

IPO Note

April 23, 2022

Rainbow Children's Medicare Limited



A central word cloud with the word "IPO" in large blue letters, surrounded by various terms related to the Initial Public Offering process. The surrounding words include: BULLMARKET, OFFERING, STOCK, PROFIT, LARGE, DISCOUNT, VENTURE, MARKET, CAPITAL, PERIOD, INVESTOR, MONEY, SELLING, PUBLIC OFFERING, UNDER PRICING, OPPORTUNITY, SECURITY, FIRST, and several smaller terms like SELL, BROKER, COMPANY, GROWTH, FLOW, SHARES, VALUE, TRADING, PRICE, and UNDERWRITER.



Issue Snapshot:

Issue Open: Apr 27 – Apr 29, 2022

Price Band: Rs. 516 – 542 (Discount of Rs 20 for eligible employees)

*Issue Size: Rs 1581 cr (Fresh Issue of Rs 280 cr + Offer for sale of 24,000,900 eq shares)

Reservation for:

QIB Upto 50% eq sh

Non Institutional atleast 15% eq sh
((including 1/3rd for applications between Rs.2 lakhs to Rs.10 lakhs))

Retail atleast 35% eq sh

Employee Reservation: Upto 300,000 eq sh

Face Value: Rs 10

Book value: Rs 61.63 (Dec 31, 2021)

Bid size: - 27 equity shares and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity: Rs. 96.33 cr

*Post issue Equity: Rs. 101.50 cr

Listing: BSE & NSE

Book Running Lead Managers Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, IIFL Securities Limited

Registrar to issue: KFin Technologies Limited

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	62.19	49.83
Public	37.81	50.17
Total	100.0	100.0

*assuming issue subscribed at higher band

Background & Operations:

Rainbow Children's Medicare Ltd (RCML) is a leading multi-specialty pediatric and obstetrics and gynecology hospital chain in India, operating 14 hospitals and three clinics in six cities, with a total bed capacity of 1,500 beds, as of December 31, 2021. It had the highest number of hospital beds amongst comparable players in the maternity and pediatric healthcare delivery sector, as of March 31, 2021. Its core specialties are pediatrics, which includes newborn and pediatric intensive care, pediatric multi-specialty services, pediatric quaternary care (including multi organ transplants); and obstetrics and gynecology, which includes normal and complex obstetric care, multi-disciplinary fetal care, perinatal genetic and fertility care.

RCML's ability to recruit and retain high caliber medical professionals has been integral to the success of the business. It follows a doctor engagement model whereby most of its core specialists work exclusively at its hospitals on a full-time retainer basis. This model ensures that most of the core specialists are available 24/7 on a roster basis at its hospitals, which is particularly important for children's emergency, neonatal and pediatric intensive care services. As of December 31, 2021, RCML had 641 full-time doctors and 1,947-part time/visiting doctors. Its fulltime doctor model along with a strong middle grade doctor pool ensures seamless healthcare delivery across its hospitals, which has resulted in a high degree of patient satisfaction. A number of its doctors in neonatal, pediatric intensive care, pediatric sub specialties, obstetrics and gynecology are trained or possess qualifications from the United Kingdom, United States, Canada and Australia, which provides RCML with a competitive advantage. It has successfully adopted this doctor engagement model across its hospitals, which has led to a high degree of full-time doctor retention (at 81% for the period from April 1, 2019 to March 31, 2021).

RCML has expanded its hospital network and increased its bed capacity from 1,162 beds as of March 31, 2019 to 1,500 beds as of December 31, 2021. Over the same period, it increased the number of hospitals from 10 to 14. It has approached its network expansion with financial prudence and has been disciplined when making financial decisions for capital investments.

The Hospital follow a hub-and-spoke model in Hyderabad, Telangana with its Banjara Hills hospital (comprising 250 beds) being the hub and four spokes at four locations in Hyderabad, Telangana namely Secunderabad, LB Nagar, Kondapur and Hydernagar. At its hub hospital, it provides comprehensive outpatient and inpatient care with a focus on tertiary and quaternary care and, at its spokes, it provides secondary care in pediatric, obstetrics and gynecology and emergency services. This model has strengthened its market position in and around Hyderabad, Telangana providing with synergies through referrals for tertiary and quaternary care to its hub arising from the spoke hospitals.

RCML also plans to increase the scale of its reach to patients through a robust digital ecosystem. In the period from April 1, 2020 to March 31, 2021, driven in part by the movement restrictions arising out of the COVID-19 pandemic, it conducted over 125,000 outpatient video consultations through its video consultation platform. There is potential to establish a hybrid model of healthcare delivery, which allows RCML to provide outpatient consultations through virtual means and subsequent inpatient admissions, if needed, at its network hospitals. It is in the process of building a digital healthcare delivery solution that enables healthcare delivery irrespective of geography.



Objects of Issue:

The Offer comprises of the Fresh Issue and an Offer for Sale by the Selling Shareholders.

Offer for Sale

Each of the Selling Shareholders will be entitled to its proceeds of the Offer for Sale, after deducting its portion of the Offer related expenses and relevant taxes thereon. RCML will not receive any proceeds from the Offer for Sale, and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Fresh Issue

RCML propose to utilise the Net Proceeds towards funding the following objects:

- Early redemption of NCDs issued by RCML to CDC Emerging Markets Limited ("CDCEML"), one of its Group Companies, in full;
- Capital expenditure towards setting up of new hospitals and purchase of medical equipment for such new hospitals; and
- General corporate purposes.

In addition, RCML expects to achieve the benefits of listing of the Equity Shares on the Stock Exchanges which, will result in the enhancement of brand name and creation of a public market for its Equity Shares in India.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

Particulars	Amount (Rs.in million)
Early redemption of NCDs issued by RCML to CDC Emerging Markets Limited ("CDCEML"), one of its Group Companies, in full;	400.00
Capital expenditure towards setting up of new hospitals and purchase of medical equipment for such new hospitals;	1700.00
General corporate purposes	*
Total	*

Competitive Strengths

Ability to conceptualize, create and operate specialized children's hospitals: The pediatric healthcare model followed in the United States is the benchmark for medical care across the world. The United States has more than 250 children hospitals accounting for nearly 95% of the tertiary care with respect to children. These hospitals also incorporate women care into their specialties due to instances such as high-risk pregnancies, which make the need for integrated mother and childcare imperative. Such dedicated children's hospitals are limited in number in India. Major players such as RCML, whose model corresponds to dedicated children care similar to children's hospitals in the United States, are making headway in this space.

RCML's specialization in pediatric care and the ability to conceptualize, create and operate children's hospitals are critical to its success. Its founding Promoter and senior consultants, who were trained in children's hospitals in the United Kingdom, United States, Canada and Australia believe that a children's hospital requires a children centric approach towards making the atmosphere congenial and enabling faster healing of children suffering from acute or prolonged illness. This is one of the key factors that RCML focus on as it conceptualizes and build all its hospitals. It allocates a significant proportion of its capital expenditure towards the interiors of its hospitals in order to make the environment congenial for children.

Further, a children's hospital requires focus on psychological and emotional care, which is different from adult hospitals, and RCML keep this understanding at the forefront while treating children. Doctors, nurses and other hospital staff need to be soft and gentle while dealing with children and that is manifested in all the aspects of its healthcare delivery. It has realized that keeping the children centric atmosphere in its hospitals has been one of the biggest differentiators and a key factor of its success. In RCML's experience, children getting treated at its hospitals become comfortable with the setting, as opposed to being apprehensive.

Leading pediatric multi-specialty healthcare chain with strong clinical expertise in managing complex diseases: RCML is one of India's largest multi-specialty pediatric care providers (based on hospital beds, as of March 31, 2021), with a presence across various specialties such as neurology, nephrology, gastroenterology, oncology and cardiology. It has built a comprehensive pediatric critical care program and has consistently allocated approximately one-third of its operational beds at all its hospitals to critical care. In addition, it has established advanced neonatal and pediatric intensive care services across its hospitals. The Hospital provides complex multi-specialty tertiary intensive care at its hub hospitals, which provides it with a significant competitive advantage. RMCL is classified as a standalone pediatric multi-specialty hospital chain and one of the few pediatric focused hospital chains in south India.



Set forth below are certain key initiatives and achievements which demonstrate RCML clinical expertise in the field of pediatrics:

- In RCML's hub hospital in Hyderabad, Telangana it has built an advanced multi-disciplinary pediatric intensive care unit where it offers neurocritical care services, continuous renal replacement therapy ("CRRT"), dialysis, plasmapheresis services, burn treatments, post-transplant patient care, and both neonatal and children extracorporeal membrane oxygenation ("ECMO") therapy. Additionally, as part of its intensive care program, it also has built an extensive transportation network in and around Hyderabad, Telangana that helped it bring newborn and children requiring specialized intensive care to its hub hospital using advanced life support ambulances, covering nearby districts.
- At the Rainbow Children's Heart Institute, located in Hyderabad, Telangana RCML has dedicated 110 beds for its cardiac program. It has treated 20,171 outpatients, and performed 896 cardiac surgeries and 834 cardiac catheterization procedures. Its team provides specialized fetal echocardiography services and fetal cardiac procedures and has done 6,578 fetal echocardiography scans.
- Nine of RCML's hospitals are recognized by the National Board of Examination ("DNB"), the Indian Association of Pediatrics ("IAP") and the National Neonatology Forum ("NNF") for training doctors in pediatric, neonatology, pediatric sub-specialties, obstetrics and gynecology.
- Over the last 22 years RCML has received a number of awards and recognitions. In 2016, it was recognized by the Guinness Book of World Records for the largest gathering of pre-term babies under one roof at its Rainbow Children's Hospital & Birthright by Rainbow Hospitals, Banjara Hills, Hyderabad, Telangana. Further, in 2018, it was recognized by the LIMCA Book of Records for saving the smallest baby in Southeast Asia.

The Hospitals' leadership position in pediatrics, especially in relation to complex diseases, provides it with a significant competitive advantage. It is expected that the pediatric healthcare market in India to grow from Rs. 1,010 billion as of March 31, 2021 to Rs. 2,100 billion by the end of the financial year 2026, at a CAGR of 13%. RCML is well placed to benefit from this expected growth in the industry.

Comprehensive perinatal care provider, with synergies between pediatric and obstetrics and gynecology services: RCML's ability to offer integrated pediatric, along with its obstetric and gynecologic services, enables to provide very effective and cost-efficient one-stop healthcare solutions to families. This is largely attributable to the synergies between its pediatric care and its obstetrics and gynecology services.

Its perinatology division (covering maternal medicine, obstetrics, fertility, fetal medicine and neonatology) has worked cohesively over the years to optimize outcomes in many high-risk pregnancies such as multiple pregnancies, extreme prematurity, surgically correctible fetal anomalies and growth restrictions. This robust model of care has made a huge positive impact on outcomes for RCML's patients. In 2015, as an acknowledgement of the success and rapid growth of this discipline, the Hospital rebranded its perinatal division as "Birth Right by Rainbow".

Hub-and-spoke model that provides synergies and ensures better care and access for patients: RCML has successfully executed a hub-and-spoke model at Hyderabad, Telangana with its Banjara Hills hospital (comprising 250 beds) being the hub that is complemented by four spokes at four locations in Hyderabad, Telangana namely Secunderabad, LB Nagar, Kondapur and Hydernagar. At its hub hospital, it provides comprehensive outpatient and inpatient care with a focus on tertiary and quaternary care and, at its spokes, it provides secondary care in pediatric, obstetrics and gynecology and emergency services.

RCML is implementing a similar hub-and-spoke model in Bengaluru, Karnataka as well. Its hub in Bengaluru (located at Marathahalli), Karnataka is increasingly getting complex referrals from its spokes located at Bannerghatta Road and Hebbal. It plans to further expand its network of spokes in and around Bengaluru, Karnataka. It plans to increase capacity at both these locations by adding spokes and also plan to replicate this model in Chennai, Tamil Nadu and New Delhi-NCR, where it has hub hospitals, by adding spokes in these cities. The hub and spoke model will enable RCML to provide comprehensive and accessible pediatric as well as perinatal services at these cities.

Proven ability to attract, train and retain high-caliber medical professionals: The pediatric healthcare market in India faces challenges in relation to sourcing and retaining quality pediatric doctors. Hence, RCML's ability to attract, train and retain seasoned doctors and other medical professionals has been a significant contributor to its growth and is critical to its future business prospects. Over the years, it has been able to attract and retain high quality medical professionals by offering them challenging and rewarding career options and growth trajectories. It follows a doctor engagement model whereby most of its core specialists work exclusively at its hospitals on a full-time retainer basis. This model ensures that most of its core specialists are available 24/7 on a roster basis across its



hospitals, which is particularly important for children's emergency and neonatal and pediatric intensive care services. As of December 31, 2021, RCML had 641 full-time doctors and 1,947-part time/visiting doctors.

A number of doctors in neonatal, pediatric intensive care, pediatric sub-specialties, obstetrics and gynecology are trained or possess qualifications from the UK, US, Canada and Australia, which provides RCML with a competitive advantage. It enters into retainership contracts with its newly hired doctors covering the initial two to three year periods, which provides them with stability and makes it a desirable workplace. It has successfully adopted the doctor engagement model across hospitals, which has led to a high degree of full-time doctor retention (at 81% for the period from April 1, 2019 to March 31, 2021).

RCML offers 43 seats in specialties associated with pediatrics and neonatology, which is the highest among the peer set considered by CRISIL. These courses offer a key competitive advantage, since recruiting and retaining quality pediatric doctor talent is challenging. It provides opportunities for these middle grade doctors who have trained at its hospitals to join it as full-time doctors. As a result of all these factors, RCML is able to attract, train and retain high caliber doctors, which is a significant competitive strength for its business.

Strong track record of growth, operational and financial performance: RCML has grown its bed capacity from 50 beds in a single hospital in 1999 to 1,500 beds across 14 hospitals as of December 31, 2021. During first decade of operations, it focused on creating the right treatment protocols, right doctor engagement model and the appropriate business model. Post this phase, it focused on growing the number of hospitals and bed capacity at the hospitals. Over the last six years, RCML has added 985 beds across 10 hospitals and has expanded its presence from two cities to six cities. It has followed a financially disciplined model, focusing on cost-effective growth. Going forward, it may seek to expand its hospital network through the acquisition of brownfield assets or development of greenfield assets (depending upon the location of the hospital and the timelines to complete the project) Additionally, in order to add capacity in a cost effective and timely manner, it has a network of selected vendors (such as architects and project management consultants) and has also built its in-house capital expenditure procurement and projects teams.

RCML has delivered strong operating and financial performance across its hospital network. From its past experience, for every new region that it enters into, its first hospital which is a hub typically incurs cash losses for the first few years. Given the growth witnessed in its existing projects, coupled with its strategy of phasing its new projects, RCML has been able to deliver continuous profitability.

Experienced senior management team with strong institutional shareholder support: RCML's management team comprises qualified and experienced professionals. Their vision, leadership, focus on patient care and adherence to strong corporate governance policies have contributed to its strong performance in the past and will drive its strategic direction in future. Its senior management team is led by Dr. Ramesh Kancharla, its founding Promoter, Chairman and Managing Director. He has over 23 years of experience in the United Kingdom and India in the field of pediatrics, pediatric gastroenterology, liver diseases and liver transplantation. The Hospital's financial investors include CDC, UK's development finance institution, which has over 70 years of experience investing in emerging markets. CDC has 30.45% shareholding in the Company and has supported in driving growth and improving access to healthcare for its patients and guiding it on environmental, social and governance ("ESG") initiatives.

Business Strategy:

Strengthen tertiary and quaternary pediatric services in existing hospitals: Based on RCML's 22 years of experience in operating pediatric hospitals providing tertiary newborn, pediatric intensive and pediatric sub specialty care, there is great opportunity for the Hospital to expand its quaternary care operations. At its hub at Banjara Hills in Hyderabad, Telangana, it commenced providing pediatric quaternary care services in 2019. It plans to build similar capabilities in its hospitals in Bengaluru, Karnataka, Chennai, Tamil Nadu and New Delhi- NCR. Further, Rainbow Children's Heart Institute is a 110-bed standalone pediatric cardiac center that treats children's cardiac problems. It plans to develop similar cardiac capabilities in Bengaluru, Karnataka, Chennai, Tamil Nadu and New Delhi-NCR, by hiring reputed, experienced and skilled cardiac specialists in these cities. It also plans to invest in specialized medical infrastructure such as cath labs, pediatric cardiac OT and echocardiogram machines, which will enhance its capabilities in treating cardiac patients.

Additionally, RCML intends to increase the scope of the NAPE program across all its network hospitals, with a view to gaining further referrals. It also regularly conducts "outreach clinics" where its multispecialty pediatric doctors visit these areas and provide outpatient clinic services. At such outpatient clinics, sicker patients needing inpatient care are advised to visit its hospitals for further treatment. This helps building deeper relationship with the community.

Further grow comprehensive perinatal services offered under "Birthright by Rainbow": RCML started its perinatal services in 2007 by providing comprehensive perinatal care which was backed by teamwork, round the clock availability of obstetricians, anesthesiologists, neonatologists and maternal intensive care services. At its hospitals, it endeavors to make the birthing experience safe for both the mother and baby. It has built the full spectrum of obstetrics, gynecology, fetal medicine and fertility care services. Growing maternal



age, rise in pregnancy complications, pre-term births and increasing health awareness as among various factors resulting in a necessity for a comprehensive perinatal service with capabilities to deal with high-risk pregnancies.

New-age couples want to experience the birthing journey with the best available treatment, hospital facilities, doctor/consultants, and antenatal and post-natal physical well-being offerings. "Birthright by Rainbow", its perinatal offering, is well-known for dealing with high-risk pregnancies and has established professional connections with city and district obstetricians to refer high-risk pregnancies to its hub hospitals, thereby strengthening its high-risk pregnancy services. RCML plans to offer services including assessment of fetal well-being to guide district patients by partnering with their obstetricians.

The Hospital also plan to increase its focus on training and increase its intake of DNB and fellowship programs in obstetrics and fetal medicine. This would increase its pool of middle grade doctors specializing in obstetrics and gynecology. It further plans to expand its service offering by introducing concepts such as trained midwifery in its hospitals.

Grow presence through hub and spoke networks across key geographic clusters and new locations: RCML has successfully created a hub and spoke model in Hyderabad, Telangana through its network of a hub hospital in Banjara Hills, Hyderabad, Telangana supported by four spokes spread across the city. This model provides patients access to multidisciplinary level 4 neonatal and pediatric intensive care and pediatric subspecialty care at the hub hospital while at the same time providing access to 24/7 emergency, pediatric secondary and tertiary care and full spectrum of obstetrics and gynecology closer to home at the spokes. The model is financially optimal, as spokes are set up at lower cost. It plans to replicate this model across key cities and regions in the country.

In particular, RCML plans to add additional spokes at Hyderabad, Telangana Bengaluru, Karnataka, New Delhi-NCR and Chennai, Tamil Nadu. It also plans to increase the capacity of its hubs in New Delhi-NCR and Bengaluru, Karnataka. Further, it is also exploring options to grow organically in newer locations in Andhra Pradesh and Tamil Nadu. In addition, it is also exploring opportunities to expand in north east India and in neighboring countries. From time to time, RCML will also consider inorganic growth opportunities.

Initiatives to drive performance efficiencies: RCML will continue to explore means to enhance performance efficiencies to reduce the cost of healthcare delivery so as to make it affordable for patients, and also contribute to the growth in its profitability. In this regard, it seeks to streamline its procurement processes by focusing on (a) centralized and standardized procurement of medical equipment, consumables and pharmaceuticals; (b) leveraging the scale of its operations for more economical sourcing; and (c) using technology to have real time visibility, assess supplier performance and access other relevant information. It constantly strives to increase the capacity utilization at all its hospitals by increasing its day care admissions. It also plans to further reduce the length of hospital stays as its surgical work is trending towards minimally invasive surgeries, which will have a beneficial impact on its key operational parameters.

Digital healthcare initiatives to address patient convenience, operational efficiencies and expand reach: RCML's digital strategy is focused on enabling to provide customized healthcare services for its target customers as well as to digitize processes to significantly improve the in-hospital customer experience. Its "Rainbow Children's Hospital" mobile application is one of the core aspects of digital strategy. The application enables patients to book appointments, make payments, order drugs for home delivery, download investigation reports and receive alerts on essential services. It is 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 with insight into patient needs.

RCML also plans to increase the scale of its reach to patients through digital ecosystem. In the period from April 1, 2020 to March 31, 2021, driven in part by the movement restrictions arising out of the COVID-19 pandemic, it conducted over 125,000 outpatient video consultations through its video consultation platform. There is potential to establish a hybrid model of healthcare delivery, which allows to provide outpatient consultations through virtual means and subsequent inpatient admissions, if needed, at its network hospitals. Digital healthcare could be an optimal way to reach out to patients in geographies where the relevant pediatric subspecialty services are not available.

Industry:

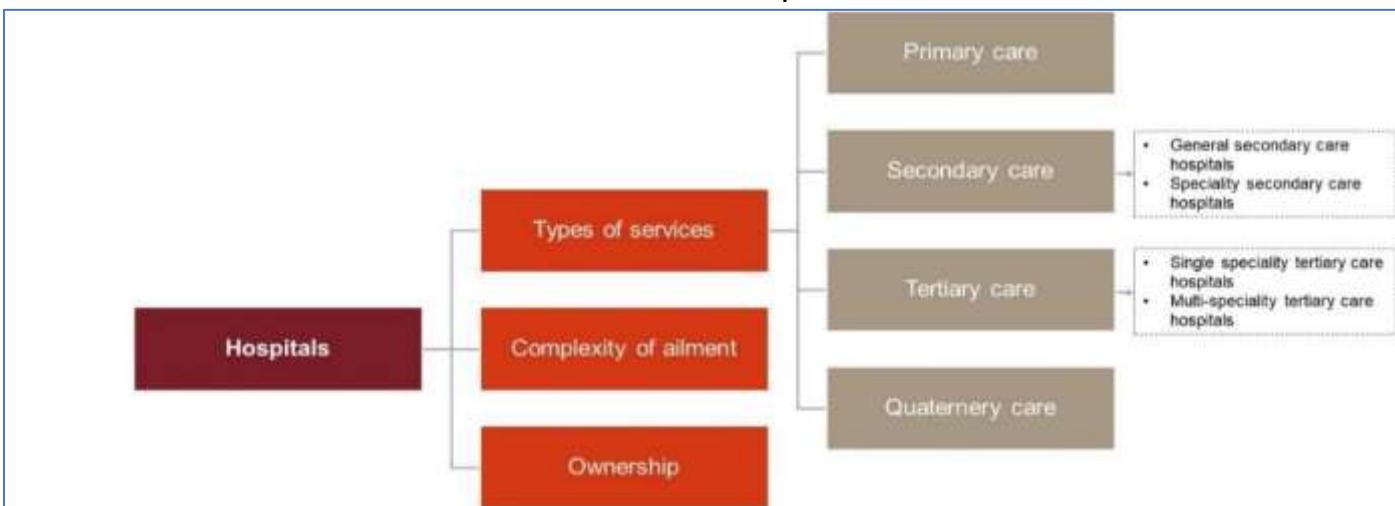
Overview of Maternity and Childbirth in India

India reports around 36-37 million pregnancies every year. India reports roughly 70,000 live births per day, representing one sixth of the world's child births. This translates to 25-26 million live births per year. India reports 36-37 million pregnancies in a year. India saw an increase in women registered for antenatal care ("ANC") between the financial years 2015 to 2020. Nearly 97% of registered pregnancies register for ANC. A total of 79% of registered pregnancies had at least four antenatal care visits in the financial year 2020. In the financial year 2015, at a Pan-India level, only 51.2% of registered pregnancies had at least four antenatal care visits. The metro cities in India contribute to 8-10% of the women registered for ANC in India whereas in terms of population, the six metro cities contribute to 7.2% of India's population. The next top 25 districts have a share of 7-8% and top 50 districts in total have a share of 13-14%. Thus, the rest of India contributes to 76-79% of total registered ANCs in India.

Structure of Healthcare Delivery Industry in India



Classification of Hospitals



Classification of hospitals by facilities/services offered

	Primary care	Secondary care	Tertiary care
Services	Provides all services as required for the first point of contact	Provides all services as required, including organised medical research	Provides all services as required, including provision for experimental therapeutic modalities and organised research in chosen specialities
Multi-disciplinary	Yes	Yes	Single- or multi-speciality
Type of service	Only medical services and excludes surgical services	Overall medical and surgical services	Complex surgical services with sophisticated equipment
Type of patient	Only outpatient	Inpatient and outpatient	Primarily inpatient
No of beds	0 beds	50-200 beds	>200 beds
Dependent on	Secondary and tertiary care hospitals for further diagnosis and support	Tertiary care hospital for diagnostic and therapeutic support on referral and for patient transfer	Tertiary care/secondary hospital for referrals for its workload
Investment	Low investment required	Medium	High

Regulatory Framework for Hospitals and Healthcare in India

Accreditation of hospitals is a voluntary process, wherein an authorized agency evaluates and recognizes health services according to a set of standards that are revised periodically. In developing countries such as India, where healthcare services are delivered mainly through private health providers, regulation is a vital instrument and function of the government policy. In India, hospitals are accredited by the National Accreditation Board for Hospitals and Healthcare Providers ("NABH"). The NABH is a constituent board of Quality Control of India and a member of International Society for Quality in Health Care ("ISQua"). NABH accreditation is compulsory for hospitals to get empaneled under the Central Government Health Scheme ("CGHS"), which provides healthcare facilities to all central government employees. International accreditation agencies include the International Organization for Standardization ("ISO"), Joint Commission International ("JCI"), and Trent Accreditation Scheme ("TAS"). Diagnostic centers are accredited by the National



Accreditation Board for Testing and Calibration Laboratories ("NABL") in India and international agencies such as the Asia Pacific Laboratory Accreditation Cooperation and the International Laboratory Accreditation Cooperation.

Revenue and Cost Structure Review of Hospitals

Hospitals derive bulk of their revenue from in-patient departments ("IPD"). The primary revenue streams of hospitals are the IPD and out-patient department ("OPD") segments. Typically, in most hospitals, the OPD contributes to three-fourths of total volumes; whereas, the IPD accounts for as much as 76% of the overall revenue. This ratio could vary with hospitals, depending on the type of services rendered and the ailment mix.

Surgeries and diagnostics fetch bulk of the IPD revenue

Surgeries and diagnostics account for the bulk of IPD revenue for most hospitals; however, the share of these verticals vary across hospitals, based on the pricing strategies deployed and specialties offered. However, surgical patients generate more revenue as opposed to medical patients. Hospitals used to enjoy high margins on the consumables used. However, after the government has capped the prices of stents and knee implants, they have rationalized their treatment costs by charging for the services rendered. Some hospitals have in-house facilities such as diagnostic centers and pharmacies, while others outsource these services.

Assessment of India's Hospital Market

Review and Outlook

The Indian Healthcare delivery market is estimated to grow to Rs.5 trillion in the financial year 2022

CRISIL Research estimates the Indian healthcare delivery market to reach Rs.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 Rs.7.67 trillion in the financial year 2025.

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.



Government policies to improve healthcare coverage

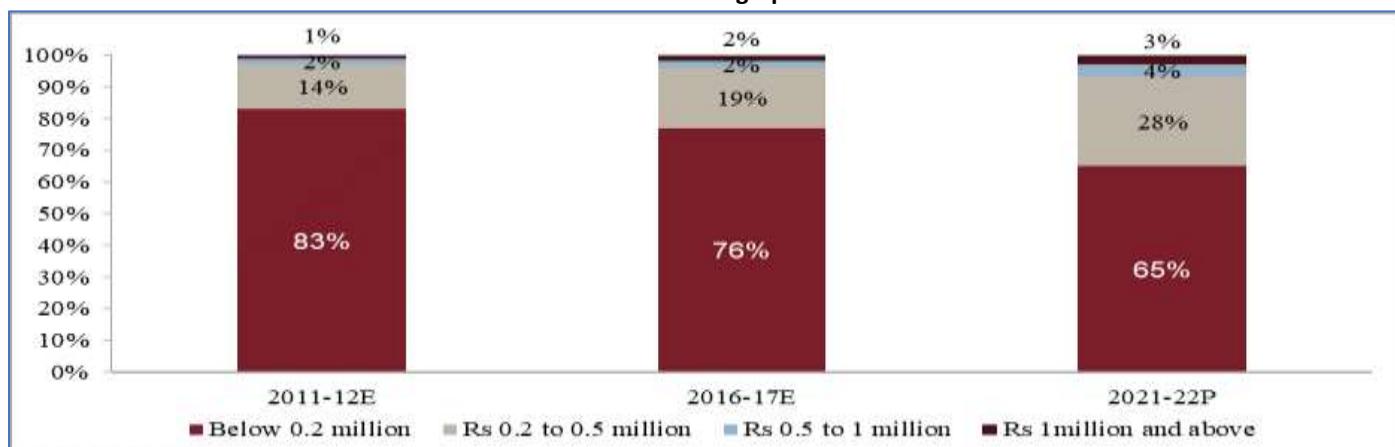
The government has raised its healthcare budget for the financial year 2022 to Rs.712.7 billion, although the incremental allocation in the financial years 2021 and 2022 is more for COVID-19 related expenditure (emergency aid and vaccination drive). Nonetheless, the focus seems to have shifted from curative 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 Rs.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 Rs.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.

Income demographics



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.

The Indian healthcare delivery system has seen consolidation in recent years. A highly competitive industry, coupled with tightening of healthcare regulations, has made it difficult for smaller players in the industry to stay profitable. Larger hospital brands typically have stronger financial discipline and negotiating power with suppliers, better ability to attract medical talent, and greater capital and administrative resources to meet these needs over standalone hospitals. Many of the established players in the healthcare delivery industry follow inorganic growth to expand into the geographies where they have limited presence. In terms of supply creation, major hospital chains have expanded into the next level of tier II and III locations (with approximately 67 % aggregate bed additions by 10 large hospitals players in the past four years being in these areas).

Rise in demand for health infrastructure, modern technologies and multi-disciplinary healthcare have been some of the key driving factors for consolidation in the industry. Investments by private equity ("PE") players is also gaining traction. The majority of the PE deals in the industry in the past 2-3 years have been towards hospital portfolio consolidation, also enabling formation of regional clusters that provide base for further expansion and consolidation. Recently, Manipal Health acquired 100% stake in Columbia Asia hospitals, strengthening its presence in southern India. IHH health also has gained stake in Fortis Healthcare in 2018. In the past two years, deals worth approximately Rs.126 billion and approximately Rs.22 billion have taken place in multi-specialty and single-specialty hospitals, respectively.



Innovative business models to help penetration in tier II and III cities

Given that 65% of the population lives in rural areas, the government is incentivizing private investments in these regions. But private players find it difficult to replicate the model that worked for them in tier I and tier II locations, due to the relatively lower revenue per bed in these regions (due to the low paying capacity in these areas and occupancy of existing facilities). CRISIL Research believes that a volume-centric model focusing on secondary and lower level tertiary care segments with tight control on costs will allow private players to enter and be profitable in rural areas, too.

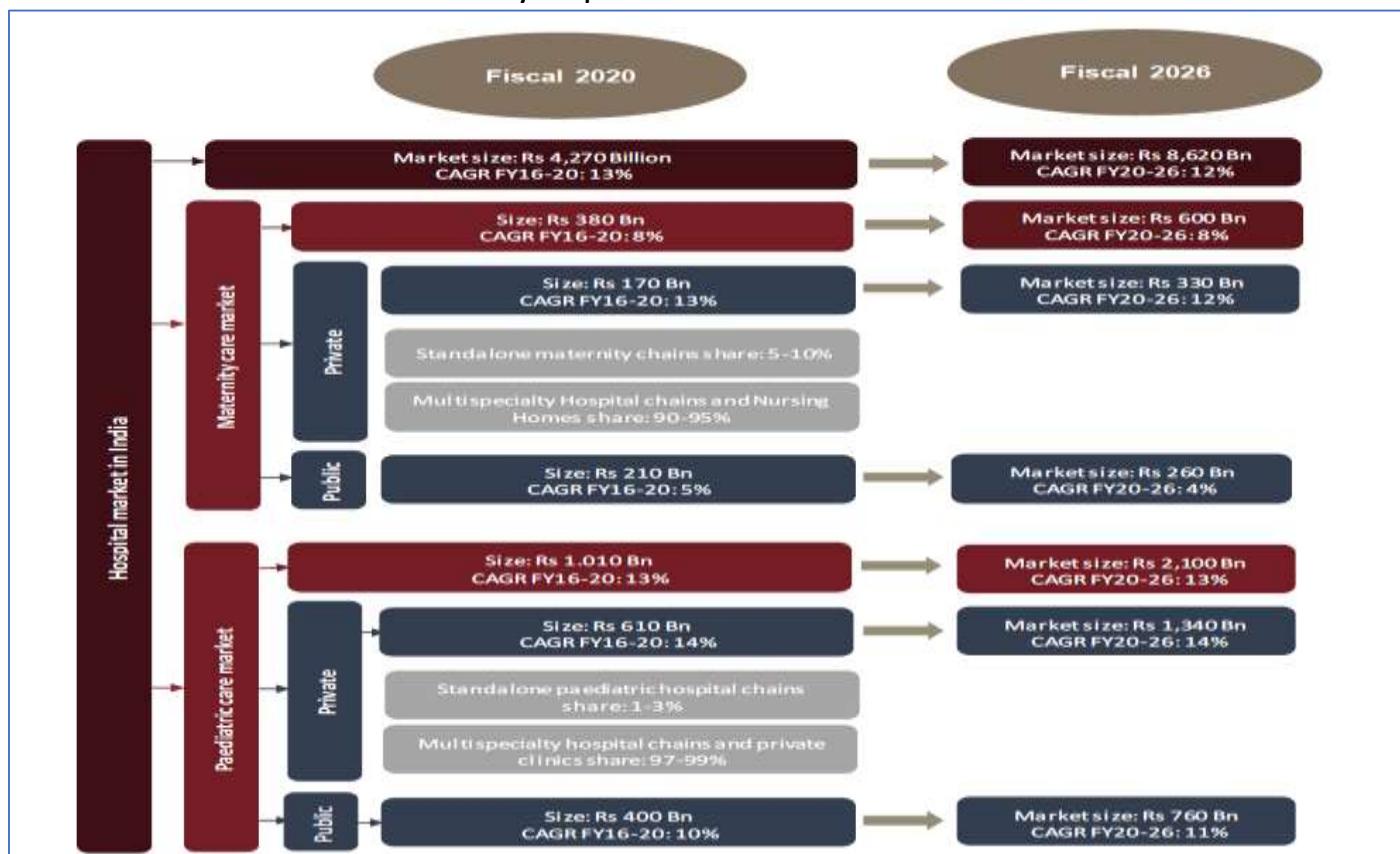
Healthcare providers generally operate under one of the three models – owned, leased and O&M. In an owned model, the company constructs and installs medical equipment and is wholly responsible for day-to-day operations. This model is highly capital intensive in nature. In case of a leased model, the landowner develops building as per specifications of the company, which takes it on a long-term lease. Capital intensity in a leased model is approximately 50% lower than that of an owned model. In an O&M model, the company signs a contract for managing a standalone hospital against a fixed management fee and share in revenue/profit. This is a low capital-intensive model.

The break-even for each model also differs on a case-to-case basis. However, a typical break-even at operating level under ownership model lies between 2-3 years in a tier II city. In case of a leased model, the break-even gets delayed because of payment of lease rentals. In an O&M model, a company is not generally impacted by the duration of break-even for fixed fees (variable fees will, however, be dependent on break-even).

Assessment of Pediatric Care Industry in India

The total hospital market size in India in the financial year 2020 was expected to be approximately Rs. 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





Introduction to Pediatrics Healthcare Services

Paediatric care is dedicated medical care for children for growth and development, nutrition, prevention of illnesses and treatment of illnesses in children. Pediatrics is the specialty of medical science concerned with the physical, mental, and social health of neonates, children, and adolescents. Paediatric care encompasses a broad spectrum of health services ranging from preventive health care to the diagnosis and treatment of acute and chronic diseases. Children differ from adults anatomically, physiologically, immunologically, psychologically, developmentally, and metabolically. Hence, different treatment is required to cure ailments in children. A pediatrician is a physician who is concerned primarily with the health, welfare, and development of children and is uniquely qualified for these endeavors.

Neonatology is a subspecialty of pediatrics that consists of the medical care of new-born infants (0-28 days), especially the ill or premature new-born. It is a hospital-based specialty, and is usually practiced in neonatal intensive care units (NICUS). The principal patients of neonatologists are new-born infants who are ill or require special medical care due to prematurity, low birth weight, intrauterine growth restriction, congenital malformations (birth defects), sepsis, pulmonary hypoplasia or birth asphyxia.

From birth till the adolescent growth spurt, children's physical, intellectual, and emotional capabilities expand tremendously. Children progress from barely tottering to running, jumping, and playing organized sports. Continuous monitoring is required at each stage using established milestones to keep a check on overall development of the child. Apart from regular surveillance on child's intellectual, physical and emotional development, children in this age group are vulnerable to infectious diseases like malaria, pneumonia, diarrhea, HIV and tuberculosis. Pediatrician's expertise is required for overall wellbeing of the child.

Adolescence begins with the onset of physiologically normal puberty, and ends when an adult identity and behavior are accepted. Medical practitioners involved in the care of adolescents must often deal with an arbitrarily set, chronological threshold between adolescence and adulthood, which varies from province to province and even between jurisdictions within a province. However, while adolescence is a recognizable phase of life, its end is not always easily demarcated. This poses problems for practitioners when adolescent patients require care in facilities with restrictive age limits.

Overview of Childhood Disease Profile in India

Pre-term birth lead to many complexities in child development

A birth that occurs before the 37th week of pregnancy is defined as pre-term birth. Preterm birth occurs for a variety of reasons. Most preterm births happen spontaneously, but some are due to early induction of labor or caesarean birth, whether for medical or non-medical reasons. Common causes of preterm birth include multiple pregnancies, infections and chronic conditions such as diabetes and high blood pressure; however, often no cause is identified. There could also be a genetic influence. Complications associated with a premature birth include immature lungs, difficulty regulating body temperature, poor feeding and slow weight gain. Premature babies may need longer or more intense nursery care, medication and sometimes surgery. Pre-term birth cases observed in India, according to WHO, are the highest globally.

Prematurity is the most common reason for a baby weighing less than 2.5 kg at birth. The earlier the baby is born, the smaller they are likely to be. This is because the baby will have had less time in the womb to grow. A baby gains much of its weight in the last weeks of the pregnancy. Weighing less than 2.5 kilos at birth is closely linked to high rates of neonatal mortality and ill health later in life.

Underweight newborns who survive also have a greater risk of stunting. Stunting is the impaired growth and development that children experience from poor nutrition, repeated infection, and inadequate psychosocial stimulation. Children are defined as stunted if their height-for-age is more than two standard deviations below the WHO Child Growth Standards median. Prematurity is the major cause of death among neonates. According to WHO, around 40% of the neonatal deaths are because of prematurity. Other major causes for neonatal deaths are asphyxia, sepsis, and infections. Among infants and other children under the age of five, acute lower respiratory infections, diarrheal diseases, other communicable, perinatal and nutritional conditions are the major causes of deaths.

Overview of Pediatric Market in India

Paediatric care is dedicated medical care for children with serious disease. Paediatric care focuses on growth and development, nutrition, prevention of illnesses and treatment of illnesses in children. Paediatric care is facilitated by a panel of doctors, nurses and other expert caretakers who work together to provide medical care to children below 18 year of age. In CRISIL Research's assessment, they have considered paediatric market as the health care delivery to children in the age bracket 0-18 years. In India, paediatric healthcare services are offered by public hospitals through district level hospitals and other government healthcare facilities, private multispecialty hospitals through established PICU and NICU wards, standalone paediatric chains, children multi-specialty hospitals, standalone children hospitals, and mother & child hospitals.

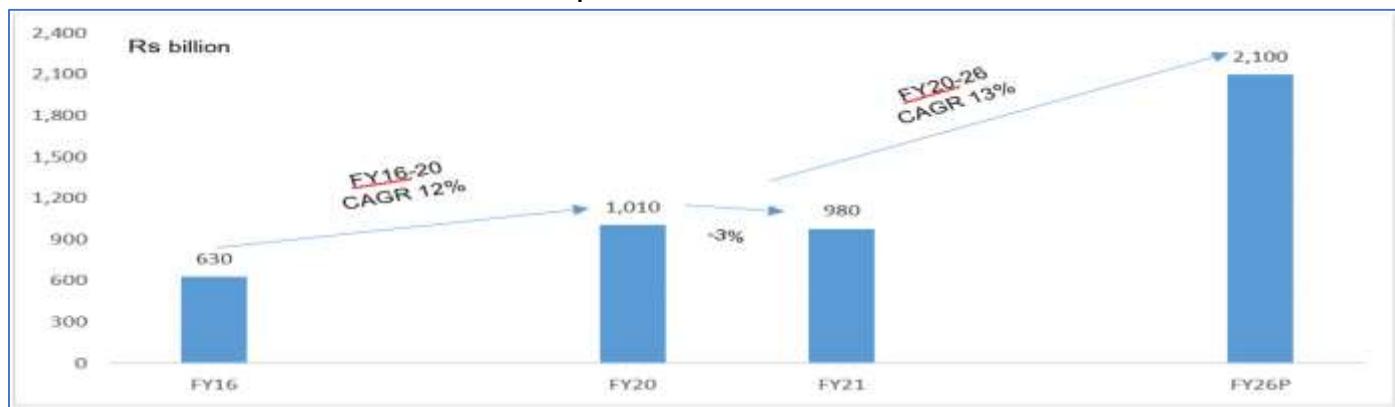


Paediatric market size expected to grow by a CAGR of approximately 13% between the financial years 2020 and 2026

To arrive at the paediatric health care market size, CRISIL Research has assumed patients in the age bracket of 0-18 years. In-patient cases at public and private hospitals, and out-patient cases at public and private hospitals and cases at private clinics have been considered to arrive at the market size.

The paediatric market grew by a CAGR of 12% between the financial years 2016 and 2020. Efforts by government for spreading coverage of paediatric healthcare services, rising income level, betterment in health insurance coverage, and increasing general awareness on healthcare drove the market growth. COVID-19 put a halt to growth in the paediatric market as many children avoided visiting the paediatric healthcare facilities. Over the next five financial years, the paediatric market is expected to expand against the strong growth factors. CRISIL Research expects paediatric healthcare market to grow by CAGR 13% between the financial years 2020 and 2026.

Market size of paediatric healthcare facilities in India



Overview of Neo-natal Care Market in India

A neonatal intensive care unit ("NICU"), also known as an intensive care nursery ("ICN"), is an intensive care unit ("ICU") specializing in the care of ill or premature new-born infants. Neonatal refers to the first 28 days of life. NICU is typically directed by one or more neonatologists and staffed by resident physicians, nurses, nurse practitioners, pharmacists, physician assistants, respiratory therapists, and dietitians. Many other ancillary disciplines and specialists are available at larger units.

Several attempts to strengthen new-born care in India have been made. Under the National Rural Health Mission, new-born care has become central to the child survival strategy both in community and facility level interventions. Hospital-based neonatal units are being strengthened in India to provide specialized treatment services, which are classified into different levels.

Factors Leading to Rise in Demand for Pediatric Healthcare Services and Neo-natal Care units

Increasing health awareness to boost hospitalization rate

The majority of healthcare enterprises in India is 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.

Rising income to make quality paediatric healthcare more affordable

Even though paediatric healthcare is considered a non-discretionary expense, considering that an estimated 83% of households in India had an annual income of less than Rs.0.2 million in the financial year 2012, affordability of quality healthcare facilities remains a major constraint. Growth in household income and, consequently, disposable income is critical to the overall growth in demand for healthcare delivery services in India. The share of households falling in the income bracket above Rs.0.2 million is expected to go up to approximately 35% in the financial year 2022 from approximately 23% in the financial year 2017.

Growing health insurance penetration to propel demand for the healthcare market, including pediatrics and neonatal care

Low health-insurance penetration is one of the major impediments to the growth of the healthcare delivery industry in India, as affordability of quality healthcare facilities by the lower-income groups remains an issue. As per the Insurance Regulatory and Development Authority (IRDA), nearly 499 million people have health insurance coverage in India (as of the financial year 2020), as compared to 288 million (in the financial year 2015), but despite this robust growth, the penetration in the financial year 2020 stood at only 36%. CRISIL Research believes that while low penetration is a key concern, it also presents a huge opportunity for the growth of



healthcare industry in India. With the PMJAY, the country's insurance coverage is expected to increase substantially over the next five financial years. Furthermore, with health insurance coverage in India set to increase, hospitalization rates are likely to go up.

Rise in maternity age

Women in the 25-29 years' age group contributed to 32% of the births in the 2010-2015 period, up from 28% in the 2000-2005 period. The average age of women delivering a baby is increasing. The 25-29 years' age group and the 30-34 years' age group is expected to contribute to higher share in live births going forward, contributing to 37% and 19% of the live births, respectively, in the 2020-2025 period and 40% and 23% of the live births, respectively, in the 2025-2030 period. With the increase in pregnancy age the demand for neonatal care is expected to increase an upsurge as number of complications arising from pregnancies may witness a rise.

Rise in pregnancy complication

Complications of pregnancy are health problems that occur during pregnancy. They can involve the mother's health, the baby's health, or both. Some women have health problems that arise during pregnancy, and other women have health problems before they become pregnant that could lead to complications. The number of such cases saw an uptrend between the financial years 2018 and 2020. With further increase in cases with complications during pregnancy, demand for paediatric and neonatal care service can see an escalation.

Assessment of Obstetrics/Maternity Care Industry in India

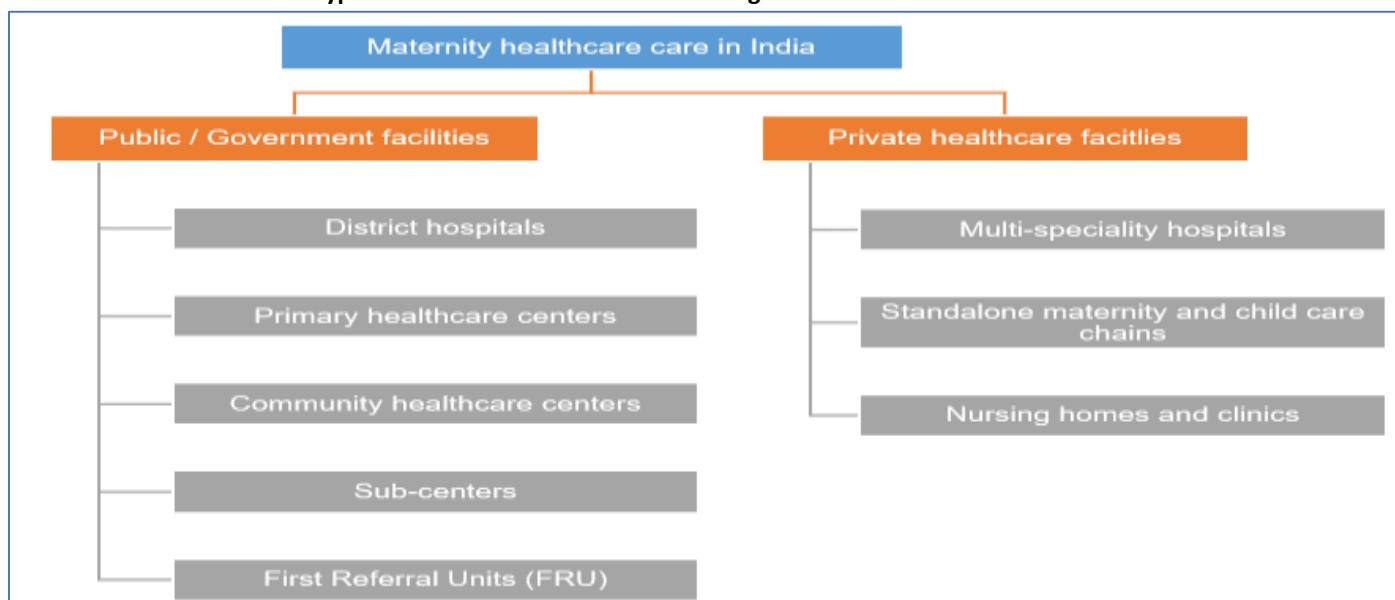
Super-specialty obstetrics healthcare services are becoming more prevalent

Obstetrics is a medical specialty dealing with the fields of birth and related issues. Obstetrics involves care provided during pre-conception, pregnancy, childbirth, and immediately after delivery. Whereas Gynecology involves care of all other women's health issues.

An obstetrician is a physician who specializes in the surgical care of women and their children during pregnancy, childbirth, postpartum and post-natal care. They also perform regular ultrasounds during pregnancy to determine the health of the fetus, identify any complications and know the gestational period of the fetus. Identify if there are any high-risk factors in women during pregnancy, delivery and later.

Antenatal care is the routine health control of presumed healthy pregnant women without symptoms (screening), in order to diagnose diseases or complicating obstetric conditions without symptoms, and to provide information about lifestyle, pregnancy and delivery. Antenatal care is a form of preventive health care which promotes monitoring of the mother and child throughout the pregnancy to minimize delivery risk by identifying risks such as hypertension, gestational diabetes etc. providing care at the right time. Focus on antenatal care has proven to increase the chance of outcomes for a safe delivery and also reduces morbidity and mortality rates of the both the mother and the child. Antenatal care also provides the mother an opportunity to receive counselling on healthy behaviors, emotional and psychological support from a skilled health practitioner. Antenatal care access in India varies with socio-economic status and geographic location. Various center and state government programs and initiatives are designed to promote mother get regular antenatal check-ups.

Type of healthcare units in India offerings obstetrics and antenatal care



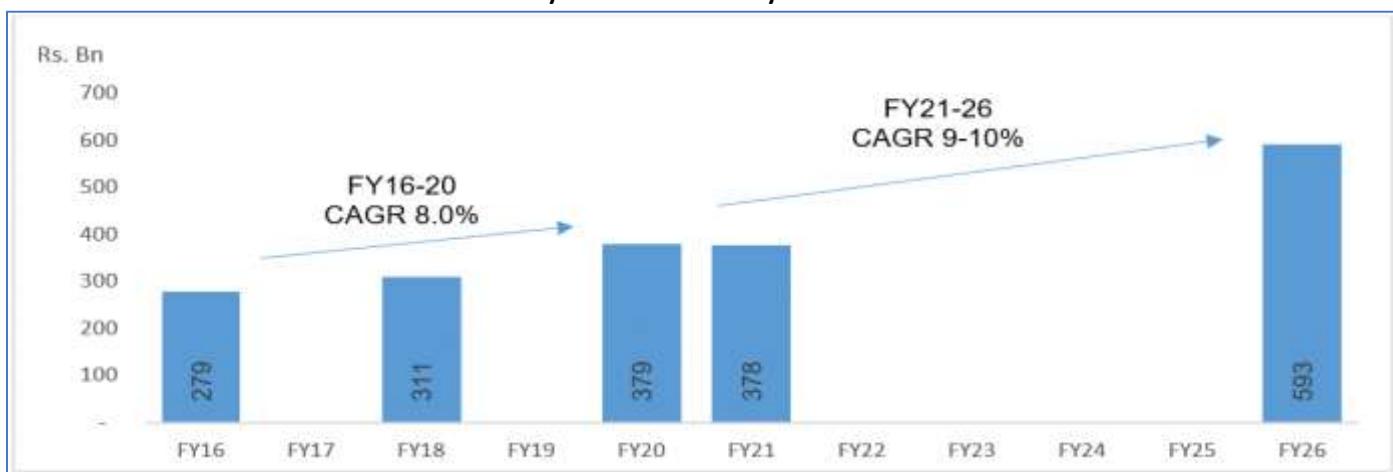


CRISIL Research estimates the maternity healthcare market at Rs.380 billion in the financial year 2020. The overall maternity delivery market registered a growth of 8% between the financial years 2016 and 2020. Maternity care (obstetrics) is estimated to contribute to 9% of overall healthcare delivery market. Going forward, CRISIL Research expects the maternity healthcare market to reach Rs.593 billion in the financial year 2026.

The growth in the market is largely driven by urban market with increase in average health expenditure on childbirth and related antenatal care and increased penetration of institutional pregnancies. This growth is driven by India's increasing aspirational middle-class population, increase in per capita income of urban India with considerable amount disposable income, increasing participation of women in the workforce which in turn has given rise to the count of dual income household and availability of multiple financing options increasing spending on insurance plans and medical services related to birthing. The rural market is driven by increased penetration of healthcare services and moderate increase in expenditure supported by growth in per capita income.

Birthing is an important moment in a couple's life, with increasing workload and sedentary activities, couples want to ensure the birthing experience is smooth, hassle-free, comfortable as well as memorable. New-age couples want to experience the birthing journey by having the best that is available in terms of treatment, hospital facilities, doctor consultancy, antenatal and post-natal physical well-being, etc. These factors are expected to drive the demand of comprehensive high risk obstetrics units where the couples can avail quality services such as high risk pregnancy care with maternal intensive care with 24x7 coverage, full-fledged fetal medicine department with capabilities of fetal interventions, along with blood bank facilities within the hospital care. Drift towards demand of such higher quality services is also expected to add to the maternity care market growth.

Maternity healthcare delivery services in India



Private maternity care market is expected to grow at CAGR of 11-12% between the financial years 2021 and 2026

Private maternity healthcare market grew at 4-5% CAGR between the financial year 2016 and 2020 from Rs.173 billion to Rs.208 billion. The private maternity care market is expected to grow at CAGR of 11-12% between the financial years 2021 to 2026 to reach a value of Rs.261 billion in the financial year 2026. The growth in private hospitals is driven by increase in C-section deliveries driving up average revenue per patient, increased complication in pregnancies due to late pregnancies, and rise in demand for value added services. CRISIL Research estimates that standalone maternity chains have a share of 5-10% in overall maternity healthcare market, while local nursing homes and maternity clinics contributes to 20-30% of the maternity market in the financial year 2020.

Key Concerns

- Dependent on medical professionals as RCML's business and financial results could be impacted if it is not able to attract and retain such medical professionals.
- RCML engages doctors primarily on a consultancy service contract basis and there is no assurance that these doctors will not prematurely terminate their agreements.
- Revenues are highly dependent on hospitals in Hyderabad and Bengaluru. It is also significantly dependent on certain specialties for a majority of its revenues.



- The COVID-19 pandemic has affected RCML's regular business operations and may continue to do so, depending on the severity and duration of the COVID-19 pandemic.
- RCML has not entered into any definitive agreements for the new hospitals which it proposes to set up and where it propose to incur capital expenditure by utilizing its Net Proceeds.
- If RCML fails to manage its growth or implement its growth strategies (which include expansion into new geographies), its business, financial condition and results of operations may suffer.
- RCML operates 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 the business, results of operations and cash flows.
- Business depends on the strength of brand and reputation. Failure to maintain and enhance brand and reputation, and any negative publicity and allegations in the media against RCML, may materially and adversely affect the level of market recognition of, and trust in, its services, which could result in a material adverse impact on the business, financial condition, results of operations and prospects.
- RCML face intense competition from other healthcare service providers. If it is unable to compete effectively, its business, results of operations and cash flows may be materially and adversely affected.
- RCML's hub-and-spoke model of provision of healthcare services may not be successful and that could adversely impact the business, financial condition and results of operations as a whole.
- If RCML is unable to maintain bed occupancy rates at sufficient levels, it may not be able to generate adequate returns on its capital investments, which could materially and adversely affect the revenue and profitability.
- Ability to provide affordable healthcare to RCML's patients is dependent on its ability to effectively estimate, price and manage healthcare costs.
- If RCML is unable to keep pace with technological changes, new equipment and service introductions, changes in patients' needs and evolving industry standards, its business and financial condition may be adversely affected.
- Challenges that affect the healthcare industry will have an effect on RCML's operations.
- If RCML does not receive payments on time from its patients and third-party payers, its financial condition, cash flows and results of operations may be materially and adversely affected.
- RCML may fail to protect its intellectual property rights and may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on the business and reputation.
- Indebtedness and the conditions and restrictions imposed by RCML's financing arrangements may limit its ability to grow the business and adversely impact the business.
- RCML is 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 the reputation and prospects.
- Relies on third-party suppliers, manufacturers and services providers for supplies and equipment and other services
- Outsources some of RCML's service functions to third-party contractors. Any lapse by such third-party service contractors may have adverse consequences on the business and reputation.



- RCML could be exposed to risks relating to the handling of personal information, including medical data.
- Insurance coverage may not adequately protect RCML and this may have an adverse effect on the business and revenues.
- If RCML fails to achieve favorable pricing on medical consumables, pharmaceuticals and surgical instruments from its suppliers or are unable to pass on any cost increases to its payers, its profitability could be materially and adversely affected.
- RCML is vulnerable to failures of its information technology system, which could adversely affect its business.
- If RCML is unable to establish and maintain effective internal controls, the business and reputation could be adversely affected.
- Inadequate health insurance in India may adversely affect the business, results of operations and cash flows.
- Business is subject to seasonality.
- May be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect the business
- If the rate of inflation in India increases, the business and results of operations may be adversely affected.
- Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of Equity Shares, independent of RCML's operating results.

Profit & Loss

Particulars (Rs in million)	9MFY22	FY21	FY20	FY19
Revenue from operations				
Revenue from Operations	7613.1	6500.5	7193.9	5427.9
Other Income	127.5	102.6	103.5	83.5
Total Income	7740.6	6603.1	7297.4	5511.4
Total Expenditure	5045.7	4872.1	5223.6	3942.8
Medical consumables and pharmacy items consumed	1609.7	1032.6	1053.1	802.1
Employee Benefits Expenses	843.6	1020.9	1089.7	857.4
Other expenses	2592.4	2818.6	3080.8	2283.3
PBIT	2694.9	1731.0	2073.7	1568.7
Interest	369.3	440.6	446.1	390.2
PBDT	2325.7	1290.3	1627.7	1178.4
Depreciation and amortization	609.8	733.4	694.1	603.2
PBT	1715.9	557.0	933.6	575.3
Tax (incl. DT & FBT)	451.7	161.3	380.2	129.4
Current tax	520.5	239.1	434.3	179.9
Deferred Tax	-68.8	-77.8	-54.1	-50.6
PAT	1264.1	395.7	553.4	445.9
EPS (Rs.)	13.4	4.4	6.0	4.8
Face Value	10	10	10	10
OPM (%)	33.7	25.0	27.4	27.4
PATM (%)	16.6	6.1	7.7	8.2

Balance Sheet

Particulars (Rs in million) As at	9MFY22	FY21	FY20	FY19
ASSETS				
Non-current assets				
Property, plant and equipment	4,167.3	3,989.0	3,446.1	3,387.4
Right of use assets	3958.2	3689.0	3516.5	3564.7
Capital Work-in-Progress	56.7	287.7	427.5	226.3
Goodwill	29.9	29.9	29.9	29.9
Other Intangible assets	12.0	15.3	22.9	35.4
Financial assets				



Investments	0.0	80.0	0.0	0.0
Loans	497.2	0.0	0.0	0.0
Other financial assets	422.1	546.9	471.4	351.4
Deferred tax assets (net)	94.3	27.9	3.5	180.1
Income tax assets	20.4	44.9	21.7	40.3
Other non-current assets	68.3	131.0	227.0	119.6
Total non-current assets	9326.5	8841.5	8166.3	7935.0
Current assets				
Inventories	125.6	101.0	159.8	70.0
Financial assets				
<i>Investments</i>	622.6	102.6	99.0	31.9
<i>Trade receivables</i>	401.2	439.7	439.6	349.7
<i>Cash and cash equivalents</i>	72.8	56.6	67.0	51.3
<i>Bank Balances other than above</i>	1558.1	890.2	905.4	714.0
Loans	0.0	277.9	240.9	68.9
Other financial assets	130.0	0.0	0.0	0.0
Other current assets	160.8	103.2	114.4	43.2
Total current assets	3071.1	1971.2	2026.0	1328.9
TOTAL ASSETS	12397.6	10812.7	10192.4	9264.0
Equity and liabilities				
Equity				
Equity Share Capital	1050.0	549.0	549.0	549.0
Other equity	4853.0	3914.6	3505.0	3172.5
Non-controlling interest	33.9	20.1	39.1	0.0
Total equity	5936.9	4483.8	4093.1	3721.5
Non-current liabilities				
Financial liabilities				
<i>Borrowings</i>	272.7	405.2	458.1	497.3
<i>Lease liabilities</i>	4859.0	4647.7	4217.1	4071.4
Deferred tax liabilities	0.0	0.0	53.4	0.0
Provisions	57.1	55.2	71.1	56.3
Total non-current liabilities	5188.8	5108.1	4799.7	4625.1
Current liabilities				
Financial liabilities				
<i>Borrowings</i>	134.2	74.5	118.7	29.1
<i>Lease Liabilities</i>	71.9	57.3	108.3	55.1
Trade payables				
<i>total outstanding dues of micro enterprises, small enterprises and medium enterprises</i>	29.6	0.5	31.4	0.0
<i>total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises</i>	629.4	536.7	550.3	432.4
<i>Others</i>	201.7	394.6	344.7	251.4
Provisions	14.8	24.7	7.9	7.7
Other current liabilities	116.7	94.0	101.8	89.9
Current tax liabilities (net)	73.6	38.5	36.4	51.8
Total current liabilities	1271.9	1220.8	1299.6	917.4
Total liabilities	6460.7	6328.9	6099.2	5542.5
Total equity and liabilities	12397.6	10812.7	10192.4	9264.0

(Source: RHP)



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