



**Independent Auditor's Report**

**To the Members of RAINBOW CHILDREN'S HOSPITAL PRIVATE LIMITED**

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

**Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

The Company's current liabilities exceeded its current assets by Rs.0.04 million and a negative net worth of Rs.0.04 million as at 31 March 2022, which condition may cast doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**Other Information**

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

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

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

## **Management's and Board of Directors' Responsibilities for the Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.



However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has no pending litigations as at 31 March 2022 which would impact its financial position.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on management representation and such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The Company has not declared any Dividend in the previous year and hence no payment was made during the year. The Board of Directors of the Company have not proposed any dividend for the year and therefore the provisions of Section 123 of the Act are not applicable for the year.

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

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

P. Ravindranath Reddy



**P. Ravindranath Reddy**

Partner

Membership No. 021149

UDIN: 22021149 AJS HIDE 2105

Place: Hyderabad

Date: 26 May 2022



**Annexure A to the Independent Auditor's Report on Standalone Financial Statements**  
**RAINBOW CHILDREN'S HOSPITAL PRIVATE LIMITED**  
**(Referred to in our report of even date)**

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- (i) (a) The Company does not own any Property, Plant and Equipment including immovable properties. The Company also does not own any intangible assets, Accordingly, clause 3(i)(a) to 3(i)(d), of the Order is not applicable.
- (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 Company has not commenced its operations. Hence clause 3(ii)(a) of the Order is not applicable.
- (ii) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records as has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, read with the Companies (Cost Records and Audit) Rules, 2014 is not applicable to the Company for the time being .
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion no amounts have been 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 as the company has not commenced its operations.

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.

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

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

**(ix) (a)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

(xvii) The Company has incurred cash loss of Rs. 40,000 (rupees forty thousand only) in the current and Rs. 20,000 (rupees twenty thousand only) 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 financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

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

for **MAHADEVAN & CO**

*Chartered Accountants*

Firm's Registration No. 01925S

P. Ravindranath Reddy



**P.Ravindranath Reddy**

*Partner*

Membership No. 021149

UDIN: 22021149AISHTDC2105

Place: Hyderabad

Date: 26 May 2022



**Annexure B to the Independent Auditors' report on the financial statements of RAINBOW CHILDREN'S HOSPITAL PRIVATE LIMITED for the period ended 31 March 2022.**

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

**Opinion**

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

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

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

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

**Auditors' Responsibility**

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

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

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

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

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

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

for **MAHADEVAN & CO**

*Chartered Accountants*

Firm's Registration No. 01925S

*P. Ravindranath Reddy*



**P.Ravindranath Reddy**

*Partner*

Membership No. 021149

UDIN: 22021149AJSHIDC2105

Place: Hyderabad

Date: 26 May 2022



**Rainbow Children's Hospital Private Limited**
**Financial Statements**
**Balance Sheet as at 31 March 2022**

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

| Particulars                         | Note No.<br>Annexure VII | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------------|--------------------------|------------------------|------------------------|
| <b>ASSETS</b>                       |                          |                        |                        |
| <b>Current assets</b>               |                          |                        |                        |
| a. Financial assets                 |                          |                        |                        |
| (i) Cash and Cash equivalents       | B1                       | 0.05                   | 0.05                   |
| Total current assets                |                          | <b>0.05</b>            | <b>0.05</b>            |
| <b>Total assets</b>                 |                          | <b>0.05</b>            | <b>0.05</b>            |
| <b>EQUITY AND LIABILITIES</b>       |                          |                        |                        |
| <b>EQUITY</b>                       |                          |                        |                        |
| a. Equity share capital             | B2                       | 0.10                   | 0.10                   |
| b. Other equity                     | B3                       | (0.14)                 | (0.10)                 |
|                                     |                          | <b>(0.04)</b>          | <b>(0.00)</b>          |
| <b>LIABILITIES</b>                  |                          |                        |                        |
| <b>Current liabilities</b>          |                          |                        |                        |
| a. Financial liabilities            |                          |                        |                        |
| (i) Borrowings                      | B4                       | 0.02                   | -                      |
| (ii) Trade Payables                 | B5                       | 0.07                   | 0.05                   |
| Total current liabilities           |                          | <b>0.09</b>            | <b>0.05</b>            |
| <b>Total Equity and Liabilities</b> |                          | <b>0.05</b>            | <b>0.05</b>            |

Summary of significant accounting policies

V

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

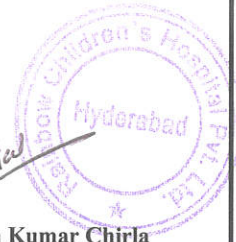
As per our report of even date.

**For MAHADEVAN & CO.,**  
Chartered Accountants  
FRN 001925S


P. Ravindranath Reddy

**P.Ravindranath Reddy**  
Partner  
M.No.021149

**For and on behalf of the board of Directors of**  
**Rainbow Children's Hospital Private Limited**

**Dr Ramesh Kancharla**  
Director  
DIN:00212270

**Dr Dinesh Kumar Chirila**  
Director  
DIN:01395841

 Date: 26 May 2022  
Place: Hyderabad

## Rainbow Children's Hospital Private Limited

## Financial Statements

## Statement of Profit and Loss for the year ended 31 March 2022

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

| Particulars                                                             | Note No.<br>Annexure VII | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|-------------------------------------------------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| <b>Income</b>                                                           |                          |                                     |                                     |
| Revenue from operations                                                 | P1                       | -                                   | -                                   |
| Other income                                                            |                          | -                                   | -                                   |
| <b>Total Income</b>                                                     |                          | -                                   | -                                   |
| <b>Expenses</b>                                                         |                          |                                     |                                     |
| Finance Cost                                                            | P2                       | 0.00                                | -                                   |
| Other expenses                                                          | P3                       | 0.04                                | 0.02                                |
| <b>Total expenses</b>                                                   |                          | 0.04                                | 0.02                                |
| <b>Profit before tax</b>                                                |                          | (0.04)                              | (0.02)                              |
| <b>Tax expense</b>                                                      |                          |                                     |                                     |
| - Current tax                                                           |                          | -                                   | -                                   |
| - Deferred tax charge                                                   |                          | -                                   | -                                   |
| <b>Total Tax expenses</b>                                               |                          | -                                   | -                                   |
| <b>Profit after tax</b>                                                 |                          | (0.04)                              | (0.02)                              |
| <b>Other Comprehensive Income</b>                                       |                          |                                     |                                     |
| (i) Items that will not be reclassified subsequently to profit and loss |                          | -                                   | -                                   |
| (ii) Items that will be reclassified subsequently to profit and loss    |                          | -                                   | -                                   |
| <b>Other Comprehensive Income for the year net of Tax</b>               |                          |                                     | -                                   |
| <b>Total Comprehensive Income for the year</b>                          |                          | (0.04)                              | (0.02)                              |

Earning per Equity share (Normal value of share Rs.10 each)

|         |    |        |        |
|---------|----|--------|--------|
| - Basic | P4 | (3.69) | (1.89) |
|---------|----|--------|--------|

Summary of significant accounting policies

V

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

As per our report of even date.

For MAHADEVAN & CO.,  
Chartered Accountants  
FRN 001925S



*P. Ravindranath Reddy*

P.Ravindranath Reddy  
Partner  
M.No.021149

Date: 26 May 2022  
Place: Hyderabad

For and on behalf of the board of Directors of  
Rainbow Children's Hospital Private Limited

*Ramesh Kancharla*  
Director  
DIN:00212270

*Dr Dinesh Kumar Chirila*  
Director  
DIN:01395841



## Rainbow Children's Hospital Private Limited

## Financial Statements

## Cash flow Statement as at 31 March 2022

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

| PARTICULARS                                                                                                       | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>A Cash flow from operating activities</b>                                                                      |                                     |                                     |
| Net profit before Tax and Extraordinary items                                                                     | (0.04)                              | (0.02)                              |
| Adjustments for:                                                                                                  |                                     |                                     |
| Finance cost                                                                                                      | 0.00                                | -                                   |
| <b>Operating profit / (loss) before working capital changes</b>                                                   | <b>(0.04)</b>                       | <b>(0.02)</b>                       |
| <b>Changes in working capital:</b>                                                                                |                                     |                                     |
| <b>Adjustment for (increase) / decrease in operating assets:</b>                                                  |                                     |                                     |
| - Trade Payables                                                                                                  | 0.02                                | 0.02                                |
| <b>Net cash from operating activities</b>                                                                         | <b>(0.02)</b>                       | <b>(0.00)</b>                       |
| <b>B Cash flow from investing activities</b>                                                                      |                                     |                                     |
| Purchase of property, plant and equipment and intangibles including capital advances and capital work-in-progress | -                                   | -                                   |
| <b>Net cash flow from investing activities</b>                                                                    | <b>-</b>                            | <b>-</b>                            |
| <b>C Cash flow from financing activities</b>                                                                      |                                     |                                     |
| Proceeds from Borrowings                                                                                          | 0.02                                | -                                   |
| <b>Net cash flow from financing activities</b>                                                                    | <b>0.02</b>                         | <b>-</b>                            |
| Net increase / (decrease) in cash and cash equivalents [A+B+C]                                                    | -                                   | (0.00)                              |
| Cash and cash equivalents at the beginning of the year                                                            | 0.05                                | 0.05                                |
| Cash and cash equivalents at the end of the year                                                                  | <b>0.05</b>                         | <b>0.05</b>                         |
| Cash and cash equivalents at the end of the year comprises:                                                       |                                     |                                     |
| i. Balances with banks                                                                                            | 0.05                                | 0.05                                |
| Cash and cash equivalents                                                                                         | <b>0.05</b>                         | <b>0.05</b>                         |

This is the Cash Flow Statement referred to in our Report of even date.

As per our report of even date.

For MAHADEVAN & CO.,  
CHARTERED ACCOUNTANTS  
FRN 001925S



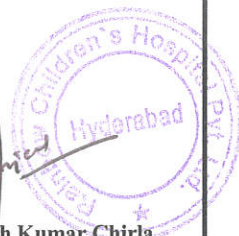
P. Ravindranath Reddy  
Partner  
M.No.021149

Date: 26 May 2022  
Place: Hyderabad

For and on behalf of the board of Directors of  
Rainbow Children's Hospital Private Limited



Dr Ramesh Kancharla  
Director  
DIN:00212270



Dr Dinesh Kumar Chirila  
Director  
DIN:01395841

**Rainbow Children's Hospital Private Limited**

**Financial Statements**

**Statement of Changes in Equity as at 31 March 2022**

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

| Particulars                  | Equity share capital | Other equity         |   |                            | Total |
|------------------------------|----------------------|----------------------|---|----------------------------|-------|
|                              |                      | Reserves and surplus |   | Other comprehensive income |       |
|                              |                      | Retained earning     |   |                            |       |
| Balance as at 1 April 2020   | 0.10                 | (0.08)               | - | (0.08)                     |       |
| Profit /( Loss) for the year | -                    | (0.02)               | - | (0.02)                     |       |
| Balance as at 31 March 2021  | 0.10                 | (0.10)               | - | (0.10)                     |       |
| Profit /( Loss) for the year | -                    | (0.04)               | - | (0.04)                     |       |
| Balance as at 31 March 2022  | 0.10                 | (0.14)               | - | (0.14)                     |       |

As per our report of even date.

For **MAHADEVAN & CO.,**  
Chartered Accountants  
FRN 001925S



*P. Ravindranath Reddy*

**P. Ravindranath Reddy**  
Partner  
M.No.021149

Date: 26 May 2022  
Place: Hyderabad

For and on behalf of the board of Directors of  
Rainbow Children's Hospital Private Limited



*Dr. Ramesh Kancharla*

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



*Dr. Dinesh Kumar Chirla*

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



## **Rainbow Children's Hospital Private Limited**

### **Summary of Significant Accounting Policies to Financial Statements for the year ended 31 March 2022**

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

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

Rainbow Children's Hospital Private Limited ('the Company') is a Private Limited Company incorporated in India, having its registered office at Hyderabad, India. The company is primarily engaged in providing healthcare and related services. The Company has not yet commenced any commercial activities.

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

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

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

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

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

###### **b. Functional and Presentation Currency**

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

###### **c. Basis of measurement**

The Ind AS financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which are measured at fair value basis

###### **d. Use of estimates and judgements:**

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

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

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



## Rainbow Children's Hospital Private Limited

Summary of Significant Accounting Policies to Financial Statements for the year ended 31 March 2022

### e. Current / Non-current classification

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

#### Assets

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

- i. it is expected to be realized 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 realized 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 realization in cash or cash equivalents.

### f. 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



## **Rainbow Children's Hospital Private Limited**

### **Summary of Significant Accounting Policies to Financial Statements for the year ended 31 March 2022**

#### **f. Measurement of fair values (continued)**

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.

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

Fair values are categorized 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 different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

#### **1.3 Significant accounting policies**

##### **a. Financial Instruments**

##### **i. Recognition and initial measurement**

The Company initially recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized 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.





## Rainbow Children's Hospital Private Limited

Summary of Significant Accounting Policies to Financial Statements for the year ended 31 March 2022

### ii. Classification and subsequent measurement

#### Financial assets:

##### *Financial assets carried at amortized cost*

A financial asset is subsequently measured at amortized 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 is subsequently fair valued through profit or loss.

#### Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

### iii. Derecognition

#### Financial assets:

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity.

#### Financial liabilities:

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.

#### 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 realize the asset and settle the liability simultaneously.



**Rainbow Children's Hospital Private Limited****Notes to Financial Statements as at 31 March 2022**

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

| <b>PARTICULARS</b>                      | <b>As at<br/>31 March 2022</b> | <b>As at<br/>31 March 2021</b> |
|-----------------------------------------|--------------------------------|--------------------------------|
| <b><u>Note -B1</u></b>                  |                                |                                |
| <b><u>Cash and cash equivalents</u></b> |                                |                                |
| (a) Balances with banks                 | 0.05                           | 0.05                           |
|                                         | 0.05                           | 0.05                           |



**Rainbow Children's Hospital Private Limited**  
**Notes to Financial Statements as at 31 March 2022**

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

| PARTICULARS                                                                                                                                                                         | As at<br>31 March 2022                       | As at<br>31 March 2021              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------------------------|
| <b>Note -B4</b><br><b><u>Borrowings</u></b><br><b>Short Term</b><br><b>( Unsecured)</b><br>(a) Dues to Related Parties * (refer note: 1.1)<br>'ICD<br>'Interest accrued but not due | <br><br><br><br><br><br>0.02<br>0.00<br>0.02 | <br><br><br><br><br><br>-<br>-<br>- |
| <b>Note -B5</b><br><b><u>Trade Payables</u></b><br>(a) Audit Fee Payable                                                                                                            | <br><br>0.07<br>0.07                         | <br><br>0.05<br>0.05                |

\* Dues to Related Parties represent amounts received from holding company Rainbow Children's Medicare Limited (formerly Rainbow Children's Medicare Private Limited) and interest payable at the rate of 9.5% p.a. thereon.





**Rainbow Children's Hospital Private Limited**
**Notes to Financial Statements as at 31 March 2022**

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

| PARTICULARS                                                                                   | As at<br>31 March 2022 |        | As at<br>31 March 2021 |        |
|-----------------------------------------------------------------------------------------------|------------------------|--------|------------------------|--------|
|                                                                                               | Number                 | Amount | Number                 | Amount |
| <b>Note -B3</b><br><b>Share capital</b><br><b>Authorised</b><br>Equity Shares of Rs.10/- each | 10,000                 | 0.10   | 10,000                 | 0.10   |
| <b>Issued, Subscribed &amp; Paid up</b><br>Equity Shares of Rs.10/- each                      | 10,000                 | 0.10   | 10,000                 | 0.10   |
|                                                                                               | 10,000                 | 0.10   | 10,000                 | 0.10   |

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year :**

| PARTICULARS                                            | As at<br>31 March 2022 |        | As at<br>31 March 2021 |        |
|--------------------------------------------------------|------------------------|--------|------------------------|--------|
|                                                        | Number                 | Amount | Number                 | Amount |
| Equity Shares outstanding at the beginning of the year | 10,000                 | 0.10   | 10,000                 | 0.10   |
| Equity Shares Issued during the year                   | -                      | -      | -                      | -      |
| Equity Shares bought back during the year              | -                      | -      | -                      | -      |
| Equity Shares outstanding at the end of the year       | 10,000                 | 0.10   | 10,000                 | 0.10   |

**Details of Shares in the company held by each shareholder holding more than 5 percent shares :**

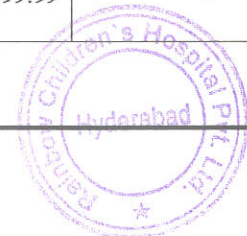
| NAME OF SHAREHOLDER                                                                        | As at<br>31 March 2022 |            | As at<br>31 March 2021 |            |
|--------------------------------------------------------------------------------------------|------------------------|------------|------------------------|------------|
|                                                                                            | No. of<br>Shares held  | Percentage | No. of<br>Shares held  | Percentage |
| Rainbow Children's Medicare Limited (formerly Rainbow Children's Medicare Private Limited) | 9,999                  | 99.99      | 9,999                  | 99.99      |
| Held by Nominee                                                                            | 1                      | 0.01       | 1                      | 0.01       |

**Share holding patron of Holding Company together with its subsidiaries and/or associates as at Balance Sheet date :**

| PARTICULARS                                             | As at<br>31 March 2022 |       | As at<br>31 March 2021 |       |
|---------------------------------------------------------|------------------------|-------|------------------------|-------|
|                                                         | Equity Shares          |       | Equity Shares          |       |
|                                                         | Number                 | %     | Number                 | %     |
| Shares Held by Holding company                          | 9,999                  | 99.99 | 9,999                  | 99.99 |
| Shares Held by Ultimate Holding company                 | -                      | -     | -                      | -     |
| Shares Held by subsidiaries of Holding company          | -                      | -     | -                      | -     |
| Shares Held by associates of Holding company            | -                      | -     | -                      | -     |
| Shares Held by subsidiaries of Ultimate Holding company | -                      | -     | -                      | -     |
| Shares Held by associates of Ultimate Holding company   | -                      | -     | -                      | -     |

**Shareholding of promoters**

| PARTICULARS                                                                                | As at<br>31 March 2022 |       |                             | As at<br>31 March 2021 |       |                             |
|--------------------------------------------------------------------------------------------|------------------------|-------|-----------------------------|------------------------|-------|-----------------------------|
|                                                                                            | Equity Shares          |       |                             | Equity Shares          |       |                             |
|                                                                                            | Number                 | %     | % change<br>during the year | Number                 | %     | % change<br>during the year |
| Rainbow Children's Medicare Limited (formerly Rainbow Children's Medicare Private Limited) | 9,999                  | 99.99 | -                           | 9,999                  | 99.99 | -                           |



**Rainbow Children's Hospital Private Limited****Notes to Financial Statements for the year ended 31 March 2021**

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

| <b>PARTICULARS</b>                                                                   | <b>For the year ended<br/>31 March 2022</b> | <b>For the year ended<br/>31 March 2021</b> |
|--------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b><u>Note -P1</u></b>                                                               |                                             |                                             |
| <b><u>Other Income</u></b>                                                           |                                             |                                             |
| Credit balance Written back                                                          | -                                           | -                                           |
|                                                                                      | -                                           | -                                           |
| <b><u>Note -P2</u></b>                                                               |                                             |                                             |
| <b><u>Finance Cost</u></b>                                                           |                                             |                                             |
| Interest Expense on ICD (refer note : 1.1)                                           | 0.00                                        | -                                           |
|                                                                                      | 0.00                                        | -                                           |
| <b><u>Note -P3</u></b>                                                               |                                             |                                             |
| <b><u>Other Expenses</u></b>                                                         |                                             |                                             |
| Audit Fees                                                                           | 0.04                                        | 0.02                                        |
| Rates & Taxes, excluding taxes on income                                             | -                                           | 0.00                                        |
| Miscellaneous expenses                                                               | -                                           | -                                           |
|                                                                                      | 0.04                                        | 0.02                                        |
| <b><u>Note -P4</u></b>                                                               |                                             |                                             |
| <b><u>Earnings Per Share (EPS)</u></b>                                               |                                             |                                             |
| i) Net Profit after tax as per Statement of Profit and Loss                          | (0.04)                                      | (0.02)                                      |
| ii) Weighted Average number of equity shares used as denominator for calculating EPS | 0.01                                        | 0.01                                        |
| iii) Basic Earnings per share                                                        | (3.69)                                      | (1.89)                                      |
| iv) Face Value per equity share                                                      | 10                                          | 10                                          |



**Rainbow Children's Hospital Private Limited****Notes to Financial Statements as at 31 March 2022**

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

**1.1 Related party disclosures**

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

| Name of the parties                                                                        | Relationship                                         |
|--------------------------------------------------------------------------------------------|------------------------------------------------------|
| Rainbow Children's Medicare Limited (formerly Rainbow Children's Medicare Private Limited) | Holding Company                                      |
| Dr.Ramesh Kancharla                                                                        | Key Managerial Personnel ( KMP)                      |
| Dr.Dinesh Kumar Chirla                                                                     | Key Managerial Personnel ( KMP)                      |
| Rainbow Women & Children's Hospitals Pvt. Ltd.                                             | Enterprises where KMP exercise significant Influence |
| Rainbow Speciality Hospitals Private Limited                                               | Enterprises where KMP exercise significant Influence |
| Rosewalk Healthcare Private Limited                                                        | Enterprises where KMP exercise significant Influence |
| Rainbow Fertility Private Limited                                                          | Enterprises where KMP exercise significant Influence |
| Rainbow CRO Private Limited                                                                | Enterprises where KMP exercise significant Influence |

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

| Particulars                                           | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|-------------------------------------------------------|-------------------------------------|-------------------------------------|
| i) Interest expense on ICD taken from Holding Company | 0.00                                | -                                   |
| ii) ICD received from Holding Company                 | -                                   | -                                   |

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

| Particulars                            | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------------|------------------------|------------------------|
| i) Interest accrued to Holding Company | 0.00                   | -                      |
| ii) ICD Payable to Holding Company     | -                      | -                      |
| iii) Investment by Holding Company     | 0.10                   | 0.10                   |

d) Terms and conditions of transactions with related parties:

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

**1.2 Segment information**

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





### 1.3 Financial risk management objectives and policies

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

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

#### a) Market risk :

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

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

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

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

#### b) Interest rate risk :

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

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

#### Interest rate sensitivity

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

|                      | Increase/decrease<br>in interest rate | Effect on profit before tax |
|----------------------|---------------------------------------|-----------------------------|
| <b>31 March 2022</b> |                                       |                             |
| INR                  | +1%                                   | -                           |
| INR                  | -1%                                   | -                           |
| <b>31 March 2021</b> |                                       |                             |
| INR                  | +1%                                   | -                           |
| INR                  | -1%                                   | -                           |



**1.3 Financial risk management objectives and policies (continued)****c) Credit risk**

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

**d) Liquidity risk**

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

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

|                                 | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | >5 years | Total |
|---------------------------------|-----------|--------------------|----------------|--------------|----------|-------|
| <b>Year ended 31 March 2022</b> |           |                    |                |              |          |       |
| Borrowings                      | -         | -                  | -              | -            | -        | -     |
| Loans from Related parties      | -         | -                  | -              | -            | -        | -     |
| Other payables                  | -         | 0.04               | 0.02           | 0.02         | -        | 0.07  |
| <b>Year ended 31 March 2021</b> |           |                    |                |              |          |       |
| Borrowings                      | -         | -                  | -              | -            | -        | -     |
| Loans from Related parties      | -         | -                  | -              | -            | -        | -     |
| Other payables                  | -         | 0.02               | 0.02           | 0.02         | -        | 0.06  |

**1.4 Capital management**

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as at 31 March 2022 and 31 March 2021 as follows:

| Particulars                                                         | 31 March 2022 | 31 March 2021 |
|---------------------------------------------------------------------|---------------|---------------|
| Total equity attributable to the equity shareholders of the Company | 0.10          | 0.10          |
| As a percentage of total capital                                    | 100.00%       | 100.00%       |
| Long term borrowings including current maturities                   | -             | -             |
| Short term borrowings                                               | -             | -             |
| Total borrowings                                                    | -             | -             |
| As a percentage of total capital                                    | 0.00%         | 0.00%         |
| Total capital (equity and borrowings)                               | 0.10          | 0.10          |

**1.5 Impact of COVID-19 on Business**

The Management of the Company estimated that it has adequate resources to remain in operation for the foreseeable future and there will be no significant impact of Covid -19 on the Company . Accordingly the company continued to adopt the going concern basis in preparing the financial statements. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.



**1.6 Additional Regulatory Information:**

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

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

**Ratios as per the Schedule III requirements**

**a) Current Ratio = Current Assets divided by Current Liabilities**

| Particulars                 | 31 March 2022 | 31 March 2021 |
|-----------------------------|---------------|---------------|
| Current Assets              | 0.05          | 0.05          |
| Current Liabilities         | 0.09          | 0.05          |
| Ratio                       | 0.55          | 0.93          |
| % Change from previous year | -41.02%       |               |

**Reason for change more than 25%**

This ratio has decreased from 0.93 in March 2021 to 0.55 in March 2022 mainly due to increase in trade payables.

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

| Particulars                 | 31 March 2022 | 31 March 2021 |
|-----------------------------|---------------|---------------|
| Total debt                  | 0.02          | -             |
| Total equity                | (0.04)        | (0.00)        |
| Ratio                       | -0.47         | -             |
| % Change from previous year | NA            |               |

**Reason for change more than 25%: Not applicable**

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

| Particulars                                       | 31 March 2022 | 31 March 2021 |
|---------------------------------------------------|---------------|---------------|
| Profit after tax                                  | (0.04)        | (0.02)        |
| Add: Non cash operating expenses and finance cost | 0.00          | -             |
| -Depreciation and amortizations                   | -             | -             |
| -Finance cost                                     | 0.00          | -             |
| Earnings available for debt services              | (0.04)        | (0.02)        |
| Interest cost on borrowings                       | 0.00          | -             |
| Principal repayments                              | -             | -             |
| Total Interest and principal repayments           | 0.00          | -             |
| Ratio                                             | -23.14        | NA            |
| % Change from previous year                       | NA            |               |





Ratios as per the Schedule III requirements (continued)

Reason for change more than 25%: Not applicable

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

| Particulars                 | 31 March 2022 | 31 March 2021 |
|-----------------------------|---------------|---------------|
| Net profit after tax        | (0.04)        | (0.02)        |
| Equity                      | (0.04)        | (0.00)        |
| Ratio                       | 90.78%        | 503.91%       |
| % Change from previous year | -81.98%       |               |

Reason for change more than 25%:

This ratio has increased from 503.91% in March 2021 to 90.78% in March 2022 mainly due to increase in negative networth due to current year losses.

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

| Particulars                 | 31 March 2022 | 31 March 2021 |
|-----------------------------|---------------|---------------|
| Cost of Goods sold          | NA            | NA            |
| Closing Inventory           | NA            | NA            |
| Inventory Turnover Ratio    | NA            | NA            |
| % Change from previous year | NA            |               |

Reason for change more than 25%: Not applicable

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

| Particulars                 | 31 March 2022 | 31 March 2021 |
|-----------------------------|---------------|---------------|
| Credit Sales                | NA            | NA            |
| Closing Trade Receivables   | NA            | NA            |
| Ratio                       | NA            | NA            |
| % Change from previous year | NA            |               |

Reason for change more than 25%: Not applicable

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

| Particulars                 | 31 March 2022 | 31 March 2021 |
|-----------------------------|---------------|---------------|
| Credit Purchases            | NA            | NA            |
| Closing Trade Payables      | NA            | NA            |
| Ratio                       | NA            | NA            |
| % Change from previous year | NA            |               |

Reason for change more than 25%: Not applicable

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

| Particulars                 | 31 March 2022 | 31 March 2021 |
|-----------------------------|---------------|---------------|
| Sales                       | NA            | NA            |
| Working Capital             | NA            | NA            |
| Ratio                       | NA            | NA            |
| % Change from previous year | NA            |               |

Reason for change more than 25%: Not applicable



**Rainbow Children's Hospital Private Limited**  
**Notes to Financial Statements as at 31 March 2022**  
 (All amounts in Indian Rupees (Rs.) unless otherwise stated)

**Ratios as per the Schedule III requirements (continued)**

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

| Particulars                 | 31 March 2022 | 31 March 2021 |
|-----------------------------|---------------|---------------|
| Net profit after tax        | NA            | NA            |
| Sales                       | NA            | NA            |
| Ratio                       | NA            | NA            |
| % Change from previous year | NA            | NA            |

**Reason for change more than 25%: Not applicable**

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

| Particulars                                            | 31 March 2022 | 31 March 2021 |
|--------------------------------------------------------|---------------|---------------|
| Profit before tax (A)                                  | (0.04)        | (0.02)        |
| Finance Costs (B)                                      | 0.00          | -             |
| Other Income (C)                                       | -             | -             |
| EBIT (D) = (A)+(B)-(C)                                 | (0.04)        | (0.02)        |
| Capital Employed (Pre Cash) (J)=( E)-(F)-(G)-(H)-(I)   | (0.09)        | (0.05)        |
| Total Assets (E)                                       | 0.05          | 0.05          |
| Current Liabilities (F)                                | 0.09          | 0.05          |
| Current Investments (G)                                | -             | -             |
| Cash and Cash equivalents (H)                          | 0.05          | 0.05          |
| Bank balances other than cash and cash equivalents (I) | -             | -             |
| Ratio (D)/(J)                                          | 39.61%        | 36.03%        |
| % Change from previous year                            | 9.91%         |               |

**Reason for change more than 25%: Not applicable**

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



**Rainbow Children's Hospital Private Limited**  
**Notes to Financial Statements as at 31 March 2022**  
 (All amounts in Indian Rupees (Rs.) unless otherwise stated)

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

| Note | Description                                                       | As at<br>31 March 2022 | Rs. in '000<br>As at<br>31 March 2021 |
|------|-------------------------------------------------------------------|------------------------|---------------------------------------|
| B4   | <b>Borrowings</b><br>Interest accrued but not due                 | 1.53                   | -                                     |
| P2   | <b>Finance Cost</b><br>Interest Expense on ICD                    | 1.53                   | -                                     |
| P3   | <b>Other Expenses</b><br>Rates & Taxes, excluding taxes on income | -                      | 1.20                                  |

As per our report of even date.

**For MAHADEVAN & CO**  
 Chartered Accountants  
 FRN 001925S



*P. Ravindranath Reddy*

**P. Ravindranath Reddy**  
 Partner  
 M.No.021149

Date: 26 May 2022  
 Place: Hyderabad

**For and on behalf of the board of Directors of**  
**Rainbow Children's Hospital Private Limited**



*[Signature]*  
**Dr. Dinesh Kumar Chirila**  
 Director  
 DIN: 01395841



*[Signature]*  
**Dr. Ramesh Kancharla**  
 Director  
 DIN: 00212270