

## Press Release



### Rainbow Children's Hospital Strengthens Telangana Footprint with strategic Acquisition of Prashanthi Hospital, Warangal

**Hyderabad, June 28, 2025:** Rainbow Children's Medicare Limited (RCML), India's leading pediatric multispecialty and perinatal care hospital chain, is pleased to announce the signing of a definitive agreement to acquire a majority stake in M/s Prashanthi Medicare Private Limited ("Prashanthi Hospital"), at Warangal - the second-largest district and a prominent business hub of Telangana.

Established in 2015 by Dr. Prasanthi Macha, Prashanthi Hospital is a 100-bed NABH-accredited facility with a strong reputation for delivering high-quality care across obstetrics, gynecology, neonatology, pediatrics, and minimally invasive surgery. Recognized for its clinical excellence, patient-centric approach and strong regional brand equity, the hospital has become a preferred healthcare destination for women and children in Warangal region.

This strategic acquisition underscores RCML's continued expansion in Telangana and further strengthens its presence in southern India. It also reflects the Company's growth plan to expand into tier-II cities where specialized healthcare services remain underserved. The addition of Prashanthi Hospital increases RCML's capacity by 100 beds, taking its total network size to 2,035 beds across 20 hospitals in 7 cities.

The transaction values Prashanthi Hospital at an enterprise valuation of ~INR 32.60 crore (subject to working capital adjustment), representing ~ 9 times the estimated FY25 adjusted EBITDA and is fully funded through RCML's existing cash reserves and internal accruals. RCML will acquire a controlling stake of 76% in fully diluted equity capital & 100% stake of Non-convertible Redeemable Preference Shares (NCRPS), while Dr. Prasanthi Macha along with associates will retain a 24% minority interest.

Following the acquisition, the regional hub facility will be rebranded as 'Rainbow Children's Hospital' for pediatric care and 'Prashanthi with Birthright' for women's care. The hospital will be seamlessly integrated into RCML's hub-and-spoke network ensuring clinical alignment and streamlined referral network to the Hyderabad hub for advanced tertiary and quaternary care.

**Dr. Ramesh Kancharla, Chairman & Managing Director, Rainbow Children's Medicare Limited, said:** *"We are delighted to welcome Prashanthi Hospital into the Rainbow's network. This partnership enables us to deepen our roots in Telangana and bring high-end pediatric, neonatal,*

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*and maternal care to families in Warangal region through our proven hub-and-spoke model, while strengthening our capabilities in multi-specialty pediatric care.”*

**Dr. Prasanthi Macha, Director, Prashanthi Hospital, added:** *“We are excited to partner with Rainbow, a national leader in pediatrics and women healthcare. Partnering with Rainbow helps us leverage their strong leadership, clinical expertise, and extensive network to provide even higher standards of pediatric and maternal care to our community.”*

## **About Rainbow Children's Hospital**

Rainbow Children's Medicare Limited network comprises of 20 hospitals and 5 clinics in 7 cities, with a total bed capacity of 2,035 beds. Our Pediatric services operating under the brand “Rainbow Children's Hospital” includes newborn and pediatric intensive care, pediatric multi-specialty services, pediatric quaternary care (including organ transplantation); whereas our women care services under “Birthright by Rainbow” offers perinatal care services which includes normal and complex obstetric care, multi-disciplinary fetal care, perinatal genetic and fertility care along with gynecology services.

Rainbow Children's Hospital built on strong fundamentals of a multidisciplinary approach with a full-time consultant led clinical service along with 24/7 commitment in a child centric environment. The company follows a hub-and-spoke operating model where the hub hospital provides comprehensive outpatient, inpatient care, with a focus on tertiary and quaternary services, while the spokes provide 24/7 emergency care, large outpatient services and comprehensive obstetrics, pediatric inpatient and level 3 NICU services. This model is successfully operational at Hyderabad and is gaining traction in Bengaluru. The endeavor is to replicate this approach in Chennai and across the National Capital Region. Subsequently Rainbow intends to expand into tier-2 cities of Southern India.

Rainbow Children's Hospital embraces a unique doctor engagement model, where doctors work exclusively on a full-time, retainer basis. The doctors work in teams and have 24/7 commitment, which is particularly important for children's emergency, neonatal, pediatric intensive care services and to support pediatric retrieval services. The Company also operates the country's largest pediatric DNB training program in private healthcare, offering post graduate residential DNB and fellowship program. For more information, log on to: <https://www.rainbowhospitals.in/>

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