financial Year ended March 31, 2022 and the report of the Auditors thereon.
2. To declare dividend of ₹ 2/- per Equity Share for the Financial Year ended March 31, 2022.
3. To appoint a Director in place of Dr. Ramesh Kancharla (DIN: 00212270), who retires by rotation and being eligible offers himself for re-appointment.

#### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution:**

#### **Ratification of Remuneration payable to Cost Auditors for the Financial Year 2022-23.**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable provisions/statute as may be applicable from time to time, the Members of the Company hereby ratifies the remuneration of ₹ 1,50,000/- plus applicable taxes and out of pocket expenses payable to M/s. Lavanya & Associates, Sole Proprietorship Firm (Firm Reg. No: 101257), represented by K.V.N. Lavanya, Sole Proprietor (Membership No: 31069), Cost Accountants, appointed as Cost Auditors of the Company for the Financial Year 2022-23.

**RESOLVED FURTHER THAT** Dr. Ramesh Kancharla, Chairman and Managing Director, Dr. Dinesh Kumar Chirla, Whole-Time Director, Mr. R Gowrisankar, Chief Financial Officer and Mr. Ashish Kapil, Company Secretary and Compliance Officer of the Company be

and are hereby jointly or severally authorized to file the necessary e-form/ intimation in this regard with the Registrar of Companies, Telangana and to do all other things as may be considered necessary or incidental to give effect to the above resolution."

5. To consider and if thought fit, to pass with or without modifications the following resolution a **Special Resolution:**

#### **Cancellation of unissued shares of one class (Preference Shares) and increase in shares of other class (Equity Shares) in the Authorized Capital of the Company and consequent amendment of Memorandum of Association of the Company.**

**"RESOLVED THAT** pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), and in accordance with the Articles of Association of the Company consent of the Members of the Company be and is hereby accorded to cancel the unissued Preference Shares and increase the Equity Shares in the Authorized Share Capital as mentioned hereunder:

- (i) Cancel the unissued 11,46,771 - Series A 0.0001% Compulsorily Convertible Preference Shares of ₹ 48/- each ("**Series A CCPS**"), and 11,33,309 Series B 0.0001% Compulsorily Convertible Preference Shares ("**Series B CCPS**") of ₹ 48/- each, amounting to ₹ 10,94,43,840

and

- (ii) Increase Equity Shares by 1,09,44,384 Equity Shares of ₹ 10/- each amounting to ₹ 10,94,43,840.

**RESOLVED FURTHER THAT** the Clause V of the Memorandum of Association of the Company be substituted as under:

*"V. The Authorized Share Capital of the Company is ₹ 150,00,00,000/- divided into 15,00,00,000 Equity Shares of ₹ ₹ 10/- (Indian Rupees Ten Only) each."*

**RESOLVED FURTHER THAT** Dr. Ramesh Kancharla, Chairman and Managing Director, Dr. Dinesh Kumar Chirla, Whole-Time Director, Mr. R Gowrisankar, Chief Financial Officer and Mr. Ashish Kapil, Company Secretary and Compliance officer of the Company be and are hereby severally authorized to file necessary forms and documents with the Registrar of Companies

and to do all such acts, deeds or things as may be considered, necessary or incidental to give effect to the above aforesaid resolution.

By Order of the Board  
For **Rainbow Children's Medicare Limited**

**Ashish Kapil**  
**Company Secretary and Compliance Officer**  
**Membership No: A-31782**

**Place:** Hyderabad

**Date:** August 8, 2022

**Notes:**

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ("**Act**") setting out material facts concerning the business with respect to Item Nos. 4 & 5 forms part of this Notice. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**SEBI Listing Regulations**") and Secretarial Standard - 2 on General Meetings/issued by The Institute of Company Secretaries of India, in respect of Director retiring by rotation seeking re-appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished as an Annexure to the Notice.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circulars dated May 5, 2022 and May 5, 2020, permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. Accordingly, the AGM of the Company is being held through VC/OAVM. The facility of VC/OAVM and also casting votes by a member using remote e-Voting as well as venue e-Voting system on the date of the AGM will be provided by NSDL  
The Deemed Venue for the AGM shall be the Corporate office of the Company.
3. Pursuant to the provisions of the MCA Circulars, Members attending the 24<sup>th</sup> AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. As the AGM is being held through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and cast their votes through e-Voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National

Securities Depository Limited's ("**NSDL**") e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. Institutional/ corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) intending to participate through their authorized representative(s) are requested to send a scanned copy (JPEG/ PDF format) of their Board resolution/ authority letter/ power of attorney, etc. authorizing their representative(s) to participate in the AGM (through VC/ OAVM) and to vote on their behalf through remote e-voting or e-voting at the AGM. The said resolution/ authority letter/ power of attorney, etc. shall be sent through registered email address to the Scrutinizer at [mail@b5consulting.com](mailto:mail@b5consulting.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and to the Company at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in)
7. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 shall be available for inspection through electronic mode, basis the request being sent on [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in)

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act will be made available electronically for inspection by the members during the AGM.

Before the Initial Public Offering, the Members at their meeting held on November 30, 2021 approved the Rainbow Employee Stock Option Scheme 2021 ("ESOP Scheme") for issue of employee stock options to eligible employees, which may result in an issuance of a maximum number of 2,049,660 Equity Shares. The Company is yet to implement the ESOP Scheme under the provision of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Further the Company has not granted any options under the said ESOP Scheme, accordingly, the requirement of obtaining the certificate of compliance as required from the secretarial auditors of the Company under Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is not applicable.

8. In compliance with the MCA Circulars and SEBI Circulars, the Notice along with the Annual Report 2021-22 ("**Annual Report**") is being sent only by electronic mode to those Members whose email address are registered with the Company/ RTA/ Depositories.

Members may please note that this Notice and Annual Report will also be available on the Company's website at [www.rainbowhospitals.in](http://www.rainbowhospitals.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

9. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name will appear in the Register of Members / list of beneficiaries received from the Depositories as on Friday, August 12, 2022.
10. Members desiring any information/clarification on any matter to be placed at the AGM are requested to write to the Company at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in) at least seven days before AGM from their registered email address mentioning their name, DPID Client ID / folio no. and mobile number to enable the management to keep information ready at the AGM.
11. The Final Dividend on equity shares as recommended by the Directors of the Company for the Financial Year ended March 31, 2022, if declared at the AGM, will be paid on or before Friday, October 14, 2022 to those members whose names appear in the Register of Members as on Thursday, September 8, 2022 i.e. the record date. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Thursday, September 8, 2022 as per the details furnished by the depositories viz. National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
12. Pursuant to SEBI Listing Regulations, the Company is required to maintain bank details of its Members for the purpose of payment of Dividend etc. Members are requested to register/ update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode, to enable expeditious credit of the dividend to their bank accounts electronically.
13. Members who have not got their IPO refund till date are requested to do so.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar and Share Transfer Agent (RTA).
15. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, are

requested to send their requests in Form No. SH-13 to the RTA. Further, members desirous of cancelling/ varying nomination pursuant to Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14 to the Registrar and Share Transfer Agent ("RTA"). These forms will be made available on request.

16. Members can also provide their feedback on the Shareholders Services of the Company by filling the "Shareholders Satisfaction Survey" attached to this notice and emailing the same at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in) through their registered e-mail ID or sending the signed copy at the Corporate Office of the Company at 8-2-19/1/A, Dault Arcade, Karvy Lane, Road No. 11, Banjara Hills, Hyderabad – 500034, Telangana.

Your feedback will help the Company in improving its Shareholders Service Standards.

17. To comply with the provisions of Section 108 of the Act and Rules framed thereunder, Regulation 44 of the SEBI Listing Regulations, Secretarial Standard - 2 issued by the Institute of Company Secretaries of India and MCA Circulars, the Members are provided with the facility to cast their vote electronically through remote e-voting (prior to AGM) and e-voting (during the AGM) services provided by NSDL on all resolutions set forth in this Notice.

Only those Members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

18. The Board of Directors of the Company have appointed M/s BS & Company Company Secretaries LLP as Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM in a fair and transparent manner.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER: -**

- i. The remote e-voting period begins on Sunday, September 11, 2022 at 09:00 A.M. and ends on Wednesday, September 14, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- ii. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 8, 2022 may cast their vote electronically.

A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

- iii. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 8, 2022.

### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

#### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

#### **NSDL Mobile App is available on**



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider</b> i.e. <b>NSDL</b>. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important notes:**

- Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.
- Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. September 8, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/ RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. September 8, 2022, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43



**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mail@b5consulting.com](mailto:mail@b5consulting.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and to the Company at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote, Assistant Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting

system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join Meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Members are requested to allow camera option and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ on or before September 10, 2022 have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [companysecretary@rainbowhospitals.in](mailto:companysecretary@rainbowhospitals.in). The same will be replied by the company suitably.

Only those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

#### Declaration of Results

1. The Scrutinizer shall provide, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or in his absence, a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
2. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.rainbowhospitals.in](http://www.rainbowhospitals.in) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. Also, the results shall be placed at the Registered and corporate office of the Company
3. The recorded transcript of the proceeding of AGM shall be placed on the Company’s website at [www.rainbowhospitals.in](http://www.rainbowhospitals.in)

#### INFORMATION AT A GLANCE

Particulars	Details
Time and date of AGM	11:30 AM IST, Thursday, September 15, 2022
Mode	Video conference and other audio-visual means
Participation through video-conferencing	<a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>
Helpline number for VC participation	1800 1020 990
Cut-off date for-voting	Thursday, September 8, 2022
E-voting start time and date	Sunday, September 11, 2022 at 9:00 A.M.
E-voting end time and date	Wednesday, September 14, 2022 at 5:00 P.M.
E-voting website	<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
Name, address and contact details of e-voting service provider	<b>Ms. Sarita Mote, Assistant Manager, National Securities Depository Limited,</b> TradeWorld, 'A'Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013  Contact Details: 1800 1020 990 and 1800 22 44 30 or send a request to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a>
Name, address and contact details of Registrar and Transfer Agent	<b>Mr. Vijayanand Banerjee, Deputy Vice President, KFin Technologies Limited (formerly known as KFin Technologies Private Limited)</b> Selenium, Tower-B Plot 31 and 32, Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India Telephone: +91 40 6716 2222 Website: <a href="http://www.kfintech.com">www.kfintech.com</a>

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

##### ITEM NO. 4

The Board of Directors of the Company in their meeting held on May 27, 2022, on recommendation by the Audit Committee, appointed M/s. Lavanya & Associates, Sole Proprietorship Firm (Firm Reg. No: 101257), represented by K.V.N. Lavanya, Sole Proprietor (Membership No: 31069) as the Cost Auditors for the Financial Year 2022-23 at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum plus applicable taxes and out of pocket expenses.

As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the cost auditors is to be ratified by the members of the Company.

The Board considers the remuneration payable to the Cost Auditors as fair and recommends the resolution contained in Item No. 4 of the accompanying notice for approval of the members as an Ordinary Resolution.

None of the Directors or KMP's or their relatives are concerned or interested (to the extent of their shareholding in the Company, if any), financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

#### Item No. 5

The Members to take note that the existing Authorized Capital of the Company is as mentioned below:

Details	Share Capital (in ₹)
a. 13,90,55,616 Equity Shares of ₹ 10/- each.	139,05,56,160/-
b. 11,46,771 - Series A 0.0001% Compulsorily Convertible Preference Shares ("Series A CCPS") of ₹ 48/- each.	5,50,45,008/-
c. 11,33,309 Series B 0.0001% Compulsorily Convertible Preference Shares ("Series B CCPS") of ₹ 48/- each.	5,43,98,832/-
<b>TOTAL</b>	<b>150,00,00,000/-</b>

The Board of Directors of the Company are of the opinion that post conversion of "Series A CCPS & Series B CCPS" into equivalent number of Equity Shares, the Company does not require the excess authorised Preference Share Capital amounting to ₹ 10,94,43,840/-. Hence it is proposed to cancel unissued authorised Preference Share Capital and increase Equity authorized Share Capital by adding 1,09,44,384 Equity Shares (Equivalent to cancelled unissued Authorized Preference Share Capital) of face value of ₹ 10/- each amounting to ₹ 10,94,43,840/-

Post cancellation of unissued authorized Preference Share Capital and increase in the equivalent Equity Shares of the Company the Authorized Share Capital of the Company will be ₹ 150,00,00,000/- divided into 15,00,00,000 Equity Shares of ₹ 10/- each.

The Members may also take note that to give effect to above proposal Capital Clause of the Memorandum of Association of the Company is also required to be altered.

As per the provisions of Section 13 and 61 of the Companies Act, 2013, the above requires the approval of the shareholders of the Company by way of a Special Resolution. Accordingly, the approval of shareholders is being sought for cancellation of unissued authorized Preference Share Capital and increase in the equivalent Equity Shares of the Company and consequential change in Clause V of the Memorandum of Association of the Company.

The Board recommends passing of the resolutions set out in item No. 5 in the Notice convening the meeting.

None of the Directors, Key Managerial Persons or their relatives (to the extent of their shareholding in the Company, if any), in any way, concerned or interested, financial or otherwise in the resolution as set out in Item No. 5 of the Notice.

By Order of the Board  
For **Rainbow Children's Medicare Limited**

**Ashish Kapil**  
**Company Secretary and Compliance Officer**  
**Membership No: A-31782**

Date: August 8, 2022  
Place: Hyderabad

**Brief Profile of Director pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard for General Meetings (SS-2) are as mentioned below:**

Name	Dr. Ramesh Kancharla
DIN	00212270
Date of Birth (Age in Years)	June 23, 1961 (61 Years)
Date of First Appointment to the Board	August 7, 1998
Brief Resume and Nature of Expertise in specific functional areas	Dr. Ramesh Kancharla holds a Bachelor of Medicine and Bachelor of Surgery ("MBBS") from Sri Venkateswara University and a Doctor in Medicine ("MD") in paediatrics from Mangalore University. He is a member of the Royal Colleges of Physicians of the United Kingdom. He has over 23 years of experience with the Company. Prior to setting up the Company, he was associated with King's College Hospital, where he completed his specialist training in paediatric gastroenterology, hepatology and nutrition. He is awarded with the Lifetime Achiever of the Year in Pediatric Gastroenterology & Hepatology by Times of India in the year 2017 and the award for the best healthcare professional at the Telangana's Best Healthcare Professional Awards, 2017. In 2018 he was awarded the Entrepreneur of the Year award by the Sakshi Media Group.
Shareholding (as on the date of this Notice) in the Company either directly or in form of beneficial interest for any other person	3,14,94,654 Equity Shares
Relationship with other Directors & KMP's	None
No. of Meetings of the Board attended during the year 2021-22	9 (Nine) Meetings
Directorships held in other Companies (Excluding Foreign Companies)	<ul style="list-style-type: none"> <li>• Orange Corporation Private Limited</li> <li>• Nexgen Futurus Private Limited</li> <li>• Rainbow Speciality Hospitals Private Limited</li> <li>• Rainbow Women &amp; Children's Hospital Private Limited</li> <li>• Rainbow Advanced Health Sciences Private Limited</li> <li>• Rainbow Children's Hospital Private Limited</li> <li>• Rainbow Fertility Private Limited</li> </ul>
Listed Companies from which the person has resigned from the directorship in the past three year	Nil
Membership /Chairmanship of Committees of other companies	Nil
Terms and conditions of appointment/ re-appointment and Remuneration sought to be paid/last drawn	<p><b><u>Terms and conditions of appointment and Remuneration sought to be paid:</u></b></p> <p>Same as approved by the Shareholders in their Extra Ordinary General Meeting held on November 30, 2021</p> <p><b><u>Remuneration last drawn:</u></b></p> <p>As mentioned in the Corporate Governance Report</p>

## RAINBOW CHILDREN'S MEDICARE LIMITED

Corporate Identity Number: L85110TG1998PLC029914

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

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

Website: www.rainbowhospitals.in; E-Mail: companysecretary@rainbowhospitals.in

Phone: +91 40 49692244

### SHAREHOLDER SATISFACTION SURVEY

Dear Member,

As part of our constant endeavour to improve shareholder service, we seek your feedback on this Shareholder's Satisfaction Survey. Please spare a few minutes of your valuable time to fill this questionnaire.

Name of Sole/First Shareholder :

DP ID & Client ID/Folio Number :

Email ID :

Kindly rate your responses on specified service areas listed below on the following scale:

S. No	Area	Rating				
		5	4	3	2	1
1.	Overall Service Rating of RTA					
2.	Response to queries/grievances by Company/RTA					
3.	Receipt of various documents from the Company i.e. Annual Report, ECS Intimation etc.					
4.	Quality of disclosures to Stock Exchanges/on Company Website					
5.	Quality and content of Annual Report					
5- Excellent; 4-Very Good; 3-Good; 2-Satisfactory; 1-Need Improvement						

Do you have any grievance which has not been addresses so far :

Yes

No

If yes, please provide a brief summary of the grievance.

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Any suggestions for improving the quality of Investor Services

\_\_\_\_\_  
(SIGNATURE OF THE MEMBER)

THANK YOU FOR YOUR SUPPORT. YOUR FEEDBACK IS IMPORTANT TO US.





Listing ceremony of Rainbow Children's Hospital at NSE on May 10, 2022.





**RAINBOW CHILDREN'S MEDICARE LIMITED**

**CIN: L85110TG1998PLC029914**

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