

**Date: August 17, 2017**

To The Manager <b>National Stock Exchange of India Limited</b> Corporate Communication Department Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai – 400 051	To The General Manager <b>BSE Limited</b> Dept. of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001
--	---

**Dear Sir / Madam**

**Sub.: Submission of Annual Report for Financial year 2016-17**

**Ref.: Symbol: THYROCARE; Scrip Code: 539871**

The 17<sup>th</sup> Annual General Meeting ('AGM') of the Company was held on August 12, 2017 at 10.30 a.m. at Hotel Yogi Midtown, Plot No. DX-12, TTC Industrial Area, Mumbai-Pune Road, Turbhe, Navi Mumbai - 400705.

In this regard, as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are herewith filing the Annual Report for the financial year 2016-17, which was duly approved and adopted by the members as per the provisions of the Companies Act, 2013 and the rules made thereunder.

Kindly take the same on your record.

Thanking You,

Yours faithfully

**For Thyrocare Technologies Limited**



**Ramjee Dorai**  
**Company Secretary and Compliance Officer**

Thyrocare Technologies Limited

Think Thyroid. Think Thyrocare.

**A young  
beginning.  
A perfect story.**

# Contents

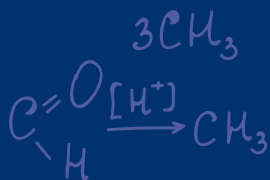
<b>Corporate Overview</b>	At a Glance	02
	Diversifying Strategically through Subsidiary Business	06
	Performance Review	08
	Chairman's Review	10
	Benchmarked to the Highest Quality Standards	12
	20 years of Attaining Cost Leadership	14
	Achieving Unmatched Speeds	16
	Leveraging Technology to Drive Revolution	18
	Harnessing the People Power	19
	Board of Directors	20
	Corporate Information	22
<b>Statutory Reports</b>	Board's Report	23
	Management Discussion & Analysis	51
	Business Responsibility Report	72
	Corporate Governance Report	80
	CEO and CFO Certification	95
	CEO Certificate on Code of Conduct	95
	Auditors' Certificate on Corporate Governance	96
<b>Financial Statements</b>	Standalone Financial Statements	97
	Consolidated Financial Statements	144
<b>AGM Notice</b>	17 <sup>th</sup> Annual General Meeting Notice	190

## Forward-Looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Visit [www.thyrocare.com](http://www.thyrocare.com)  
for e-report



21 years of realising a vision unseen, of walking a path less trodden, and of striving for excellence unparalleled in the history of India's diagnostic industry.

It has been 21 years of an exceptional journey at Thyrocare, which began in 1996 with this unique philosophy and mind-set.

The one word that we repeatedly heard during this journey was "impossible". Industry players dismissed our concept of introducing low-cost solutions and night processing laboratory. Analysts considered our idea of aggregating samples from across the country and flying them to our Central Processing Laboratory (CPL) as unviable.

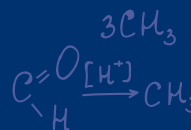
Despite this, we continued our march forward to implement our vision... and continued to do so in that impeccable style that is today synonymous with the biggest disruption ever witnessed by the diagnostic industry in India.

Perfecting the disruption over two decades, we have emerged as the most respected wellness brand, with an unfathomable scale of operations and nationwide network, using cutting-edge technologies, collaborating with every stakeholder in the industry, and expanding exponentially.

Regardless of our growth and maturity as an organisation, we are still a young Company.

Young in mind, filled with energy, enthusiastic for new challenges, and driven by empowered youth who are well-prepared to script a new growth story.

# At 21, we are still young and passionate.





## At a Glance

Thyrocare Technologies Limited is India's first fully automated clinical chemistry laboratory, with a focus on providing affordable and quality diagnostic services to laboratories and hospitals across India.

We are the country's first laboratory to have adopted the distinctive business approach of aggregating test samples from customers and partners from all corners of India, conducting quality clinical tests, and finally despatching reports digitally. Meticulously created and monitored systems, well-chosen and trained manpower, astute selection of the best global technologies for specialised testing, and an uncompromising approach to instrumentation have ensured that Thyrocare is perceived as a benchmark for quality in the diagnostic industry. The Company's uniqueness lies in its effort to innovate and match global standards in quality service delivery, at the most cost-effective prices.

A zero-debt Company that is constantly focussing on reducing costs for customers to the maximum possible extent, Thyrocare is, at the same time, dedicatedly engaged in enhancing partner's business and shareholder's value.



Founded by Dr. A. Velumani, Ph.D., Thyrocare started operations in a small rented premises of 200 sq. ft. in Byculla, Mumbai, and later moved to a 20,000 sq. ft. owned floor with a Central Processing Laboratory (CPL) in Thane. Today, the Company, located in Turbhe, Navi Mumbai, runs a huge laboratory floor, roughly 2,00,000 sq. ft. area, and caters to the entire gamut of the needs of the diagnostic industry. Its shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) since May 2016.

### Branding a new success story

We were among the first in the industry to promote Preventive Care Diagnostics on a large scale through our B2C brand "Aarogyam", which focusses on Wellness segment in Healthcare. The brand, which offers a battery of metabolic tests intended primarily to diagnose lifestyle-related disorders at an early stage, stands tall as the most popular name in the diagnostic sector. Our buffet of offerings, comprising dozens of tests packaged attractively with a highly economical pricing structure, has been well received by the health conscious individuals, who see tremendous value in our service portfolio. The service offerings through Aarogyam are focussed on disorders that are preventive care and non-critical in nature, facilitating access to a wide customer base with bigger chances of repeat business. This approach has also helped in increasing the test volumes significantly, as each profile comes loaded with at least



30-40 tests. Operating on this business model, the Company has set a precedence for Preventive care in the diagnostic segment.

Our cutting-edge automation and analytical abilities, backed by stringent quality control programmes, have enabled us to set the highest standards of quality in the Indian diagnostic industry. State-of-the-art equipment facilitates smooth automation across the three operational stages of pre-analytical, analytical and post-analytical testing of samples.

- **Pre-analytical automation**

It involves HCTS2000 – m.u.t and RSD Pro, which reads the barcode and sort the samples in accordance with technological priority.

- **Analytical automation**

In order to effectively meet the huge and growing demand for diagnostic testing, the Company has equipped itself with dozens of best-in-class floor standing analysers, connected to track automation, processing thousands of samples each hour. In 2010, Thyrocare became the first in the country to instal the “Total Laboratory Automation” (TLA) or the LabCell. This 27-metre long track is equipped with barcode scanners and separate CentralLink Data Management System (dedicated LIS), which follows and stores all information generated from the track. With the laboratory volumes spiralling, Thyrocare, in 2014, also installed Aptio TM – a 93.5-metre long track that connects the input, output, pre and post processing modules of the analysers efficiently. It is equipped with in-built barcode scanners in the track, along with its own dedicated sample managers to handle sample flow and data management system.

- **Post-analytical automation**

After processing, the samples are verified for completion of all tests requested, and subsequently archived for storage using RSD Pro (Cobas p512).

# At A Glance

## The Thyrocare laboratory network

Our Centralised Processing Laboratory, which was developed through 19 years of hard work and in-depth understanding of the business needs, has set a precedent in the industry and continues to stand out as a benchmark of excellence.

Our regional processing laboratories, set up in multiple cities like **New Delhi, Kolkata, Bengaluru, Hyderabad, Coimbatore and Bhopal** have helped fill the void in the logistics map, enabling us to spread our reach to the nooks and corners of the country. These regional laboratories, whose processing methodologies and quality protocols are aligned to the central laboratory, are equipped to handle the most commonly sought tests. Samples requiring further testing are sent to the central laboratory through air cargo.

### Certifications



ISO 9001:2008



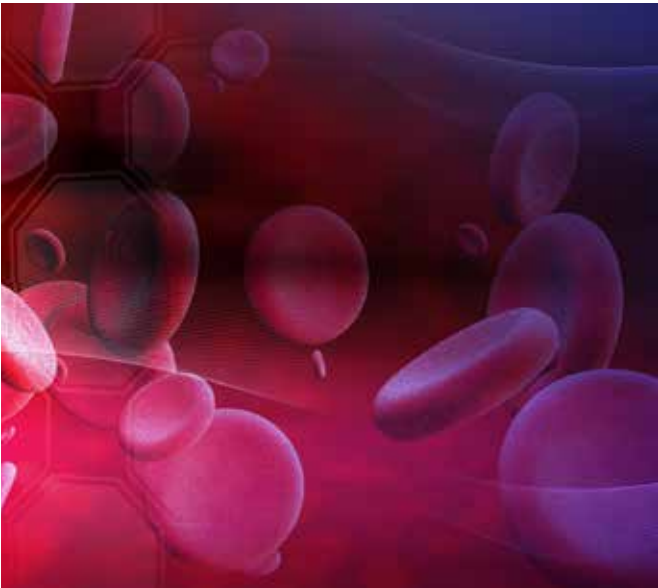
NABL (National Accreditation Board for Testing and Calibration Laboratories)



CAP  
(College of American Pathologists)

## Technology platforms

* Chemiluminescence Immuno Assay	(CLIA)
* Enzyme Linked Immuno-Sorbent Assay	(ELISA)
* High Performance Liquid Chromatography	(HPLC)
* Capillary Electrophoresis	
* Ion Selective Electrode	
* Flow Cytometry	
* Fluorescence Flow Cytometry	
* Nephelometry *Photometry	
* Induction Coupled Plasma - Mass Spectrometry	(ICP-MS)
* Liquid Chromatography Mass Spectrometry	(LC-MS)
* Western Blot *Immunofluorescence Assay	(IFA)
* Segmented Continuous Flow Analyser	(SFA)
* Gas Chromatography - Flame Ionisation Detector	(GC-FID)
* Gas Chromatography - Mass Spectrometry	(GC-MS)
* Inductively Coupled Plasma Optical Emission Spectrometry	(ICP-OES)



## Corporate strengths

**Scripting our success story are our key strengths, which we continue to evolve with our focussed initiatives, year-on-year**

**Strong leadership team**

Our senior management team includes seasoned professionals with years of experience in the field. Our promoter, Dr. A. Velumani, worked as a scientific officer at the Bhabha Atomic Research Centre for 12 years. His expertise in the areas of immunodiagnostics and entrepreneurial skills has successfully guided the Company to its current position.

**Focussed portfolio**

We offer a focussed range of biochemistry and preventive healthcare tests in the areas of prenatal screening, hormonal imbalances, nutritional deficiencies and lifestyle disorders, catering to diverse customer segments and age groups.

**Economies of scale**

Our Centralised Processing Lab supported by extended regional Processing laboratory model, robust IT and instrumentation infrastructure, and focus on specialised tests facilitates handling of large volumes of samples with minimum turnaround time. This has enabled us to achieve the lowest cost of operations in the industry.

**Pan-India network**

Our vast network of authorised service providers (ASPs), countrywide hubs, RPLs across key locations and our central processing laboratory, coupled with strong partnerships with hospitals and small laboratories across India, facilitates deep penetration across the country.

**Robust IT network**

We have progressively invested in information technology for developing an extensive network that facilitates robust connectivity, real-time communication and effective management of the massive pan-India operational volumes.

**Accessibility to wider geography**

Our specimen logistics enables us to access wider geography. Getting samples from the ASPs to the lab floor in minimum time helps us manage our turnaround time efficiently.

**Vendor relationships**

Our long-term relationships with reagents and consumable vendors, backed by procurement in large volumes, lends us a strong negotiation power to help us get the best rates.



## Diversifying Strategically through Subsidiary Business

### Nuclear Healthcare Limited (NHL)

Revenue 2016-17	<b>₹ 171.97 mn</b>
Revenue growth over 2015-16	<b>18%</b>
Percentage contribution to consolidated revenues	<b>6%</b>

Service offerings	<b>18F-FDG</b> (FluoroDeoxyGlucose) whole body PET-CT Imaging service
18F-FDG PET-CT Imaging scans in 2016-17	<b>18,510</b>



### Technology platforms

In tandem with our focus on augmenting our core strengths, we have also gone for strategic diversification of our business to create a more robust growth structure.

#### Overview

NHL, a fully-owned subsidiary of Thyrocare, commenced operations in 2011 with the aim to provide affordable cancer-scanning facilities to cancer patients. It is engaged in the business of Cancer Imaging with the help of a fusion imaging technology (PET-CT), which enables determination of the stage of cancer, probability of intended effectiveness of chemotherapy, radiation therapy or other treatments, customised course of treatment, and chances of recurrence of disease post treatment. NHL currently provides PET-CT Imaging services through five centres across Mumbai, Delhi, Hyderabad, Surat and Vadodara.

### The competitive edge

- NHL offers high-quality and reliable 18F-FDG (FluoroDeoxyGlucose) whole body PET-CT Imaging service at the lowest cost in the industry - at ₹ 9,999, which is nearly 40% to 50% less than the industry levels.
- It seeks to curtail service abuse, as affordability of image scanning would encourage oncologists to recommend PET-CT investigations to patients who are genuinely deserving and likely to benefit from the procedure.

### Strategic direction ahead

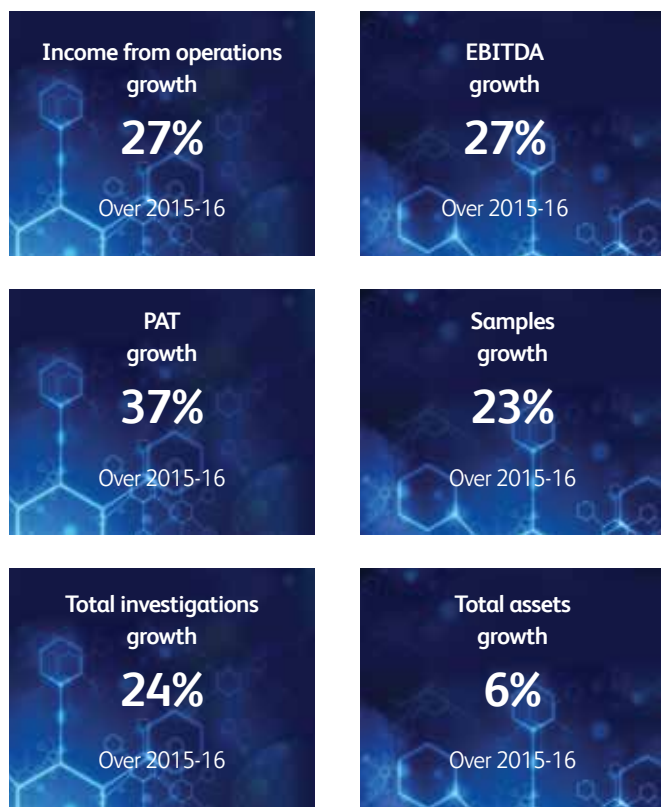
- To establish PET-CT Franchisee Collaborated Centres across the cities of Raipur, Mumbai, Nashik, Jaipur, Aurangabad and Kolkata to reduce operational cost outlay.
- To invest in Medical Cyclotron facilities in strategic locations of Delhi and Coimbatore, and work in synergy with PET-CT centres.



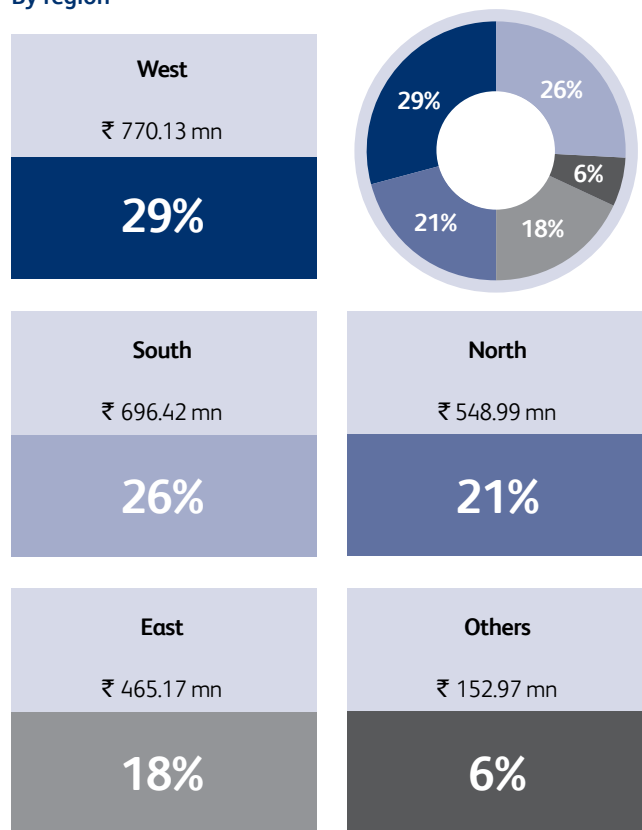
# Performance Review

Our performance highlights underline the realisation of our vision and showcase the passion that steers our success odyssey.

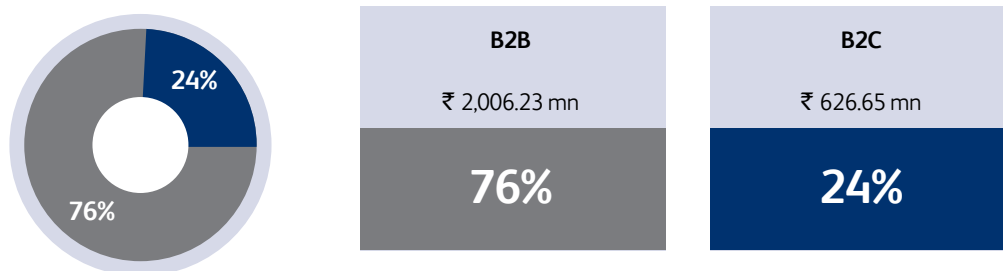
## 2016-17 in retrospect



## By region

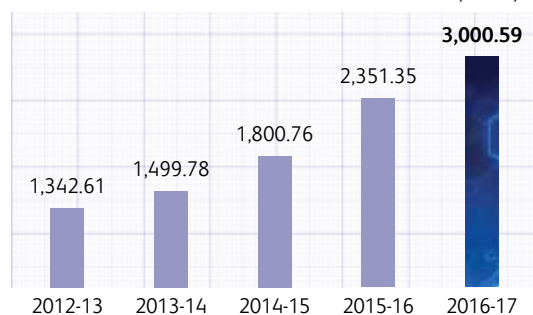


## 2016-17 revenue break-up (Testing Revenue)



## Revenues

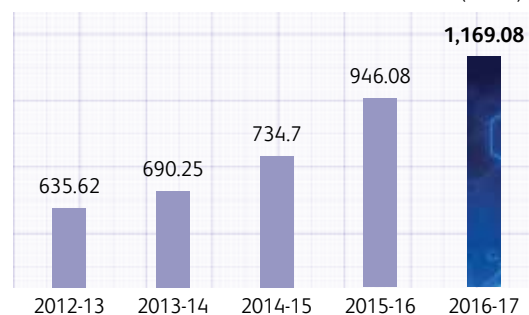
(₹ mn)



CAGR - 22%

## EBITDA

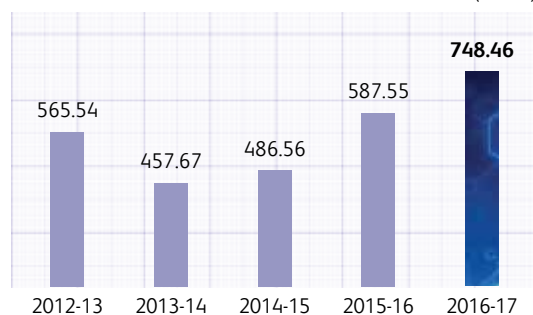
(₹ mn)



CAGR - 17%

## PAT

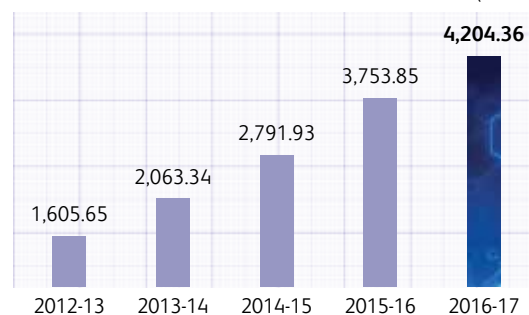
(₹ mn)



CAGR - 7%

## Net Worth

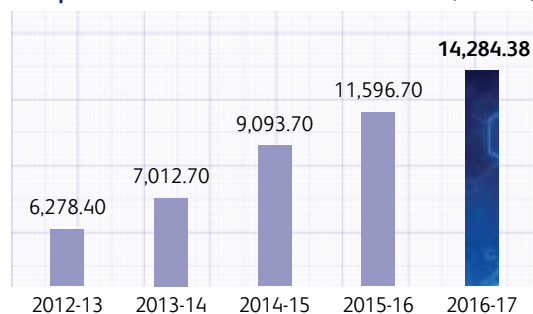
(₹ mn)



CAGR - 27%

## Samples Processed

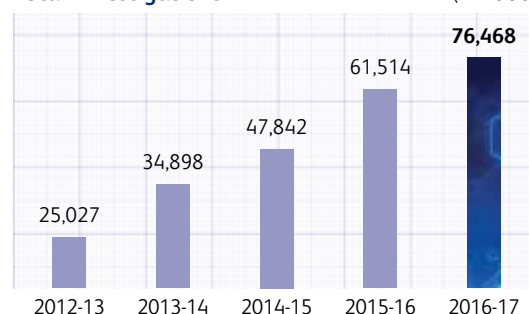
(In '000)



CAGR - 23%

## Total Investigations

(In '000)



CAGR - 32%



## Chairman's Review

**“Going forward, as our growth plans materialise, we intend to strive harder and outperform our historical averages and report robust growth”**

### Dear Shareholders,

The fiscal 2016-17 was a gratifying one for the Company, as reflected in our growing numbers and brand resonance, as well as the faith reposed in the Company by investors. After a record IPO response, I am pleased to report that within the very first year of listing, your Company's market capitalisation grew 60% to ₹ 38,563 mn as on March 31, 2017, while annual returns to shareholders stood at 62% (including dividend payment and growth in share prices).

As an organisation, we have always striven to enhance our long-term sustainability and shareholders' worth. The successful and profitable exit that we provided to our private equity investors through our IPO was in line with this philosophy.

Before I take you through the Company's performance, I would like to clear a common misconception with regards to our business areas. It is widely perceived that we are into pathology. However, the fact is that most of our operations are restricted to biochemistry, which is just a part of the pathology segment. There is a distinct difference between overall pathology and biochemistry. While pathologists conduct all kinds of tests, with focus on diseases, and provide diagnosis for the same, biochemistry focusses on wellness and preventive healthcare and tests in this field relate to disorders. Thus, while sick care requires faster turnaround owing to the criticality of the cases, diagnostics in this area is not scalable as customers only come when they are ill. However, in our case, the business is very much scalable, generates sufficient cash flows and has higher scope for repeat business. On the radiology side too, we are just focussed on PET-CT scans, which again is a scalable business. Thus, we have focussed our business offerings to areas that are disorder-focussed and hence scalable.

Moving now to the review of our performance in fiscal 2016-17, despite a marked slowdown in the macro-economy, we posted exceptional numbers, with revenues increasing 27% to

₹ 3,068.06 mn as a result of enhanced brand visibility, customer trust and the slew of focussed initiatives undertaken by us. Revenues from diagnostic services grew 27% to ₹ 2,732.01 mn, and those from imaging services grew 18% to ₹ 182.95 mn. EBITDA and PAT went up 27% and 37% respectively ₹ 1,183.70 mn and ₹ 709.65 mn. Our EBITDA and PAT margins continued to be at industry high levels at 39% and 23% respectively, driven by economies of scale and zero-debt advantage.

At the operational level, we witnessed the highest ever samples processing at 14.28 mn (23% growth over 2015-16). The scale of our business volumes can be gauged from the fact that despite opening new RPLs, our CPL still ran at adequate capacities. The performance of Nuclear Healthcare has been equally satisfying, with the number of 18F-FDG whole body PET-CT scans reaching new highs, going up 16% to 18,510 scans.

### Covering new grounds

Until recently, the Company primarily focussed on conventional ways of growing business volumes. However, given the huge potential of our business, we decided strategically to explore new channels that would augment the pace of our growth. With this vision in mind, we undertook the following initiatives:

- Scaled-up digital promotions and advertisement in view of the robust reach, impact and speed-to-customer of the medium.
- Undertook specialised campaigning by launching loyalty programmes (for existing customers) and special packages for women on Women's Day (offering tests at a price as low as ₹ 100).
- Organised mega camps across campuses of corporates to spread awareness on preventive healthcare.
- Hired own dedicated technicians (earlier done through franchisees' technicians) to collect specimen samples from customers' doorsteps, thus improving customer service index,



and reducing customer complaints by effectively addressing their issues.

- Engaged with local diagnostic centres & third party service providers to widen portfolio through inclusion of non-pathology tests.
- Engaged direct sales associates, such as start-ups and online aggregators, to strengthen retail marketing.
- Organised camps across the country to promote the advantage of collaborative concept among local laboratories and franchisees.
- Initiated OLC (online client) concept as a one-stop shop for B2B clients by facilitating online registration, and enabling them to view service offerings, book tests, make payments and download reports online.

#### Reason to be optimistic

The healthcare expenditure in India is expected to grow at a CAGR of 16.5%, from USD 110 bn in 2016 to USD 280 bn by 2020. Preventive and wellness healthcare is expected to be a primary driver of this growth, driven by increasing urbanisation, sedentary lifestyle, and peaking stress levels, which are giving way to higher incidence of lifestyle diseases such as cancer, obesity, heart disease, diabetes, among others. Between 2014-15 and 2017-18, the segment is expected to witness a compounded growth of 23-25%, marked by an increase in its share in the overall diagnostic industry. Also, with bulk of the market in the pathology segment being unorganised, there is significant headroom for the organised sector to grow.

#### Focussed on the big leap

What makes me highly optimistic about our future is the fact that, with our present network and scale of operations, we are only catering roughly around 5% to 10% of the total market, while the rest are being met through nearly 1,00,000 local laboratories across the country. However, majority of these labs have limited

capabilities and operate at low volumes, making business unviable. We aim to partner with these labs to create a win-win proposition, which would enable us to operate at full capacities. In diagnostic service business, we intend to add 14 new RPLs over the next three years to cater to the massive growth in volumes that we intend to achieve. In the imaging service business, we aim to add three cyclotrons in metros and up to another 50 PET-CT centres. Through these strategically located cyclotrons we would be able to reach out to nearly 60 PET-CT centres via 30 air-connected cities.

#### Message to shareholders

As you can see, we are placed quite attractively in the industry through our competencies, technologies and relationships. We have managed to grow our revenues at a CAGR of 22% in the past five years. Going forward, as our growth plans materialise, we intend to strive harder and outperform our historical averages and report robust growth. It took us 21 years to reach revenues of ₹ 3,000 mn, but, in the next phase of our growth, we are targeting another ₹ 3,000 mn in just 5 years – a feat we are confident of accomplishing at the back of our ever-evolving strengths and the passionate dynamism of our people.

On this positive note, I would like to thank all our stakeholders (investors, associates, vendors, customers and employees) for believing in us and being an important part of our journey. As we celebrate our 21<sup>st</sup> year of existence, I am reminded of our initial days when people were sceptical about our survival. Defying all scepticism, the hard work and confidence shown by Thyrocareans in our vision has enabled us to reach this level. I take this opportunity, on behalf of the entire Board, to thank them and assure them of the Company's best support in their progressive journey.

With warm regards,

Dr. A. Velumani

Chairman and Managing Director

# Benchmarked to the Highest Quality Standards

**Owing to the criticality of the nature of our business, we have adopted a culture of zero tolerance for errors.**

**This focus on quality and accuracy has enabled us to stay ahead of the industry curve.**





Our success in ensuring quality excellence is attributable, in a large measure, to our well-devised Quality Management System

(QMS) that encapsulates every aspect of quality protocol and laboratory-related standard operating procedures. While systems are meticulously laid out, the Company also ensures that it has a qualified, trained and dedicated team of quality control performance analysts to efficiently manage operations. This has enabled us to achieve uncompromisable quality standards.

**Thyrocare's robust two-stage quality control check practice:**



## Pre-analytical stage quality control check

This step ensures that there is no compromise in quality even before the actual testing commences. The initiatives under this include:

- 
**Barcoding**  
 This ensures zero mix-up of samples as customer and test information is fed in the system against respective bar-coded vial.
- 
**Sealed collection kits & cold chain system**  
 This ensures zero contamination of collection kits and longevity of samples.
- 
**Bidirectional LIS**  
 This facilitates two-way communication for ensuring accuracy of bar code scanning.
- 
**Pre-analytical automations**  
 This ensures that all vials are sorted in accordance with the type of tests to be done.

## Analytical stage quality control check

We undertake two routine activities to ensure analytical stage quality control. These include:

- 
**Internal Quality Control (IQC)**  
 This stage involves checking analyser performance status, testing its accuracy using standard reference materials, and determining reagent efficacy. In addition, pre-QC (after routine analyser maintenance and before sample processing), mid-QC (during sample analysis) and post-QC (during closure) checks are also conducted two to three times every day.
- 
**External quality control**  
 This step involves comparing of performance with other laboratories to continuously raise the quality bar and scale standards. We even participate in proficiency testing programmes from leaders in the segment, such as College of American Pathologists, Bio-Rad EQAS, Euorimmun Quality Assessment Portal, CDC-LAMP, and Interlaboratory testing programme, thereby ensuring multiple evaluations of tests.



**₹ 3.38 mn**

average amount spent by the Company on quality-related parameters in 2016-17.



# Attaining Cost Leadership

**In a country where majority of the population belongs to the middle and lower class, and public spending on healthcare is a meagre 1.4% of the GDP, only players capable of managing operations at the lowest cost can sustain in the long term.**

**At Thyrocare, our business model has enabled us to become the lowest-cost healthcare service provider and put an end to the unhealthy practice of industry monopoly.**

We could achieve this mainly by scaling volumes – an important focus area since our inception. We believe that volumes give rise to floor efficiency, optimal resource utilisation and sustainable prosperity. Our strong and unwavering commitment to be the

“Kitchen” for all laboratories, for tests that complement their menu, continues to help us grow volumes at an exceptional pace.

Owing to our brand reputation, systematic service delivery, and positioning in the preventive care domain, the volumes in direct patient service of our business have spiralled in the last five years. As a result, nearly 25 % of the business today comes from the retail segment, driven mostly by Aarogyam. We have in place an efficient order management system and trained team to handle the enquiries from patients and help them avail service in the comfort of their homes through our dedicated blood collection technician network.

**Some of our other initiatives enabling cost leadership include:**



- Development of robust pre-analytical and analytical stage automation system, through an ingenious combination of IT and modern instrumentation for faster turnaround, reduced human intervention and scaling up of volumes.



- Focus on wellness and preventive care diagnostics sector, where the customer base is higher than sick care and chances of repeat business is greater.



- Innovative concept of test packages, whereby a customer can get multiples tests done at lower prices and we benefit from increase in test volumes.



- Collaborations with hospitals, laboratories, pathologists, and referring doctors.



- Long-term relationships with reagent and consumable vendors, backed by bulk procurement, enables us to receive significant discounts.

**In 2016-17, we launched several new initiatives to further augment our operational volumes. These include:**

- **DXN** - We partnered with local diagnostic centres and third-party service providers to provide customers with comprehensive diagnostic solution packages, which include a combination of pathology and non-pathology tests. Thus, in addition to our biochemistry tests, we can now also provide ECG, pulmonary function test, PAP smear, chest X-ray, and gynaecologist opinion solutions through our partners. This would enable us to cater to the needs of customers looking for comprehensive solutions in one package.
- **Engaging direct sales associates (DSAs)** - We engaged DSAs (start-ups companies and online aggregators) to promote our wellness and preventive healthcare products on commission basis. For this, a strong IT infrastructure was also created, which facilitates direct sourcing of booking information from the DSA's network.
- **National level camps** - We organised camps across all Indian states to promote the strengths of our business model among small local laboratories and franchisees. Almost 60% of the new business through these camps came from local laboratories, indicating their growing interest in preventive healthcare.
- **Launched OLC** - We facilitated customers to register on our website, login, do data entry, download reports and make online payments for the necessary test package, while the specimen is collected by the franchisees on a service charge basis. This enables customers to get packages at rates comparable with those of the franchisees while directly communicating with us for any queries or issues.

**Low-capital expansion approach**

Our business model ensures that RPLs only conduct basic routine tests, which can be done with the aid of elementary instrumentation, enabling us to spread geographically with minimal capital investments.

**Sustaining operations at zero-debt**

Given the nature of our business, where payments are received upfront and there is no major working capital expenditure, we have been able to remain debt-free since inception. This has enabled us to achieve higher margins and expand operations through internal funding.



## Achieving Unmatched Speeds

As the basic premise of the wellness and preventive care industry is the ability to deliver on-time solutions for corrective actions, a player that achieves faster turnaround is the most preferred in this business.

We believe in upholding the sanctity of time and are continuously working to ensure the same.





## 15-20 hours

average turnaround time for processing a sample, right from acquisition to report delivery.



# Leveraging Technology to Drive Revolution

**Investments in technology have been a game-changer for us, facilitating effective management of the most crucial element of our business – volumes.**

Since inception, we have led the industry in adoption of the latest technologies. At a time when the industry relied heavily on manual processing, we revolutionised the industry by making sizeable investments in automation technologies. Our investment in technology has been in two key areas – Information Technology and High-end equipment.

## Information Technology (IT) infrastructure

• OLC	Enables any person or organisation with sample collection capabilities to outsource sample processing to us by managing operations completely online.
• Thyrocare mobile app	Facilitates individuals to gain access to personalised preventive healthcare services, along with facility of booking them & downloading reports online.
• Charbi	Facilitates seamless connectivity between ASPs and CPL through a virtual network for uploading work order, delivering reports, tracking operational statistics, as well as managing clients, patients, doctors, orders and materials, and also ensuring smooth communication with the company.
• Thyrosoft	Facilitates seamless connectivity between RPLs and CPL through a virtual network, which is also connected to Charbi software, facilitating ASPs and RPLs to share data related to orders and reports.
• Barcoded and bi-directionally interfaced system	Enables redirecting of vials to correct analyser for processing, and simultaneously synchronising output data with the software to generate and upload the reports on the website. This ensures right test is done on right specimen, ensuring right results generation.

## Instrumentation infrastructure

Vendor	Instrumentation
• Siemens	*Adiva Centaur *Immolute 2000xPi *BN II *Advia 2400
• Thermo Fisher Scientific	*iCAP Q ICP-MS analyser *Water testing - Pesticides analysis TRACE 1300 (GC) with ISQ LT (MS) *Water testing - Toxic elements analysis, iCAP 7000 series
• Agilent Technologies	*Water testing - Volatile organic compounds, 7890B series *Agilent 7700 series
• Abbott	Architect i2000
• Roche	EEE modular
• Merilyzer	Dynex
• DIESSE	Chorous TRIO
• Bio-Rad	Bio-Rad Variant II turbo
• Sebia	CAPILLARYS 02
• Beckman Coulter	Olympus AU2700
• BD Biosciences	BD FACScalibur
• Sysmex Corporation	SYSMEX XN-1000
• Beckman Coulter	Olympus AU2700
• Shimadzu Corporation	Nexera UHPLC with quadrupole MS system
• MP Biomedicals	Autoblot System 20
• AESKU Diagnostics	Helmed IFA processor
• Systea	Water testing – physical and chemical parameter

## Harnessing the People Power

**We, at Thyrocare, believe that people strength is the foundation for a progressive and sustainable organisation. A prudent balance of work security and prosperity has enabled us to attract and retain the best of talent over the years.**



We have a team of around 850 employees with strong domain expertise. We continue to make the workplace more facilitative, engaging, competitive, and educational for employees to ensure high motivation levels and healthy career growth opportunities. As a result of this people-centric philosophy, we have been able to retain our top management over the years. We also ensure that the youth who have joined us gain more experience and knowledge than they can get through years of professional studies.

### **Some of our key HR initiatives include:**

- **Hiring fresh talent:**

We follow a culture of hiring youth/freshers in their prime working age, and provide them comprehensive grooming and a healthy work experience. We have tied up with several colleges, institutions and placement agencies for the same.

- **Skill development:**

We believe in continuous skill development, whereby the employees are encouraged to undergo minimum allotted training hours every month.

- **Security:**

Our philosophy of not downsizing employee strength has enabled us achieve a robust track record of not firing any employees, for any reason whatsoever, since our inception.

- **Motivation:**

We ensure fair remuneration to employees, besides providing stock options to reward performing and loyal employees in line with the Company's growth. We also organise various engaging programmes (painting, chess and athletic competition), celebrate festivals, and arrange unofficial meetings (Power Breakfast and Coffee Unclutter) facilitating the CEO to connect with employees.

## 24 years

mean age of employees  
working with the Company

## 31%

employees in the organisation  
have been with the Company  
for over two years

## Board of Directors



### **Dr. A. Velumani**

Chairman, CEO and Managing Director

He is a graduate in science from the University of Madras, a post graduate in science from the University of Bombay and a doctorate in philosophy (science) from the University of Bombay. He has over 20 years of experience in the diagnostics business. He set up TBPL and TDPL in 1996 which were subsequently acquired by our Company in 2000. He has been instrumental in the success of the Company heading it for over 16 years. Prior to this, he worked with Bhabha Atomic Research Centre (BARC) for over 12 years as a scientific officer specialising in immunodiagnostics in general and radioimmunoarrays in particular. He standardised various immuno, analytical and biotechnological techniques during his tenure at BARC. He was awarded the Brig. S.K. Mazumdar Memorial Oration Award in 2001. He is a lifetime member of the Society of Nuclear Medicine, India. He has been a Director on our Board since incorporation.



### **A. Sundararaju**

Executive Director and Chief Financial Officer

He is a graduate in law from the University of Bombay. He has an expertise in the field of finance, legal and administrative activities with over 19 years of experience. He has been in charge of the finance, legal, administrative and franchisee departments of our Company since 1996. He has been a Director on our Board since incorporation.



### **Amruta Velumani**

Non-Executive Director

She is currently pursuing master's degree in science from ITM University. She was appointed as a Non-Executive Director on February 22, 2016.



### **Gopal Shivram Hegde**

Independent Director

He is a graduate in law from the University of Bombay. He has over 21 years of experience in the legal profession. He was appointed on our Board as an Independent Director on August 21, 2014.

**Vishwas Kulkarni**

Independent Director

He is a graduate in commerce and law from the University of Bombay. He has over 21 years of experience in the legal profession. He was appointed on our Board as an Independent Director on August 21, 2014.

**N. Palanisamy**

Independent Director

He holds a diploma in mechanical engineering from the State Board of Technical Education and Training, Madras. He has work experience of 11 years. In his previous stint, he worked with SIV Industries Ltd., Sirumugai. He is currently working as a freelance consultant for turnkey projects. He was appointed on our Board as an Independent Director on September 20, 2014.

**Dr. Neetin S. Desai**

Independent Director

He is a graduate in science from Rajaram College, Shivaji University, post graduate in science from Shivaji University and a doctorate in Philosophy from Shivaji University. Prior to this, he was associated with D. Y. Patil University, Belapur, Navi Mumbai as Professor in the Department of Biotechnology and Bioinformatics. He is currently employed with Amity University, Mumbai. He was appointed on our Board as an Independent Director on September 20, 2014.

**Sohil Chand**

Non-Executive Nominee Director

He holds a post graduate degree in International Accounting and Finance from the University of London and a Masters degree in business administration from the University of Chicago. He has 15 years of experience in the financial services industry, including private equity, venture capital and investment banking. He has been associated with NVP Venture Capital India Private Limited (NVP India) since October 2008. He has been a Nominee Director since his appointment on September 29, 2012.



## Corporate Information

### Registered Office

#### **Thyrocare Technologies Limited**

D/37-1, TTC Industrial Area, MIDC Turbhe, Navi Mumbai - 400 703.

Tel: +91 22 2762 2762 | Fax: +91 22 2768 2409

Website: [www.thyrocare.com](http://www.thyrocare.com) | E-mail: [investor\\_relations@thyrocare.com](mailto:investor_relations@thyrocare.com)

Corporate Identity Number: U85110MH2000PLC123882

### Corporate Office

#### **Thyrocare Technologies Limited**

D/37-3, TTC Industrial Area, MIDC Turbhe, Navi Mumbai - 400 703.

### Registrar & Share Transfer Agent

#### **M/s. Link Intime India Private Limited,**

C-101, 247 Park,

L B S Marg,

Vikhroli West,

Mumbai- 400 083.

### Bankers

Axis Bank Limited

IDBI Bank Limited

ICICI Bank Limited

Citibank

### Statutory Auditors

#### **B S R & Co. LLP, Chartered Accountants**

5<sup>th</sup> Floor, Lodha Excelus, Apollo Mills Compound

N.M. Joshi Marg, Mahalaxmi, Mumbai - 400 011.

Tel.: +91 22 4345 5300 | Fax: +91 22 4345 5399

# Board's Report

## TO THE MEMBERS

Your Directors have pleasure in presenting their 17th Annual Report, along with the audited stand-alone and consolidated financial statements of the Company for the Financial Year ended March 31, 2017.

### Financial Results:

The Stand-alone and Consolidated financial results for the financial year 2016-17 are given below:

		Stand-alone		Consolidated	
		2016-17	2015-16	2016-17	2015-16
1	Revenue				
	(a) Revenue from operations	3,000.59	2,351.35	3068.06	2409.65
	(b) Other income	80.79	52.04	90.92	65.42
	<b>Total revenue</b>	<b>3,081.38</b>	<b>2,403.39</b>	<b>3158.98</b>	<b>2475.07</b>
2	Expenses				
	(a) Cost of materials consumed	783.76	596.60	815.54	630.33
	(b) Purchases of stock-in-trade	86.37	66.42	86.37	66.42
	(c) Changes in inventories of stock-in-trade	(8.63)	6.83	(8.63)	6.82
	(d) Employee benefits expense	293.50	242.86	311.28	256.98
	(e) Depreciation and amortisation	116.89	113.53	180.47	182.37
	(f) Other expenses	676.50	492.56	679.80	514.12
	<b>Total expenses</b>	<b>1,948.39</b>	<b>1,518.80</b>	<b>2064.83</b>	<b>1657.04</b>
3	<b>Profit before exceptional items and tax</b>	<b>1,132.99</b>	<b>884.59</b>	<b>1094.15</b>	<b>818.03</b>
4	Exceptional items				
5	Profit on sale of undertaking	-	2.98	-	-
6	<b>Profit after exceptional items and before tax</b>	<b>1,132.99</b>	<b>887.57</b>	<b>1094.15</b>	<b>818.03</b>
7	Tax expense:				
	(a) Current tax	403.70	321.00	403.70	321.00
	(b) Current tax expense relating to prior years	(0.64)	(4.10)	(0.67)	(4.10)
	(c) Deferred tax	(18.53)	(16.87)	(18.53)	(16.87)
	<b>Total Tax</b>	<b>384.53</b>	<b>300.03</b>	<b>384.50</b>	<b>300.03</b>
8	<b>Profit after tax</b>	<b>748.46</b>	<b>587.54</b>	<b>709.65</b>	<b>518.00</b>
	<b>Earnings per share [Nominal value of ₹ 10 each]: (31 March 2014 : ₹ 10 each):</b>				
	(a) Basic	13.93	11.42	13.21	10.06
	(b) Diluted	13.91	11.41	13.19	10.06

### Dividend:

Your Company has already paid Interim Dividend at the rate of ₹ 5/- (Rupees Five only) per share amounting to ₹ 268.64 Million and paid Dividend Distribution Tax amounting to ₹ 53.94 Million thereon, as approved by the Board at its meeting held on January 28, 2017.

Your Directors are happy to recommend a Final Dividend of ₹ 5/- (Rupees Five only) per share. With this, the total dividend for the year under review would be 100%, i.e., ₹ 10/- (Rupees Ten only) per share.

The total Dividend would work out to 86.29% of the Company's Stand-alone Profit after tax.

### Transfer of unclaimed dividend to Investor Education & Protection Fund:

Since there was no unpaid/unclaimed Dividend relating to previous year(s), the provisions of Sections 205-A and 205-C of Companies Act, 1956 / Section 124 and 125 of the Companies Act, 2013, which came into effect from September 2016, do not apply.

### Share Capital:

During the year under review, there was no change in the Equity Share Capital of the Company.

The Authorised Share Capital of the Company is ₹1,00,00,00,000/- made up of 10,00,00,000 Equity Shares of ₹10/- each, and the Issued, Subscribed and Paid Up Share Capital remains ₹ 53,72,35,330/- made up of 5,37,23,533 Equity Shares of ₹ 10/- each.

### Reserves & Surplus:

Out of the current year's profit of ₹ 748.46 Million, after appropriation of ₹ 322.58 Million towards Interim Dividend and the Dividend Distribution Tax already paid, there is a balance of ₹ 425.88 Million. There is an addition of ₹ 24.63 Million in Share Options Outstanding Account. With this, the total Reserves & Surplus stands at ₹ 3667.12 Million.

If the Final Dividend of ₹ 5/- is approved by the Shareholders, the Reserves & Surplus would stand reduced to the extent of Dividend and Dividend Distribution Tax paid.

### Deposits:

The Company has not accepted any public deposits and as such, there is no outstanding amount towards repayment of principal or payment of interest as on the date of the balance sheet.

### Performance of the Subsidiary Company, included in the consolidated financial statement:

Nuclear Healthcare Limited (NHL), the wholly owned subsidiary of your company, continues to be engaged in PET-CT Scan business and is charging a very nominal rate of ₹ 10,000/- per scan for PET-CT scans, while many other scanning centres are charging around ₹ 25,000/- for the same.

You will be happy to know that our subsidiary has achieved a market share of about 15%-20% of all the PET-CT Scans being taken in the country. We are planning to expand this business by setting up similar PET-CT Scan Centres in other important cities, on partnership basis with promising entrepreneurs.

### Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

No material changes have occurred subsequent to the end of the financial year of the Company to which the financial statements relates and till the date of the report, which will have an impact on the financial position of the Company.

### Auditors' Report:

The Auditors have not made any qualification, reservation or adverse remark or disclaimer in their Report on the financial statements of the Company for the year under review.

### Appointment of Auditors:

It is proposed to re-appoint M/s. B S R & Co. LLP, as Auditors of the Company from the conclusion of the 17th Annual General Meeting till the conclusion of 18th Annual General Meeting.

M/s. B S R & Co. LLP have confirmed their willingness to be appointed as Auditors of the Company and issued a certificate that they fulfill the criteria provided in the Companies Act, 2013. Their reappointment is being placed before the Members for their ratification.

### Internal Auditors:

M/s. M. Chinnaswamy Jai Vinoth and Associates, Chartered Accountants, Coimbatore, appointed as Internal Auditors of the Company, conducted Internal Audit for the financial year 2016-17 as per the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014. Their reports were reviewed by the Audit Committee and follow-up measures taken wherever necessary.

### Cost Auditor:

The Board has appointed Mr. S. Thangavelu, Cost and Management Accountant, Coimbatore, as Cost Auditor for conducting the audit of cost records of the Company for the financial year 2016-17. The approval of Members is sought by way of ratification for the remuneration payable to him, as required under the provisions of Companies Act, 2013.

### Secretarial Audit Report:

The Secretarial Audit Report issued by Mr. V. Suresh, Practising Company Secretary, Chennai, in Form MR-3 is furnished in **Annexure-1**, attached to this report. The Secretarial Auditor has not made any qualification, reservation, adverse remark or disclaimer.

**Directors:****A) Changes in Directors and Key Managerial Personnel:**

The Board of Directors presently consists of Eight (8) Directors, viz. three Promoter-Directors (including a woman director), one Non-Executive Nominee Director (nominee of a Non-resident Investor Company) and four Independent Directors. This meets with the requirements of the Companies Act, 2013 and rules framed thereunder, and the requirements under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Memorandum & Articles of Association of the Company, Mr. Sohil Chand, Non-Executive Nominee Director, retires by rotation at this Annual General Meeting and being eligible offers himself for re-election.

The Company has all the Key Managerial Personnel in place as required under the provisions of Companies Act, 2013, viz. Dr. A. Velumani, Chairman & Managing Director as CEO, Mr. A. Sundararaju, Executive Director as CFO and Mr. Ramjee Dorai, as Company Secretary, and there is no change in the key managerial personnel during the year.

**B) Declaration by Independent Directors:**

The Company has received necessary declaration from all the four Independent Directors under Sub-section 7 of Section 149 of the Companies Act, 2013 that they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Companies Act, 2013.

**C) Formal Annual Evaluation of Board and Directors:**

Pursuant to the provisions of Companies Act, 2013, including Schedule IV of the said Act, and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a formal annual evaluation was carried out by the Board of its own performance and that of its Committees and individual directors.

Performance evaluation of Independent Directors was done by the entire Board of Directors, excluding the director being evaluated.

The evaluation was based on criteria such as attendance and contribution at Board / Committee meetings, understanding of the issues involved, ability to bring in new ideas and initiatives, commitment to fulfill the obligations and responsibilities of a director, etc.

The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and the Executive Director, and assessed the quality, quantity and timeliness of flow of information between the Company

Management and the Board, at an exclusive meeting held without the attendance of Non-Independent Directors and Members of the Management, where all the Independent Directors were present.

**Number of meetings of the Board of Directors:**

During the year under review, the Board of Directors met on 6 occasions as follows:

(i) 11-06-2016, (ii) 22-07-2016 (iii) 27-08-2016 (iv) 24-10-2016, (v) 28-01-2017 and (vi) 24-03-2017.

**Audit Committee:**

The Audit Committee consists of two Independent Directors and one Non-Executive Nominee Director as follows:

1.	Mr. Gopalkrishna Shivaram Hegde, Independent Director -	Chairman
2.	Mr. Vishwas Kulkarni, Independent Director -	Member
3.	Mr. Sohil Chand, Non-Executive Nominee Director -	Member.

The composition of the Audit Committee meets with the requirement of the Section 177 of the Companies Act, 2013. All the recommendations of the Audit Committee were accepted by the Board, and there was no instance where Board did not accept the recommendation of the Audit Committee during the year under review.

**Corporate Social Responsibility (CSR) Committee:**

The Company has constituted a Corporate Social Responsibility Committee as provided under Sec. 135 of the Companies Act, 2013 and the rules framed thereunder. The Committee consists of two Independent Directors and one Executive Director as follows:

1.	Mr. Gopalkrishna Shivaram Hegde, Independent Director -	Chairman
2.	Mr. Vishwas Kulkarni, Independent Director -	Member
3.	Mr. A. Sundararaju, Executive Director & CFO	Member.

During the year under review, the Company has spent a total sum of ₹ 13.51 Million on the CSR proposals as approved by the CSR Committee and Audit Committee.

Disclosures as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in the **Annexure-2**, attached to this report.

**Nomination and Remuneration Committee:**

The Company has constituted a Nomination & Remuneration Committee consisting of two Independent Directors and one Non-Executive Nominee Director as follows:

- |    |  |            |
|----|--|------------|
| 1. | Mr. Gopalkrishna Shivaram Hegde,<br>Independent Director | - Chairman |
| 2. | Mr. Vishwas Kulkarni, Independent Director               | - Member   |
| 3. | Mr. Sohil Chand, Non-Executive Nominee<br>Director       | - Member.  |

The composition of the Nomination and Remuneration Committee meets with the requirements of the Section 178 of the Companies Act, 2013. The policy formulated by Nomination and Remuneration Committee is given in the **Annexure-3**, attached to this report.

#### Stakeholders Relationship Committee:

The Company has constituted a Stakeholders Relationship Committee consisting of one Independent Director, one executive Director and one non-executive director as follows:

- |   |  |             |
|---|--|-------------|
| 1 | Mr. Gopalkrishna Shivaram Hegde, Independent<br>Director | - Chairman. |
| 2 | Mr. A. Sundararaju, Executive Director & CFO             | - Member.   |
| 3 | Miss Amruta Velumani, Non-Executive Director             | - Member.   |

#### Risk Management Committee:

Though it is not mandatory under the existing guidelines, the Company has voluntarily constituted a Risk Management Committee consisting of one Independent Director, one executive Director and one non-executive director as follows:

- |   |  |             |
|---|--|-------------|
| 1 | Mr. Gopalkrishna Shivaram Hegde, Independent<br>Director | - Chairman. |
| 2 | Mr. A. Sundararaju, Executive Director & CFO             | - Member.   |
| 3 | Miss Amruta Velumani, Non-Executive Director             | - Member.   |

#### Risk management policy:

The Company has formulated a Risk Management policy and it has been published on the website of the Company. The audit committee has additional responsibility in the area of financial risks and controls. Major risks identified, if any, are systematically addressed through appropriate actions on a continuous basis.

#### Insurance:

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

#### Internal Financial Controls:

The Company has in place adequate internal financial controls with reference to financial reporting. During the year, such controls were reviewed and no material weakness in the design or operation was observed.

#### Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been communicated to all the Directors and Senior Management personnel. The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2016-17.

#### Vigil Mechanism:

The Company has introduced a vigil mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct, if any. There is no change in the Whistle-blower Policy adopted by the Company in the last year.

#### Policy on prevention of Sexual Harassment:

The Company has formed a Committee to attend to any complaint of sexual harassment. During the financial year ended March 31, 2017, the Company has not received any complaint from any employee pertaining to any sexual harassment.

#### Statement of particulars of appointment and remuneration of managerial personnel:

The Statement of particulars of appointment and remuneration of managerial personnel, who were in receipt of remuneration of not less than the limit mentioned under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure-4**, attached to this report.

#### Subsidiaries, Joint Ventures and Associate Companies:

Nuclear Healthcare Limited is the wholly owned subsidiary of your company and its entire share aggregating to 1,11,11,000 equity shares is held by your company.

Your company has been holding 5,440 equity shares in Thyrocare International Holding Company (TIHC), Mauritius, valued at ₹ 16.15 Million, which is about 9.09% of the total equity share capital of the said company. TIHC is holding 51% of the equity share capital of Thyrocare Gulf Laboratories WLL, Bahrain. During the year under review, your company decided to sell its entire holding at the acquisition cost to a related party, but it could not be completed for want of approval of Reserve Bank of India.

A statement containing the salient feature of the financial statement of the Company's subsidiary and joint venture, pursuant to the first proviso to sub-section (3) of Section 129 has been given in **Form No. AOC-1**, as **Annexure-5**, attached to this report.

#### Particulars of contracts or arrangements with related parties:

The particulars of the contracts and arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013, which were on arms' length basis as provided under Explanation (b) to the third proviso



thereto, have been furnished in **Form No. AOC-2**, as **Annexure-6**, attached to this report.

#### Particulars of loans, guarantees or investments under Section 186:

The particulars of loans, guarantees, and investments, as applicable,

have been disclosed in the financial statements.

#### Particulars of employees

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the directors	Position	Ratio to median remuneration
Executive directors		
Dr. A. Velumani	Managing Director & CEO	72.73
Mr. A.Sundararaju	Executive Director & CFO	36.36

- (ii) The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer and Company Secretary

Name of the directors	Position	%age of increase in the financial year
Executive directors / KMPs		
Dr. A. Velumani	Managing Director & CEO	48.15
Mr. A.Sundararaju	Executive Director & CFO	55.04
Mr. Ramjee Dorai	Company Secretary	20.13

The non-executive directors are not getting any remuneration. Independent directors are being paid sitting fee only.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 20.06%

- (iv) The number of permanent employees on the rolls of Company as on 31-03-2017: 808

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase was about 20% in the salaries of employees other than the managerial personnel, and the average increase in the managerial remuneration was about 51%.

- (vi) The remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

- (vii) There was no employee who was in receipt of remuneration, during the year under review, in excess of the limit specified under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### Employees Stock Purchase / Option Schemes:

The Company had allotted 33,650 equity shares in the year 2014 to Thyrocare Employees Stock Option Trust, as approved by the shareholders, which got multiplied to 1,34,600 equity shares subsequent to the Bonus issue made in 2014. These shares vested on the eligible employees on April 01, 2017 and the process of transferring the shares to the employees concerned has been initiated.

The Shareholders had also approved granting of Stock Options equivalent to 1% of the then paid-up equity share capital of the Company, to be distributed to the eligible employees over a period of ten years at the rate of 0.10% with an increase or decrease of 0.02% depending on the Company's growth.

Accordingly, the Company has issued Stock Options equivalent to 40,434 Equity Shares in 2014-15 and Stock Options equivalent to 50,537 Equity Shares in 2015-16, all of which would vest on the eligible employees on expiry of three years from the date of sanction, subject to their continuing in service on the respective vesting dates.

This year, it is proposed to grant Stock Options equivalent to 50,529 Equity Shares, which would vest on the eligible employees on expiry of three years from the date of sanction, subject to their continuing in service, and the proposal is being placed before the Members for

their approval. The disclosure as per rule 12 (9) of The Companies (Share Capital and Debentures) Rules, 2014 relating to Employees Stock Option Scheme is enclosed as **Annexure-7**, attached to this report.

#### Change in the nature of business:

There is no change in the nature of core business of the Company or in that of the Subsidiary Company during the year under review.

#### Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future:

No significant and material order has been passed by the regulators, courts, or tribunals impacting the going concern status and company's operations in future.

#### Business Responsibility Report:

Your Company has been declared as one of the top 500 companies listed in both NSE and BSE and hence is required to furnish a Business Responsibility Report, under the provisions of Regulation No.34 (2)(f) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Accordingly, the Business Responsibility Report is forming part of this Report.

#### Extract of the Annual Return:

As per the provisions of Sub-Section 3 of Section 92 of the Companies Act 2013, read with rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT-9 is furnished as **Annexure-8**, attached to this report.

#### Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo, pursuant to the provisions of Clause (m) of Sub-Section 3 of Section 134 of the Companies Act, 2013, read with Companies (Accounts) Rules 2014, are given in the **Annexure-9**, attached to this report.

#### Directors' Responsibility Statement:

Pursuant to the provisions of Sub-Section 5 of Section 134 of the Companies Act, 2013, your Board of Directors confirm, to the best of their knowledge and ability, that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

#### Acknowledgements:

Your Directors wish to take the opportunity of thanking Axis Bank, IDBI Bank, ICICI Bank and Citibank for support extended by them.

Thanks are also due to our customers for their continued patronage and the franchisees / authorised service provider vendors for their co-operation.

Thanks are also due to the Employees for their sincere services and co-operation.

Your Directors also wish to thank the Members for the confidence they have reposed in the Board of Directors of the Company.

For and on behalf of the Board of Directors,  
**Thyrocare Technologies Limited**  
**Dr. A. Velumani**  
 Chairman & Managing Director  
 DIN: 00002804

Place: Navi Mumbai  
 Date: 09-05-2017

# Board's Report

## Form No. MR -3 Secretarial Audit Report

### For the Financial Year 2016-17

ANNEXURE 1

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

To,  
The Members,

**M/s. THYROCARE TECHNOLOGIES LIMITED**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. THYROCARE TECHNOLOGIES LIMITED (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s. THYROCARE TECHNOLOGIES LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. THYROCARE TECHNOLOGIES LIMITED** ("the Company") for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(NOT APPLICABLE)**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(NOT APPLICABLE)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(NOT APPLICABLE)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(NOT APPLICABLE)**

Other Laws specifically applicable to this Company is as follows:

- (vi) The Bio-medical Wastes (Management and Handling) Rules 1998;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**I further report** that the Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. There is no changes in the composition of the Board of Directors during the period under review.

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

**I further report that, during the audit period,**

1. The Company came out with an IPO by way of Offer for sale of 1,02,07,472 Equity Shares by a Strategic Investor and 5,37,236 Equity Shares by 3 Shareholders belonging to the Promoter Group, and the Issue was over-subscribed by more than 75 times. Consequently, the Company is now a listed company.

2. The shares were transferred from the selling shareholders to the successful applicants of the IPO within the time schedule, and the shares were admitted for listing at both National Stock Exchange of India Ltd., (NSE) and BSE Limited (BSE) with effect from 09-05-2016.

Place: Navi Mumbai

Date : 08.05.2017

**V Suresh**

Practising Company Secretary

FCS No. 2969

C.P.No. 6032

# BOARD'S REPORT

## REPORT ON CSR ACTIVITIES

## ANNEXURE 2

1	A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:	<p>The Company's CSR Policy is based on the principle of extending support to the underprivileged segments of the Society and to render service to achieve selected goals for the common benefit of the entire society.</p> <p>The Company has identified four thrust areas for implementation of its CSR Policy, viz. (i) Environment-oriented (ii) Society-oriented (iii) Education-oriented and (iv) Health-care oriented.</p> <p>CSR Policy may be viewed at the Company's website, "www.thyrocare.com"</p>
2	The composition of the CSR Committee:	<p>The Company has a CSR committee of directors comprising of</p> <ul style="list-style-type: none"> <li>- Mr. Gopalkrishna Shivaram Hegde, Independent Director-Chairman</li> <li>- Mr. Vishwas Kulkarni, Independent Director- Member</li> <li>- Mr. A. Sundararaju, Executive Director &amp; CFO- Member</li> </ul>
		₹in millions
3	Average net profit of the Company for the three financial years:	757.63
4	Prescribed CSR expenditure at 2% of the above amount	15.15
5-a	Total amount spent during the year 2016-17	13.51
5-b	Amount unspent	1.64
5-c	Manner in which the amount spent during the financial year	Mentioned in Annexure Attached
6	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	The balance amount, which could not be spent pending identification of another suitable project, will be spent in the financial year 2017-18
7	A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.	We hereby affirm that the implementation and monitoring of the CSR Policy, as approved by the Board, is in compliance with the objectives and Policy of the Company.

For and on behalf of Board of Directors of,

**Thyrocare Technologies Limited,**

**Dr. A. Velumani**

**G. S. Hegde**

(Chairman & Managing Director)

DIN:00002804

(Chairman, CSR Committee)

DIN: 00157676

Place: Navi Mumbai

Date: 09-05-2017



# BOARD'S REPORT

## ANNEXURE 2.1

### DETAILS OF CSR PROJECT OF THE COMPANY

(₹ in Millions)								
1	2	3	4	5	6		7	8
S. No.	CSR Project or activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs		Cumulative expenditure incurred upto the reporting period	Amount spent: direct or through implementing agency
					Direct expenditure on project or programs	Over-heads		
1	Education to those from underprivileged sections of society, and promoting vocational skills	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;	Pan India (₹ 6.13 M) - Also Local areas where our Central processing Laboratory and Regional Processing Laboratory are situated - Maharashtra & Tamil Nadu (0.22 M)	-	6.35	-	6.35	Direct
2	Encouragement for enhancing Paralympics sports abilities	Training to promote rural sports, nationally recognised sports, and Paralympics sports and Olympic sports.	Pan India		5.50		5.50	Direct
3	Financial assistance to those suffering from poverty, and contribution for spreading awareness of Swachh Bharat	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;	Local areas where our Central processing Laboratory and Regional Processing Laboratory are situated - Maharashtra & Tamil Nadu	-	1.44	-	1.44	Direct
4	Financial assistance for maintenance of library and encourage-ment for spreading Indian culture.	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;	Local areas where our Central processing Laboratory and Regional Processing Laboratory are situated - Maharashtra & Tamil Nadu	-	0.22	-	0.22	Direct
					13.51		13.51	

For and on behalf of Board of Directors of,  
**Thyrocare Technologies Limited,**  
**Dr. A. Velumani**

**G. S. Hegde**

(Chairman & Managing Director)  
DIN:00002804

(Chairman, CSR Committee)  
DIN: 00157676

Place: Navi Mumbai  
Date: 09-05-2017

# BOARD'S REPORT

ANNEXURE 3

## Nomination & Remuneration Committee

### The Nomination & Remuneration Committee consists of three directors, viz.

- 1 Mr. Gopalkrishna Shivaram Hegde, Independent Director - Chairman
- 2 Mr. Vishwas Kulkarni, Independent Director - Member
- 3 Mr. Sohil Chand, Non-Executive Nominee Director - Member

The following is the broad description of the terms of reference of the Committee:

- 1 Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2 Formulating of criteria for evaluation of performance of the independent directors and the Board;
- 3 Devising a policy on Board diversity;
- 4 Identifying persons who qualify to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal;
- 5 Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 6 Analysing, monitoring and reviewing various human resource and compensation matters;
- 7 Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- 8 Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- 9 Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- 10 Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as applicable;
- 11 Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- 12 Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

**Nomination & Remuneration Policy:**

**The objectives of the Policy**

- 1 To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (Executive and Non-executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- 2 To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- 3 To carry out evaluation of the performance of Directors.
- 4 To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 5 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.

For and on behalf of Board of Directors of,

**Thyrocare Technologies Limited,**

**Dr. A. Velumani**

**G. S. Hegde**

(Chairman & Managing Director)

DIN:00002804

(Chairman, CSR Committee)

DIN: 00157676

Place: Navi Mumbai

Date: 09-05-2017

## BOARD'S REPORT

ANNEXURE 4

## STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

S r . No.	Name of the employee	Designation of the Employee	Remuneration received	Nature of employment, whether contractual or otherwise	Qualification & experience of the employee	Date of Commencement of employment	Age of the employee	The last employment held by employee before joining the Company	The % of equity shares held by the employee in the company	Whether employee is a relative of any directors or manager of the company and if so, name of such director or manager
1	2	3	4	5	6	7	8	9	10	
1	Dr. A. Velumani	Chairman, Managing Director & Chief Executive Officer	16.00	Contractual	Qualification: PhD in Applied Thyroid Biochemistry -- Experience: 39 Years	16-Aug-01	59 Years	Scientific Officer – Bhabha Atomic Research Centre	27.57	1. Mr. A. Sundararaju (Brother)  2. Miss. Amruta Velumani (Daughter)

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**

**Dr. A. Velumani**  
(Chairman & Managing Director)  
DIN:00002804

Place: Navi Mumbai  
Date: 09-05-2017

# BOARD'S REPORT

Form AOC-1

ANNEXURE 5

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ millions)

Sl. No.	Particulars	Details
1	Name of the subsidiary	Nuclear Healthcare Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as the Holding Company's reporting period, viz. 31-03-2017
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital – Authorised – ₹ in Million	150.00
	Paid up Capital	111.11
5	Reserves & surplus	642.91
6	Total Assets	891.74
7	Total Liabilities	891.74
8	Investments	0
9	Turnover	171.97
10	Profit / Loss before taxation	-42.93
11	Provision for taxation	--
12	Profit / Loss after taxation	-42.93
13	Proposed Dividend	-
14	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries, which are yet to commence operations: Nil
- Names of subsidiaries, which have been liquidated or sold during the year: Nil



## Part “B”: Associates and Joint Ventures

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Currency in ₹Millions)

Name of associates/Joint Ventures	Thyrocare International Holding Company, Mauritius
1. Latest audited Balance Sheet Date	31-12-2016
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	5440
Amount of Investment in Associates/Joint Venture	₹16.15 M
Extent of Holding %	9.09 %
3. Description of how there is significant influence	N.A.
4. Reason why the associate/joint venture is not consolidated	The Company does not have any significant influence over the investee company.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-
1. Names of associates or joint ventures which are yet to commence operations:	Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year:	Nil

For and on behalf of the Board,  
**Thyrocare Technologies Limited**

**Ramjee Dorai**

Company Secretary  
FCS-2966

Navi Mumbai  
9-May-17

**Dr. A. Velumani**

Chairman & Managing Director  
DIN- 00002804

Navi Mumbai  
9-May-17

**A. Sundararaju**

Executive Director & CFO  
DIN- 00003260

Navi Mumbai  
9-May-17

# BOARD'S REPORT

ANNEXURE 6

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain 'Arms Length' transactions under third proviso thereto**

## 1 Details of contracts or arrangements or transactions not at arm's length basis:

There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, which are not at arm's length basis.

## 2 Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration's of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	Mrs. Susila Selvaraj (relatives of Promoter)	Sale of shares held by the Company in Thyrocare International Holding Co., (TIHC), Mauritius.	This is an one-time transaction	The Company, Thyrocare Technologies Limited (TTL) was holding 5440 shares in Thyrocare International Holding Company, Mauritius (TIHC) valued at 16.15 Million, which had not started yielding return. It was expected that it would take a couple of years more to get return from this investment. Being a listed company, TTL thought it desirable to divest this investment and made an offer to sell the shares to the other existing shareholders, who had declined the offer. Hence, Mrs. Susila Selvaraj, being a relative of the Promoters, came forward to acquire the shares as she was willing to hold the investment till it starts giving any yield. However, this could not be completed for want of approval from RBI.	27-08-2016	Not applicable
2	Nuclear Healthcare Ltd. (Wholly-owned subsidiary company)	Discontinuation of outsourcing of PET-CT Scan Services	This is discontinuation of an existing arrangement.	The Company had entered into an arrangement with Nuclear Healthcare Limited, the wholly-owned subsidiary, for sourcing PET-CT scan business for them for which the Company was getting about 20% of the charges levied by NHL. However, the name and the business of the Nuclear Healthcare Limited (NHL) have now become well known, and it has gained marketing expertise and wherewithal to source its own business. NHL has introduced the concepts of PPS- PET-CT network, which is highly recognised by the stakeholders. Therefore, the existing marketing arrangement was withdrawn effective from 01-01-2017.	28-01-2017	Not applicable

Sr. No.	Name(s) of related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration's of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
3	Dr. A. Velumani (Chairman & Managing Director)	Acquisition of the trademark, "Whaters" which was originally conceived by Dr. A. Velumani and registered in his name for a token consideration & waiving off the royalty due to him till the date of transfer of trademark	This is an one - time transaction and not a contract of any duration	The Company, Thyrocare Technologies Limited (TTL) has been using the trademark, "Whaters" which was conceived by Dr. A. Velumani and registered in his name, without paying any royalty. At their Meeting held on 06-02-2016, the Board of Directors of the Company agreed (i) to acquire the said trademark by paying a fixed consideration of ₹1 crore, and (ii) to pay royalty to Dr. A. Velumani calculated at ₹25,00,000/- or 1% of the turnover realised from using the said trademark, until the date of acquisition, whichever is lower. However, Dr. A. Velumani has kindly decided to assign the trademark to the Company for a token consideration of ₹1/- (Rupee One only) and also waive the royalty thereon till the date of transfer of trademarks.	24-03-2017	Not applicable
4	Nueclear Healthcare Ltd. (Wholly-owned subsidiary company)	Sub-letting of a part of the land together with superstructure thereon, by TTL to NHL	Initially for a period of 36 months from 01-04-2017, renewed thereafter with mutual consent of the parties	Consequent on sale of Cyclotron business to Nueclear Healthcare Limited (NHL), they have taken on sub-letting basis from the Company, a part of the land admeasuring 1332.23 sq. mtrs., together with structure standing thereon, wherein cyclotron business of the Company is carried on, subject to approval from MIDC.	24-03-2017	₹32.16 lakhs.. non-interest bearing, refundable Security deposit, to be refunded on the expiry of the arrangement.

For and on behalf of Board of Directors,  
**Thyrocare Technologies Limited**

**Dr. A. Velumani**  
 (Chairman & Managing Director)  
 DIN: 00002804

Place: Navi Mumbai  
 Date: 09-05-2017

# BOARD'S REPORT

ANNEXURE 7

## STATEMENTS ON EMPLOYEES STOCK OPTION SCHEME

Sr. No.	Particulars	Details			
		2014 Shares	2015 Options	2016 Options	2017 Options
a.	Options granted	1,34,600 (including Bonus)	40,434	50,537	50,529
b.	Options vested	134600	Not yet due	Not yet due	Not yet due
c.	Options exercised	133381	Not Applicable	Not Applicable	Not Applicable
d.	The total number of shares arising as a results of exercise of option	133, 381	Not Applicable	Not Applicable	Not Applicable
e.	Options lapsed	Time for exercising the option not over.	Not Applicable	Not Applicable	Not Applicable
f.	The exercise price (Already determined)	₹10/-	₹10/-	₹10/-	₹10/-
g.	Variations of terms of options	Not Applicable	Not Applicable	Not Applicable	Not Applicable
h.	Money realized by exercise of options - in ₹	1333810	Not Applicable	Not Applicable	Not Applicable
i.	Total number of options in force (*)	1219	40,434	50,537	50,529
j.	Employee wise details of options granted to:-				
i.	Key Managerial Personnel	Nil	Nil	Nil	Nil
ii.	Any other employee who receives a grant in any one year of option amount to 5% or more of options granted during the year				
1	Dr. Caesar Sengupta, Vice-President-Operations.	22,395	6,076	3,520	2,706
2	Mr. M. Chandrasekhar, General Manager-Infrastructure	13,721	4,411	NA	NA
3	Mr. S. Krishnakumar, Dy. General Manager-Laboratory	8,447	2,155	NA	NA
4	Mr. Rajkumar S. Kushawaha, Dy. Gen. Manager-Laboratory	8,312	NA	NA	NA
5	Mr. Kallathikumar, Dy. General Manager-Laboratory	7,906	2,209	NA	NA
6	Mr. M. Santhosh, General Manager-Business Development	7,583	2,151	NA	NA
iii.	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	None	None	None

\* The remaining options yet to be exercised.

For Thyrocare Technologies Limited

**Dr. A. Velumani,**

Chairman & Managing Director

Navi Mumbai  
May 09, 2017

# BOARD'S REPORT

## EXTRACT OF ANNUAL RETURN

ANNEXURE 8

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS:

1	CIN	U85110MH2000PLC123882
2	Registration Date	28-01-2000
3	Name of the Company	THYROCARE TECHNOLOGIES LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	D-37/1, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai (MH)-400703 Ph. No. 022-27622762
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Link Intime India Private Limited C-101, 247 Park. L B S Marg, Vokhroli West, Mumbai- 400 083. Ph. 022- 49186270

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Independent diagnostic/pathological laboratory services	86905	89.19
2			
3			

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Nuclear Healthcare Limited, D/37-1, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai-400 703.	U74120MH2011PLC212839	Wholly owned subsidiary Company	100	Section 2(87)
2	Thyrocare International Holding Company, c/o Cim Fund Services Ltd., 33, Edith Cavell Street Port Louis, - Mauritius.		Joint Venture	9.09	Section 2(6)



#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	20,310,266	-	20,310,266	37.81	19,773,030	-	19,773,030	36.81	-1.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	14,588,715		14,588,715	27.15	14,588,715		14,588,715	27.15	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	34,898,981		34,898,981	64.96	34,361,745		34,361,745	63.96	-1.00
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	34,898,981	-	34,898,981	64.96	34,361,745	-	34,361,745	63.96	-1.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	6,465,426	-	6,465,426	12.03	12.03
c) Central Govt	-	-	-	-	42,723	-	42,723	0.08	0.08
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investment	-	-	-	-	2,401,292	-	2,401,292	4.47	4.47
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	8,909,441	-	8,909,441	16.58	16.58
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,241,480	-	1,241,480	2.31	1,398,218	-	1,398,218	2.60	0.29
ii) Overseas	-	-	-	-	-	-	-	-	-

No. of Shares held at the beginning of the year [As on 01-April-2016]					No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year	
Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares			
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	-	-	-	-	1,265,372	5	1,265,377	2.36	2.36	
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	-	-	-	-	22,750	-	22,750	0.04	0.04	
c) Others (specify)										
Non Resident Indians	-	-	-	-	-	-	-	-	-	
Overseas Corporate Bodies	17,448,472	-	17,448,472	32.48	7,241,000	-	7,241,000	13.48	-19.00	
Foreign Nationals- NRI (Non Repat and NRI Repat)	-	-	-	-	105,465	-	105,465	0.20	0.20	
Clearing Members	-	-	-	-	31,819	-	31,819	0.06	0.06	
Trusts	134,600	-	134,600	0.25	318,407	-	318,407	0.59	0.34	
Hindu Undivided Family (HUFs)	-	-	-	-	69,311	-	69,311	0.13	0.13	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	
Sub-total (B)(2):-	18,824,552		18,824,552	35.04	10,452,342	5	10,452,347	19.46	-15.58	
Total Public (B)	18,824,552		18,824,552	35.04	19,361,783	5	19,361,783	36.04	1.00	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	53,723,533		53,723,533	100	53,723,528	5	53,723,533	100	-	

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Dr. A. Velumani	14,809,317	27.57	-	14,809,317	27.57	-	-
2	Mr. A. Sundararaju	249,669	0.46	-	249,669	0.46	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Dr. A. Velumani</b>						
	At the beginning of the year	1-Apr-16		14,809,317	27.57%		
	Changes during the year			-		-	
	At the end of the year	31-Mar-17				14,809,317	27.57%
2	<b>Mr. A. Sundararaju</b>						
	At the beginning of the year	1-Apr-16		249,669	0.46%		
	Changes during the year			-		-	
	At the end of the year	31-Mar-17				249,669	0.46%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Thyrocare Publications LLP</b>						
	At the beginning of the year	1-Apr-16		6,534,500	12.16%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-17		-	-	6,534,500	12.16%
2	<b>Thyrocare Properties and Infrastructure Pvt. Ltd.</b>						
	At the beginning of the year	1-Apr-16		5,217,800	9.71%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-17		-	-	5,217,800	9.71%
3	<b>Norwest Venture Capital VII-A, Mauritius</b>						
	At the beginning of the year	1-Apr-16		5,064,880	9.43%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-17		-	-	5,064,880	9.43%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>4</b>	<b>A. Sundararaju HUF</b>						
	At the beginning of the year	1-Apr-16		2,596,540	4.83%	-	-
	Changes during the year	9-May-16	Transfer	(180,000)	-0.34%	-	-
	At the end of the year	31-Mar-17		-	-	2,416,540	4.50%
<b>5</b>	<b>Sumathi Infra Project LLP</b>						
	At the beginning of the year	1-Apr-16		1,576,415	2.93%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-17		-	-	1,576,415	2.93%
<b>6</b>	<b>DSP Blackrock Micro Cap Fund</b>						
	At the beginning of the year	1-Apr-16		-	0.00%	-	-
	Changes during the year	-	Transfer	1,482,636	2.76%	-	-
	At the end of the year	31-Mar-17		-	-	1,482,636	2.76%
<b>7</b>	<b>Reliance Capital Trustee Co. Ltd. - A/c Reliance Pharma Fund</b>						
	At the beginning of the year	1-Apr-16		-	0.00%	-	-
	Changes during the year		Transfer	1,298,589	2.42%	-	-
	At the end of the year	31-Mar-17		-	-	1,298,589	2.42%
<b>8</b>	<b>Mahima Advertising LLP</b>						
	At the beginning of the year	1-Apr-16		1,260,000	2.35%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-17		-	-	1,260,000	2.35%
<b>9</b>	<b>Samara Capital Partners Fund I Ltd. Mauritius</b>						
	At the beginning of the year	1-Apr-16		1,089,052	2.03%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-17		-	-	1,089,052	2.03%
<b>10</b>	<b>Agalia Private Limited</b>						
	At the beginning of the year	1-Apr-16		11,294,540	21.02%	-	-
	Changes during the year	9-May-16	Transfer	(10,207,472)	-19.00%	-	-
	At the end of the year	31-Mar-17				1,087,068	2.02%

(v) **Shareholding of Directors and Key Managerial Personnel:**

S. No	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>Dr. A. Velumani</b>						
	At the beginning of the year	1-Apr-16		14,809,317	27.57%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-17		-	-	14,809,317	27.57%
<b>2</b>	<b>Mr. A. Sundararaju</b>						
	At the beginning of the year	1-Apr-16		249,669	0.46%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-17		-	-	249,669	0.46%
<b>3</b>	<b>Mr. Sohil Chand</b>						
	At the beginning of the year	1-Apr-16		-	-	-	-
	Changes during the year						
	At the end of the year	31-Mar-17		-	-	-	-
<b>4</b>	<b>Mr. Gopalkrishna Shivaram Hegde</b>						
	At the beginning of the year	1-Apr-16		-	-	-	-
	Changes during the year						
	At the end of the year	31-Mar-17		-	-	-	-
<b>5</b>	<b>Mr. Vishwas Kulkarni</b>						
	At the beginning of the year	1-Apr-16		-	-	-	-
	Changes during the year						
	At the end of the year	31-Mar-17		-	-	-	-
<b>6</b>	<b>Dr. Neetin Desai</b>						
	At the beginning of the year	1-Apr-16		-	-	-	-
	Changes during the year						
	At the end of the year	31-Mar-17		-	-	-	-
<b>7</b>	<b>Mr. N. Palanisamy</b>						
	At the beginning of the year	1-Apr-16		-	-	-	-
	Changes during the year						
	At the end of the year	31-Mar-17		-	-	-	-
<b>8</b>	<b>Miss. Amruta Velumani</b>						
	At the beginning of the year	1-Apr-16		752,512	1.40%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-17		-	-	752,512	1.40%
<b>9</b>	<b>Mr. Ramjee Dorai</b>						
	At the beginning of the year	1-Apr-16		-	-	-	-
	Changes during the year	9-May-16	Allot	33	-	-	-
	At the end of the year	31-Mar-17		33	-	33	-

**V. INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

The Company has neither taken any Secured/Unsecured loans nor accepted any deposits during the financial year 2016-17.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹/Million)
		Dr. A. Velumani	Mr. A. Sundararaju	
	Name	Chairman & Managing Director	Executive Director & CFO	
	Designation			
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.00	6.00	18.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	Nil	Nil	-
3	Sweat Equity	Nil	Nil	-
4	Commission			-
	- as % of profit	Nil	Nil	-
	- others, specify	Nil	Nil	-
5	Others, please specify			-
	i) Leave Encashment	4.00	2.00	6.00
	<b>Total (A)</b>	16.00	8.00	24.00

Ceiling as per the Act

## B. Remuneration to other Directors

(₹/Million)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. G.S. Hegde	Mr. Vishwas Kulkarni	Dr. Neetin Desai	Mr. N.Palanisamy	
1	Independent Directors					
	Fee for attending board committee meetings	0.16	0.16	0.04	0.07	0.43
	Commission	Nil	Nil	Nil	Nil	
	Others, please specify	Nil	Nil	Nil	Nil	
	Total (1)	0.16	0.16	0.04	0.07	0.43
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	
	Commission	Nil	Nil	Nil	Nil	
	Others, please specify	Nil	Nil	Nil	Nil	
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.16	0.16	0.04	0.07	0.43
	Total Managerial Remuneration	0.16	0.16	0.04	0.07	0.43
	Overall Ceiling as per the Act					

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WT**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel	(₹/Million)
	Name	Ramjee Dorai	Total Amount
	Designation	Company Secretary & Compliance Officer	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.85	1.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>1.85</b>	<b>1.85</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors,  
**Thyrocare Technologies Limited,**

Place: Navi Mumbai  
 Date: 09-05-2017

**Dr. A. Velumani**  
 Chairman & Managing Director



## BOARD'S REPORT

ANNEXURE- 9

**The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134 (3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014****(A) CONSERVATION OF ENERGY:-**

- |  |   |
|--|---|
| (i) the steps taken or impact on conservation of energy:                       | We have now migrated to 100 % LED lights across our labs and office   |
| (ii) the steps taken by the company for utilising alternate sources of energy: | The Company has taken steps for installing additional 200 KW rooftop Solar power plant along with existing 80 KW capacity. It would ensure that our 12 to 15 % of total power consumption is from renewable source. |
| (iii) the capital investment on energy conservation equipment                  | ₹ 40 lakhs  |

**(B) TECHNOLOGY ABSORPTION:-**

- |   |   |
|---|---|
| (i) the Efforts made towards technology absorption:   | <ol style="list-style-type: none"> <li>1. We have introduced Molecular based infectious tests on fully automated RT-PCR technology.</li> <li>2. We have upgraded Cytogenetics from manual to automation in order to launch Molecular Cytogenetic test menu (FISH)</li> <li>3. We are upgrading our existing 4- color Flowcytometer to 10-color in order to offer Leukemia and Lymphoma panels on Flowcytometry technology.</li> <li>4. We have introduced NewBorn Screening, Amino Acids and Organic Acids analysis on Triple Quad Mass spectrometry technology.</li> <li>5. We are signing a contract with Thermo Scientific in order to provide Non-Invasive Prenatal Test (NIPT) on Next Generation Sequencing.</li> </ol> |
| (ii) the Benefits derived like product improvement, cost reduction, product development or import substitution: | These technologies help us expand our menu, reduce our costs, and improve the efficiency of our services.   |

---

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year

---

(a) the details of technology import

---

(b) the year of import

---

(c) whether the technology has been fully absorbed

Nil

---

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

---



---

(iv) the expenditure incurred on Research and Development:

---

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows-

**Actual Inflow and Outgo during the year**

(Currency in ₹ Millions)

Particulars	31-03-2017	31-03-2016
Actual Inflow	330.65	16.67
Actual Outflow	94.64	82.5

For and on behalf of the Board of Directors,  
**Thyrocare Technologies Limited,**

**Dr. A. Velumani**

(Chairman & Managing Director)

DIN: 00002804

Place: Navi Mumbai

Date: 09-05-2017

# Management Discussion and Analysis

## About Thyrocare

Thyrocare is India's first fully automated clinical chemistry laboratory with a focus on providing quality at an affordable cost to laboratories and hospitals in India. Thyrocare operates with a Centralised Processing Laboratory (CPL) in Mumbai – India for esoteric tests; and Regional Processing Laboratories (RPLs) in major metro cities of India. Thyrocare has a focus on strong technologies, strong brands and strong systems that enable all laboratories to give their clients the best of science and technology at an accessible cost.

With a belief that 'Quality' is the heart of any intelligent management, Thyrocare became one of the first Indian diagnostic laboratories to obtain internationally renowned quality accreditations like ISO 9001:2000 rating as early as in 2001, which is now escalated to ISO 9001:2008; NABL (National Accreditation Board for Testing and Calibration Laboratories) in 2005 and CAP (College of American Pathologists) certification in 2007.

A clear focus on speed and accuracy further made Thyrocare the first Indian numerical pathology laboratory to have an IT enabled, 24x7, fully automated diagnostic laboratory set up covering over 2,00,000 sq. ft. floor space that ensures error free processing of over 60,000 specimens and over 2,50,000 clinical chemistry investigations per night. Our unmatched speed factor is achieved through a combination of air-cargo logistics, barcoded, bi-directional systems that ensures a mean turnaround time of 4 hours for processing of samples that arrive at any time of the day or night.

Meticulously created and monitored systems, well-chosen and trained manpower, wise selection of the best global technologies for specialized testing and an uncompromised approach to instrumentation have ensured that Thyrocare is looked upon as a yardstick for quality in the diagnostic industry. The uniqueness of Thyrocare is its effort to innovate and remain a part of the global standards for best of the quality service delivery, at the most cost-effective prices.

## About Industry

In the past fifteen years, India has been one of the fastest-growing economies with an average GDP growth of 7%. The healthcare spending of India however still lagging much behind when compared to many of the developed/ developing nations. The total expenditure on healthcare was 4.7% of the GDP spending in 2014, with public expenditure being meager 1.41%. India's GDP has expanded to ₹ 113,502 billion in FY 2016, at a CAGR of 7%. The increase in penetration of healthcare especially in rural areas, higher disposable income and higher spend on healthcare is likely to translate into double-digit healthcare market growth in the coming years.

The Indian diagnostic sector will be a beneficiary of macro-economic improvement, as higher disposable income, lifestyle diseases and inclination towards preventive healthcare drives the healthcare service market. While the entry barrier for the diagnostic sector is relatively low, greater pricing power, branding and potential accreditation guidelines in the future should insulate larger players from competition. The diagnostic segment is expected to post rapid growth. In India, the diagnostic expenditure is largely out-of-pocket expenses and the government spending is mostly restricted towards hospitalization or medicines. With rising income level, demand for quality healthcare diagnosis likely to remain strong. Tough Industry estimates suggest that the market is growing at 16-18%, the branded laboratories are growing at higher pace, which suggests that the diagnostic market is slowly and steadily shifting from unorganised to organized. The wellness and preventive diagnostic which consists of biochemistry tests to screen for and Individual's risk of disorders, are growing at faster rate with higher per capital disposable income, increasing health awareness and due to corporate initiatives.

There are approximately 30 lakh people in India suffering from cancer, every year about 7 lakh new cases are registered, about 70% die in the first year due to late detection and about 71% of all cancer related deaths are observed to be in the age group of 30-69 years of age. The WHO recommends 1 PET per 500,000 people whereas currently in India there are around 160 PET for 1.2 billion population.

## Our Business

Thyrocare has more than 1200 service providers spread across the country who create an interface between its laboratories and about 25,000 specimen collection points (small/ medium sized laboratories and hospitals) who in turn serve the needs of about 3,00,000 doctors. Today these 25,000 laboratories run their business using our processing facilities. This makes its services cheaper than the cost of reagents most laboratories would incur. Lowest cost, accredited quality and low turn-around time, are the key strengths which made them choose Thyrocare to outsource rather than investing time, money and resource in doing their own testing.

Clinical Biochemistry has remained the core focus of the company. Thyrocare takes up in its menu only such tests that (i) have a demand in the market, (ii) can be automated or scaled up and (iii) do not compete with supporting laboratories. While demand and automation helped in amplifying volumes without letting the overheads swell, the latter helped the local laboratories to look at Thyrocare as a solution provider rather than a competitor.

Through our wholly owned subsidiary, Nuclear Healthcare Limited, we are now focusing on building a pan-India network of PET-CT

(Cancer imaging, using a fusion imaging technology), which enables determination of cancer stage, probability of intended effectiveness of chemotherapy, radiation therapy and other treatments, customized course of treatment, and recurring nature of post disease post treatment. Currently Nuclear has PET-CT (Positron Emission Tomography-Computed Tomography) image scanning centres across Mumbai, Delhi, Hyderabad, Surat & Vadodra.

### Strategy

Our strategic objective is to have sustainable productive growth by maintaining the profit margins, without compromising on the quality and the cost of the delivery of our services. In pathology segment, Thyrocare has over several years concentrated on the mid volume and mid value tests. Thyrocare believes, any service in healthcare is a service to mankind and hence exhibiting utmost sincerity and perfection in providing the same is a necessity. In order to achieve sustainable growth, we are taking various measures and some of these are :

**Regional Processing Laboratories** – Thyrocare had been working on the centralized processing laboratory for nearly 19 years since its inception. Air-cargo logistics helped the samples from across the country to reach the central laboratory in short turnaround time. Processing all samples under the same roof helped the company to work on minimum CAPEX, maximum utility of resources and controlled overheads. However, the rate of expansion in network reach slowly started to see stagnation as the last mile connectivity was still by road or rail, thereby necessitating a central lab – regional lab – collection point model. Currently we have six regional processing laboratory and we are intending to set-up more such regional processing laboratory at locations which can source samples 360 degree radius and 300 kms distance.

**Collection of sample** – With increase in the B2C business, Thyrocare daily gets of around 3000-4000 leads for availing services on its web portals. To co-ordinate with these prospective clients individually, scheduling an appointment for collection of blood samples, routing the sample to the laboratory and again delivering the report to the customer requires planning and execution as most of these leads are targeted to be served within a limited window period of 3-4 hours, since these tests require fasting. We currently have on board more than 500 blood collection technicians (BTECHs), who does the collection of blood samples for us from these leads and also facilitate the logistics of these samples. This new avenue has also allowed us to penetrate dipper in the regional market and expand our B2C presence, which to a larger extent was earlier served by our authorized service providers.

**Procurement of business** – The digital marketing spurt coupled with the initiative by the government to promote more and more startups, has seen many small entrepreneurs starting there own ventures. Most of these startups promote wellness as this being highly scalable and can be easily promoted business for them. For most of these startups, Thyrocare is most preferred brand due to the recognition. Thyrocare acts as backend kitchen for most of these ventures. The direct sales

associate (DSA) concept allows these small time entrepreneurs flexibility to avail quality services at decent margin in any part of the country for their customers. We currently have more than 500 such registered DSAs sourcing business from us for their clients and this number is adding up further.

**Testing/ Technologies** – With dynamic evolution in the medical technology, it is imperative for a leading laboratory to adopt the latest of them, so as to ensure better results for the clients and patients. With dipper penetration in the regional market throughout the country due to our widely spread network, recognition received after our listing and due to setting up of regional processing laboratories, it was evident for us to explore the market by introducing newer tests and/ or to shift on to newer technologies with innovations. We will continue to launch newer tests/ newer technologies, at affordable cost for our patients, in the coming years too. We have launched number of such tests/ technologies in the recent period, the summary whereof is mentioned below –

Test/ Profile	Date of launch
Aarogyam S2 & S3 Profile	28-May-16
Ceruloplasmin (Nephelometry)	4-Jun-16
C-Peptide (CLIA)	4-Jun-16
Erythropoietin (CLIA)	4-Jun-16
Hemogram – 3 Part (Diff)	25-Jul-16
ESR	25-Jul-16
Potassium *	25-Jul-16
ANA 17 Blot (IFA)	25-Jul-16
Special Profile (specialist wise)	9-Aug-16
Mini Thalassemia Profile	19-Aug-16
Max Thalassemia Profile	19-Aug-16
Urine Cotinine	20-Aug-16
Aarogyam 1.8 Profile	20-Aug-16
LIPRO *	6-Sep-16
Arthritis MABC Profile	8-Sep-16
Aarogyam Camp Profile *	17-Sep-16
Anemia MABC Profile	21-Sep-16
Hemoglobin Variant Analysis (HPLC)	25-Oct-16
Diabetic MABC Profile	27-Oct-16
EGFR	18-Nov-16
Cardiac MABC Profile	1-Jan-17
Infertility MABC Profile	1-Jan-17
Bone MABC Profile	1-Jan-17
Fructosamine	1-Apr-17
Blood Ketone (D3HB)	1-Apr-17
Soluble Transferrin Receptor (STFR)	1-Apr-17
Amino Acid Profile	14-Apr-17
Urinary Organic Acid	14-Apr-17
Metabolic MABC Profile	14-Apr-17
New Born Screening Profile (LCMS)	31-May-17
Quantiferon-TB	31-May-17

\* - reactivated

**Comprehensive diagnostic solutions-** In order to ensure that our customer gets the comprehensive diagnostic solution under one roof, we have partnered with local diagnostic centres and third party service providers to provide customers a comprehensive diagnostic solution packages which include a combination of pathology tests and non-pathology tests. Thus, in addition to our biochemistry tests we would also be able to provide ECG, pulmonary function test, PAP smear, chest x-ray, and gynaecologist opinion solutions through these DXN partners. This would enable us to cater customers looking for comprehensive solutions in one package under one roof.

The radiology business over the years has evolved and currently we have 5 PET-CT centres. In order to serve cancer patients in their disease management by providing them a high quality, reliable and affordable PET-CT imaging solution, Nueclear aims to have a network of 4 medical cyclotron and 60 PET-CT's throughout the country.

### Human Resource

The Human Resources department at Thyrocare always ensure to hire fresh talents, help realize their potential and bestows right culture and capabilities amongst them. Human Resource management at Thyrocare is meticulously handled so that the employee learns during the tenure, understands the needs of the organization, reports periodically on self-development. Continual development of each employee for skill set and knowledge enhancement is the focus of training activities at Thyrocare. Thyrocare encourage employee development and education to achieve a dual goal of operational perfection and personnel enhancement. Thyrocare has ensured to set an excellent learning platform for each fresher associated with it.

We have set up thorough employment recruitment and screening processes. Over the last year, we received 13,893 applications from prospective employees, interviewed 4,681 applicants, and extended offers of employment to 2,908 applicants. The company has added 100 (net) and 854 (gross) employees this year, taking the total strength to 824 from 724 at the end of the previous year.

As Thyrocare since inception ensured to recruit fresh talent, learning and training are inevitable part of the career in Thyrocare. We have separate training module for our staff to learn various processes that are organized through internal as well as external faculties. During the fiscal 2017, the average training man hours per employee of organization was 3.25 hour per month. We also encourage our employees to pursue higher studies and qualification courses by funding for their education fees.

The company, under the 2014, Employees Stock Option Plan (ESOP 2014), has granted share-based benefits to eligible employees in the month of May of this calendar year. The company grants share-based benefits to eligible employees with a view to attracting and retaining the talent, motivating employees to excel in their performance

with company's performance, and ensures the participation of the employees as owner of the company to articulate the growth.

## Financial Performance

### I. Standalone Financial Performance

The management discussion and analysis given below relate to the audited financial statements of Thyrocare Technologies Limited (hereinafter referred to as Thyrocare). The discussion should be read in conjunction with the financial statements and related notes to the financial statements for the year ended March 31, 2017.

#### Summary

**Revenue from operations** of Thyrocare aggregated to ₹ 3000.59 million in Fiscal 2017 as compared to ₹ 2351.35 million in Fiscal 2016, registering a growth of 27.61%.

**Earning before interest, tax, depreciation and amortization (EBITDA)** of Thyrocare aggregated to ₹ 1169.09 million in Fiscal 2017 as compared to ₹ 946.07 million in Fiscal 2016, registering a growth of 23.57%.

**Profit after tax and after exceptional items (PAT)** of Thyrocare aggregated to ₹ 748.46 million in Fiscal 2017 as compared to ₹ 587.54 million in Fiscal 2016, registering a growth of 27.39%.

**Total Assets** of Thyrocare after net off of current liabilities aggregated to ₹ 4310.29 million in Fiscal 2017 as compared to ₹ 3852.71 million in Fiscal 2016, registering a growth of 11.88%.

#### Dividend

Thyrocare has determined that as a matter of policy, the net cash surplus after providing for tax, capital expenditure expected to be incurred during the next financial year, and any other anticipated requirement of funds, may be distributed among the shareholders as dividend for the financial year concerned. The board of directors decides on interim dividend based on the performance of Thyrocare during the course of the year. Thyrocare has declared one interim dividends during the course of the current Fiscal. The interim dividends constitutes a total payout of ₹ 5.00 per equity share (50% on the face value of ₹ 10/- each) for the Fiscal 2017. The Board of Directors have recommended a payment of final dividend of ₹ 5.00 (Rupees Five only) per equity share of the face value of ₹ 10 each for the Fiscal 2017. Post approval of final dividend of ₹ 5.00 per equity share by the shareholders, the total dividend for the Fiscal 2017 including the final dividend will be ₹ 10/- (Rupees Ten only) per equity share.

The following table provides the details of the standalone financial performance of Thyrocare –

	Fiscal 2017			Fiscal 2016		
	₹ In million	% of Income	% growth compared to Fiscal 2015	₹ In million	% of Income	% growth compared to Fiscal 2015
<b>Income from Operations</b>	<b>3,000.59</b>	<b>100.00</b>	<b>27.61</b>	2,351.35	100.00	30.58
<b>Expenses</b>						
Cost of Materials consumed/ traded	861.50	28.71	28.61	669.85	28.49	21.30
Employee benefits expense	293.50	9.78	20.85	242.86	10.33	43.16
Other expenses	676.50	22.55	37.34	492.56	20.95	43.11
<b>Total Expenses</b>	<b>1,831.50</b>	<b>61.04</b>	<b>30.33</b>	1,405.27	59.76	31.82
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>1,169.09</b>	<b>38.96</b>	<b>23.57</b>	946.08	40.24	28.77
Other income (net) excluding dividend & income from current investments	26.66	0.89	6.75	24.97	1.06	32.76
Dividend & income from current investments	54.13	1.80	99.96	27.07	1.15	(53.44)
Depreciation and amortization expense	116.89	3.90	2.96	113.53	4.83	6.01
<b>Profit before exceptional item and tax</b>	<b>1,132.99</b>	<b>37.76</b>	<b>28.08</b>	884.59	37.62	25.55
Exceptional Items	-	0.00	(100.00)	2.98	0.13	(83.26)
<b>Profit before tax (PBT)</b>	<b>1,132.99</b>	<b>37.76</b>	<b>27.65</b>	887.57	37.75	22.87
Tax expense	384.53	12.82	28.16	300.03	12.76	27.25
<b>Profit for the year (PAT)</b>	<b>748.46</b>	<b>24.94</b>	<b>27.39</b>	587.54	24.99	20.75

#### Revenue from operations

Revenue from operations increased from ₹ 2351.35 million in Fiscal 2016 to ₹ 3000.59 million in Fiscal 2017, registering a growth of 27.61 % (30.58 % in Fiscal 2016).

Revenue from diagnostic services in Fiscal 2017 was ₹ 2632.88 million over ₹ 2047.63 million in Fiscal 2016, registering a growth of 28.58 % (28.18 % in Fiscal 2016). Revenue from imaging services in Fiscal 2017 was ₹ 115.48 million over ₹ 97.24 million in Fiscal 2016.

The increase in revenue from diagnostic services in Fiscal 2017 is mainly on account of the growth in revenue from preventive care offerings, sustained growth in seek care business by improvement in turnaround time due to newly set-up regional processing laboratories, recognition of brand Aarogyam, realization of revenue from newly introduced verticals and our media campaigns. The revenue from our preventive care brand Aarogyam alone constitutes 52% of the total revenue from pathology business in Fiscal 2017 (46% in Fiscal 2016).

#### Expenses

##### Cost of material consumed

	Fiscal 2017			Fiscal 2016		
	₹ In million	% of revenue from diagnostic services	% growth compared to Fiscal 2015	₹ In million	% of revenue from diagnostic services	% growth compared to Fiscal 2015
<b>Cost of materials consumed</b>						
Opening stock	91.55			56.32		
Add: Purchases	813.85			631.83		
	905.40			688.15		
Less: Closing stock	121.64			91.55		
<b>Cost of material consumed [A]</b>	<b>783.76</b>	<b>29.77</b>	<b>31.37</b>	596.60	29.14	22.62

	Fiscal 2017			Fiscal 2016		
	₹ In million	% of revenue from diagnostic services	% growth compared to Fiscal 2015	₹ In million	% of revenue from diagnostic services	% growth compared to Fiscal 2015
<b>Material consumed comprises:</b>						
Reagents/ Diagnostics material	768.75	29.20		584.19	28.53	
Consumables	15.01	0.57		12.41	0.61	
	783.76	29.77		596.60	29.14	

Cost of material consumed increased from ₹ 596.60 million in Fiscal 2016 to ₹ 783.76 million in Fiscal 2017 and the cost of material consumed to revenue from diagnostic services was 29.77 % (29.14 % in Fiscal 2016). Cost of material consumed includes the cost of reagents, diagnostic materials and other consumables instrumental to processing sample. There is no any significant variation as to cost of material percentage to revenue from diagnostic services.

#### Cost of material traded

	Fiscal 2017			Fiscal 2016		
	₹ In million	% of revenue from sale	% growth compared to Fiscal 2015	₹ In million	% of revenue from sale	% growth compared to Fiscal 2015
<b>Purchase of stock-in-trade</b>						
Glucose strips/ Gluco meter	25.61			25.35		
Others	60.76			41.07		
	86.37			66.42		
<b>Changes in inventories of stock-in-trade</b>						
<b>Inventories at the end of the year:</b>						
Glucose strips/ Gluco meter	4.08			0.47		
Others	11.89			6.87		
	15.97			7.34		
<b>Inventories at the beginning of the year:</b>						
Glucose strips/ Gluco meter	0.47			3.15		
Others	6.87			11.02		
	7.34			14.17		
Net change	(8.63)			6.83		
<b>Cost of material traded [B]</b>	77.74	50.78	6.13	73.25	65.84	11.54

Cost of material traded increased from ₹ 73.25 million in Fiscal 2016 to ₹ 77.74 million in Fiscal 2017. The cost of material traded to revenue from sale was 50.78 % (65.84 % in Fiscal 2016). Cost of material traded includes the sale of glucometers & strips, other laboratory consumables and promotional material. The increase in the cost of material traded over the previous Fiscal 2016 is mainly on account of the increase in discounted dispatches of consumable and promotional material to service providers to promote the business and generate higher revenue.

#### Cost of Materials consumed/ traded

	Fiscal 2017			Fiscal 2016		
	₹ In million	% of Income	% growth compared to Fiscal 2016	₹ In million	% of Income	% growth compared to Fiscal 2015
<b>Cost of Materials consumed/ traded [A]+[B]</b>	861.50	28.71	28.61	669.85	28.49	21.30

The overall Cost of material consumed/ traded thus has increased from ₹ 669.85 million in Fiscal 2016 to ₹ 861.50 million in Fiscal 2017. The cost of material consumed/ traded to income from operations was 28.71 % (28.49 % in Fiscal 2016). Thus there is very miniscule increase in the cost of material consumed/ traded to percentage of income, justifying the discounting of dispatches of promotional material in terms of the higher realization from diagnostic services offered.



### Employee benefits expense

	Fiscal 2017		Fiscal 2016	
	₹ In million	% of Income	₹ In million	% of Income
Salaries, wages and bonus	228.90	7.63	175.81	7.48
Contributions to provident and other funds	18.28	0.61	13.82	0.59
Employees stock compensation expense	24.63	0.82	17.73	0.75
Gratuity (Refer Note 26.b)*	2.40	0.08	2.05	0.09
Compensated absences*	9.66	0.32	23.92	1.02
Staff welfare expenses	9.63	0.32	9.53	0.41
	293.50	9.78	242.86	10.33

Total employee benefits expenses were ₹ 293.50 million in Fiscal 2017, increased from ₹ 242.86 million in Fiscal 2016. However, the employee's benefits expenses as percentage of income from operations were 9.78 % in Fiscal 2017 (10.33 % in Fiscal 2016). The variation in the cost of employees benefit expenses is in line with the increase in revenue. The cost towards employees stock compensation differed over the period of vesting is likely to reduce in the current financial year with ESOP 2014 already due and offered for exercise by those entitled. Despite the increase in the headcounts, increase in the salary cost with appraisals and employee's stock options related cost, the company has streamlined and controlled the employees benefit costs to match the same with the growth in revenue.

### Other expenses

	Fiscal 2017		Fiscal 2016	
	₹ In million	% of Income	₹ In million	% of Income
Outlab processing	139.62	4.65	119.00	5.06
Service charges	127.46	4.25	84.23	3.58
Sales incentive	78.26	2.61	40.34	1.72
Business promotion	61.93	2.06	32.64	1.39
Power and fuel and water	46.52	1.55	37.34	1.59
Printing and stationery	43.52	1.45	39.19	1.67
Postage and courier	29.91	1.00	23.29	0.99
Others	149.27	4.97	116.53	4.96
	676.50	22.54	492.56	20.95

Other expenses as percentage of revenue increased from 20.95 % in fiscal 2016 to 22.54 % in fiscal 2017, mainly on account of increase in service charges and sales incentive paid and the amount spent on business promotion during the current fiscal.

### Earnings before interest, tax, depreciation and amortisation (EBITDA)

In Fiscal 2016 EBITDA was ₹ 1169.08 million (38.96 % of income from operations) as compared to ₹ 946.07 million (40.24 % of income from operations) in Fiscal 2016. There is a decrease in the EBITDA of 1.27 % as a percentage of income from operations during Fiscal 2017 on account of execution of high demand generated for our preventive healthcare profile portfolio.

### Other income (net)

	Fiscal 2017		Fiscal 2016	
	₹ In million	% of Income	₹ In million	% of Income
Dividend income from current investment	42.29	1.41	22.17	0.94
Net gain on sale of current investments	11.84	0.39	4.90	0.21
Technical assistance/ trade mark assignment fees	1.47	0.05	1.38	0.06
Interest income	1.65	0.05	0.04	0.00
Net gain on account of foreign exchange fluctuations	-	0.00	1.10	0.05
Others	23.54	0.78	22.45	0.95
	80.79	2.69	52.04	2.21

There is a marginal increase in other income of 0.48 % as a percentage of revenue on account of better returns being offered on some of our current investments.

### Depreciation and amortisation

Depreciation and amortisation decreased from ₹ 113.53 million in Fiscal 2016 (4.83 % of income from operations) to ₹ 116.89 million in Fiscal 2017 (3.90 % of income from operations). Addition to new assets in last fiscal year was mainly attributed for purchases of equipment for Regional Processing Labs (RPLs).

### Exceptional item

In Fiscal 2017, the company has incurred advertisement cost of ₹ 283.08 million at the instance of selling shareholder, which was subsequently reimbursed by the selling shareholder. The expenses incurred as well as the amount reimbursed have been disclosed as an exceptional item with net impact of ₹ Nil. The advertisement costs were mainly spent out of the reimbursement agreed by the selling shareholders to increase the brand awareness, IPO marketing, innovative advertisement campaigns to generate awareness. In Fiscal 2016, pursuant to the amendment to the slump sale transaction an additional amount of ₹ 2.98 million was recognized as exceptional item and added to the profits of the fiscal 2016.

### Profit before tax (PBT)

In Fiscal 2017, PBT was ₹ 1132.99 million (₹ 887.57 million in Fiscal 2016). As a percentage of income from operations, PBT is constant at 37.76 % in Fiscal 2017 (37.75 % in Fiscal 2016). Increase in expenses is offset by decrease in depreciation and nominal increase in other income.

### Tax expense

Tax expense increased to ₹ 384.53 million in Fiscal 2017 from ₹ 300.03 million in Fiscal 2016. As a percentage of income from operations, there is nominal increase from 12.76 % in Fiscal 2016 to 12.82 % in Fiscal 2017. There is no change in the tax rates as are applicable in case of the company for Fiscal 2017.

### Profit for the year (PAT)

The net profit in Fiscal 2017 was ₹ 748.46 million (24.94 % of income from operations) as compared to ₹ 587.54 million (24.99 % of income from operations) in Fiscal 2016.

## FINANCIAL POSITION – STANDALONE

### Share capital

	As at 31.03.2017		As at 31.03.2016	
	₹ In million	No. of shares	₹ In million	No. of shares
<b>Authorised</b>				
Equity shares of ₹ 10 each with equal voting rights	<b>1,000.00</b>	<b>10,00,00,000</b>	1,000.00	10,00,00,000
<b>Issued</b>				
Equity shares of ₹ 10 each with equal voting rights	<b>537.24</b>	<b>5,37,23,533</b>	537.24	5,37,23,533
<b>Subscribed and fully paid up</b>				
Equity shares of ₹ 10 each with equal voting rights	<b>537.24</b>	<b>5,37,23,533</b>	537.24	5,37,23,533
	<b>537.24</b>	<b>5,37,23,533</b>	537.24	5,37,23,533

We have only one class of shares – equity shares of par value of ₹ 10/- each. Our authorised share capital stood at ₹ 1000.00 million, divided into 100 million equity shares of ₹ 10/- each. The issued, subscribed and paid up capital stood constant at ₹ 537.24 million as at March 31, 2017 and as at March 31, 2016.

During the year ended March 31, 2017, the Company has offered stock options equivalent to 50,537 ordinary equity shares of ₹ 10 each to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016” (ESOS2016) vide authorisation of shareholders in the annual general meeting held on September 12, 2016. The number of options as at 31 March 2017 has reduced to 46,739 equity shares, due to discontinuance of certain eligible employees during the period. The details of the options granted as at March 31, 2017 are provided under the notes to the Standalone Financial Statement in the Annual Report. During the year ended March 31, 2016, the Company had allotted 40,434 ordinary equity shares of ₹ 10 each to “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015” (ESOS2015) vide authorisation of shareholders in their extra ordinary general meeting held on September 26, 2015. The details of the options granted as at March 31, 2016 are provided under the notes to the Standalone Financial Statement in the Annual Report.

### Reserves and surplus

Reserves and surplus as at March 31, 2017 were ₹ 3667.14 million (₹ 3216.61 million as at March 31, 2016) resulting an increase of 12%.

### Capital reserve

Capital reserve as at March 31, 2017 amounted to ₹ 1.06 million, which is the same as per the previous year.

### Securities premium account

Securities premium as at March 31, 2017 amounted to ₹ 1232.93 million, which is the same as per the previous year.

### Share option outstanding account

During the year ₹ 24.63 million, was charged to share option outstanding account towards employees compensation expenses on account of THYROCARE EMPLOYEES STOCK OPTION SCHEME 2014 (ESOS2014), THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015 (ESOS2015) and THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016 (ESOS2016). The difference between the fair price of the shares underlying the options on the grant date and the exercise price of the option (being the intrinsic value of the option) representing stock compensation expense is expensed over the vesting period.

	As at 31 March 2017	As at 31 March 2016
ESOS2016	5.20	-
ESOS2015	3.68	1.96
ESOS2014	15.75	15.77
<b>Total expense recognised in employee benefits expense</b>	<b>24.63</b>	<b>17.73</b>

The balance as at March 31, 2017 was ₹ 50.54 million (As at March 31, 2016 it was ₹ 25.91 million).

### General reserve

General reserve as at March 31, 2017 were ₹ 91.67 million, which was the same as per the previous year.

### Surplus in the statement of profit and loss account

Balance in the statement of profit and loss as at March 31, 2017 was ₹ 2290.94 million (₹ 1865.04 million as at March 31, 2016) after appropriation towards dividend on equity shares and tax on dividend.

### Trade payable, other current liabilities and other long term liabilities

	Trade payables		Other current liabilities		Other long-term liabilities		Total	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Trade/Security deposits received	-	-	4.54	6.94	60.63	54.90	65.16	61.84
Expenses payable	-	-	42.74	21.62	-	-	42.74	21.62
Reimbursement towards expenses received	-	-	18.87	-	-	-	18.87	-
Employees dues	-	-	17.18	17.30	-	-	17.18	17.30
Other payables	-	-	16.15	-	-	-	16.15	-
Advances received from customers	-	-	15.16	16.77	-	-	15.16	16.77
Statutory dues	-	-	6.00	6.43	-	-	6.00	6.43
Creditors other than micro enterprises and small enterprises	2.49	14.55	-	-	-	-	2.49	14.55
Deferred rent	-	-	0.11	0.23	1.87	0.63	1.98	0.86
Creditors for capital goods	-	-	0.45	18.87	-	-	0.45	18.87
	<b>2.49</b>	<b>14.55</b>	<b>121.20</b>	<b>88.16</b>	<b>62.50</b>	<b>55.53</b>	<b>186.18</b>	<b>158.24</b>

Total trade payable, other current liabilities and other long term liabilities increased to ₹ 186.18 million as at March 31, 2017 (₹ 158.24 million as at March 31, 2016). The increase was mainly on account of –

- Reimbursement by selling shareholder for advertisement contract entered into, expenditure for which is yet to incur by the company.
- Payable to relative of KMP ₹ 16.15 million advance received subject to transfer of non-current investment.
- Increase in outstanding expenses payable and provision thereof that includes operating, administrative and marketing expenses;
- Decrease in outstanding trade creditors;
- Increase in security deposits received from service providers, customers and employees;

#### Short-term and long-term provisions

	Short-term provisions		Long-term provisions		Total provisions	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Provision for proposed dividend	-	134.31	-	-	-	134.31
Provision for compensated absences	3.80	3.42	32.35	34.59	36.15	38.01
Provision for dividend distribution tax	-	28.10	-	-	-	28.10
Provision for current tax (net of advance tax and tax deducted at source)	12.00	17.35	-	-	12.00	17.35
Provision for gratuity	0.14	0.15	11.08	8.74	11.23	8.89
Provision for bonus	5.06	4.38	-	-	5.06	4.38
Provision for refundable staff security deposits	0.38	1.51	-	-	0.38	1.51
	21.38	189.22	43.43	43.33	64.81	232.55

Provisions were aggregating to ₹ 64.81 million as at March 31, 2017 (₹ 232.55 million as at March 31, 2016).

The decrease of ₹ 167.74 million in total provisions was mainly attributable to:

- Proposed dividend and dividend distribution tax thereon is not recognized as a liability as at March 31, 2017 as per the provisions of Companies (Accounting Standards) Amendment Rules, 2016.
- Decrease in current income tax (net) ₹ 5.35 million.

#### Fixed assets

The additions to gross block in Fiscal 2017 were:

- Plant and equipment ₹ 71.35 million (₹ 161.84 million in Fiscal 2016)
- Furniture and fixtures ₹ 3.40 million (₹ 19.81 million in Fiscal 2016)
- Office equipment ₹ 1.73 million (₹ 7.96 million in Fiscal 2016)
- Computer, printer, scanner and softwares ₹ 6.51 million (₹ 3.74 million in Fiscal 2016)

The capital work in progress on account of tangible assets was ₹ 21.33 million as at March 31, 2017 (₹ 10.18 million as at March 31, 2016) and on account of intangible assets was ₹ 0.40 million as at March 31, 2017 (₹ 3.37 million as at March 31, 2016).

Adjustment in Fiscal 2016 to gross block represents book value of fixed assets, being land and building pertaining to cyclotron division ₹ 20.37 million and accumulated depreciation / amortisation of ₹ 5.88 million adjusted pursuant to the modifications to the slump sale arrangements entered into by the company.

Adjustment to the gross block in Fiscal 2016 represents capitalisation of the additional VAT of ₹ 0.92 Million paid towards the premises purchased in Fiscal 2011 and a VAT of ₹ 0.30 million paid towards the premises purchased in Fiscal 2012 and accumulated depreciation in the current year of ₹ 0.19 million represents the depreciation charged on the said capitalisation calculated retrospectively from the date of acquisitions.

The estimated amount of contracts remaining to be executed on capital account and not provided for towards tangible assets aggregates to ₹ Nil as on March 31, 2017 (₹ 10.38 million as on March 31, 2016).

#### Current investments and non-current investments

	Current investments		Non-current investments		Total investments	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Investment in subsidiary	-	-	1,946.74	1,946.74	1,946.74	1,946.74
Investments in mutual funds - Quoted	1,014.82	687.92	-	-	1,014.82	687.92
Others - Unquoted	-	-	16.15	16.15	16.15	16.15
Less: Provision for other than temporary diminution in the value of investments			(16.15)	-	(16.15)	-
Investments in preference shares - Quoted	-	7.00	-	-	-	7.00
	1,014.82	694.92	1,946.74	1,962.89	2,961.56	2,657.81

Increase in total investments in Fiscal 2017 was mainly on account of additional investment in quoted mutual funds. Preference shares of ₹ 7.00 million were redeemed during the Fiscal 2017.

#### Deferred tax assets (net)

As stated in the accounting policies, deferred tax assets and liabilities are offset. Note 12 to the standalone financial statement brings out the details of component-wise deferred tax balances where the net values result into assets, deferred tax liability or asset is recognised on timing difference being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Such timing differences resulting in deferred tax asset or liability usually arise from items like depreciation and employee benefit expenses. The net deferred tax asset was ₹ 44.08 million as at March 31, 2017 (₹ 25.55 million as at March 31, 2016).

#### Short-term and long-term loans and advances

	Short-term loans and advances		Long-term loans and advances		Total loans and advances	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Security deposits to parties other than related parties	36.28	0.38	13.21	12.94	49.49	13.32
Prepaid expenses	47.67	8.26	-	-	47.67	8.26
Advance income tax (net of provision for tax)	-	-	26.73	34.51	26.73	34.51
Balance with government authorities	-	-	5.23	2.09	5.23	2.09
Advances for supply of goods and services	3.25	65.68	-	-	3.25	65.68
Security deposits to related parties	1.86	-	-	1.86	1.86	1.86
Loans and advances to employees benefit trust	0.34	-	-	0.34	0.34	0.34
Loans and advances to employees	0.05	0.11	-	0.05	0.05	0.16
Capital advances	-	-	-	2.44	-	2.44
	89.45	74.43	45.17	54.23	134.62	128.66

Total loans and advances as at March 31, 2017 increased to ₹134.62 million from ₹ 128.66 million as at March 31, 2016.

#### Inventories

Inventories as a percentage of income from operations were at 4.59% as at March 31, 2017 compared to 4.21% as at March 31, 2016. Inventories comprises of reagents, diagnostic material, consumables and stock in trade.

### Trade receivables

Trade receivable as a percentage of income from operations were at 1.95 % as at March 31, 2017 compared to 3.10 % as at March 31, 2016. Trade receivable includes recoverable from related parties of ₹ 9.63 million as at March 31, 2017 (₹ 31.63 million as at March 31, 2016).

### Cash and bank balances

Cash and bank balances were ₹ 106.20 million as at March 31, 2017 (₹ 76.46 million as at March 31, 2016). The bank balances as at March 31, 2017 includes ₹ 19.00 million (₹ 0.50 million as at March 31, 2016) against bank guarantee.

### Other current assets

Other current assets were at ₹ 99.40 million as at March 31, 2017 (₹ 144.97 million as at March 31, 2016), Other current assets mainly include ₹ 98.04 million as March 31, 2017 (₹ 79.57 million as at March 31, 2016) towards amount recoverable from related party. As at March 31, 2016 ₹ 65.37 million were receivable towards expenses related to initial public offering to be recovered from the selling shareholders of the initial public offering.

### CASH FLOW – STANDALONE

Thyrocare business generates cash from operations every year that is sufficient to manage the working capital and capital expenditure requirements. As per the dividend policy, the net cash surplus after providing for tax, capital expenditure expected to be incurred during the next financial year, and any other anticipated requirement of funds, the surplus cash may be distributed among the shareholders as dividend for the financial year concerned. Thyrocare has not availed any credit / overdraft facility from any of the bank since its inception.

#### Summary of cash flow statement is given below

	Fiscal 2017	Fiscal 2016
<b>Net cash flows from / (used in) :</b>		
Operating activities	892.66	668.75
Investing activities	(396.53)	(186.08)
Financing activities	(485.00)	(449.56)
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>11.13</b>	<b>33.11</b>

#### Cash flow from operating activities

	Fiscal 2017	Fiscal 2016
Operating profit before working capital changes	1,247.49	988.98
Adjustments for (increase) / decrease in working capital	45.78	(8.68)
Net income tax (paid)	(400.61)	(311.55)
<b>Net cash flows from operating activities</b>	<b>892.66</b>	<b>668.75</b>

In Fiscal 2017, Thyrocare generated net cash of ₹ 892.66 million (used in of ₹ 668.75 million in Fiscal 2016) from operating activities. This is attributable to:

- Increase in operating profit before working capital changes to ₹ 1247.49 million in Fiscal 2017 (₹ 988.98 million in Fiscal 2016).
- Increase in excess working capital to ₹ 45.78 million in Fiscal 2017 (working capital requirement of ₹ 8.68 million in Fiscal 2016).
- Increase in taxes paid to ₹ 400.61 million in Fiscal 2017 (₹ 311.55 million in Fiscal 2016).

#### Cash flows from investing activities

	Fiscal 2017	Fiscal 2016
Fixed assets (net)	(106.52)	(152.54)
Current investments (net)	(314.02)	(55.22)
Dividend received	42.29	22.17
Others	(18.28)	(0.49)
<b>Net cash (used in) investing activities</b>	<b>(396.53)</b>	<b>(186.08)</b>

In Fiscal 2017, cash used in investing activities was ₹ 396.53 million (₹ 186.08 million in Fiscal 2016).

During Fiscal 2017, cash used in investing activities was primarily attributable to:

- Purchase of fixed assets (net) ₹ 106.52 million in Fiscal 2017 (₹ 152.54 million in Fiscal 2016); and
- Net purchase of mutual funds & other investments ₹ 314.02 million (₹ 55.22 million in Fiscal 2016).
- Dividend received ₹ 42.29 million (₹ 22.17 million in Fiscal 2016).
- Bank deposits ₹ 18.60 million (₹ 0.50 million in Fiscal 2016).

#### Cash flows from financing activities

	Fiscal 2017	Fiscal 2016
Dividend paid on equity shares including tax thereon	(485.00)	(449.56)
<b>Net cash (used in) financing activities</b>	<b>(485.00)</b>	<b>(449.56)</b>

The payment of dividend in Fiscal 2017 was ₹ 485.00 million including dividend tax (₹ 449.56 million in Fiscal 2016).

## II. Consolidated Financial Performance

The Consolidated Financial Statements relate to Thyrocare Technologies Limited ('the Company') and its subsidiary company, Nuclear Healthcare Limited ('the Subsidiary'), in which the Company has 100% equity holding as on 31 December 2015 (58.50% : 31 March 2015) (herein after referred to as the "Group").

The Company acquired controlling stake in the subsidiary effective 15 November 2014.

These consolidated financial statements have been prepared as at 31 March 2017 in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis. These financials statements have been prepared to comply in all material aspects with applicable accounting standards notified under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified).

#### Summary

**Revenue from operations** of Group aggregated to ₹ 3068.06 million in Fiscal 2017 as compared to ₹ 2409.65 million in Fiscal 2016, registering a growth of 27.32%.

**Earnings before interest, tax, depreciation and amortization (EBITDA)** of Group aggregated to ₹ 1183.70 million in Fiscal 2017 as compared to ₹ 934.98 million in Fiscal 2016, registering a growth of 26.60%.

**Profit after tax and after exceptional items (PAT)** of Group aggregated to ₹ 709.65 million in Fiscal 2017 as compared to ₹ 518 million in Fiscal 2016, registering a growth of 37%.

**Total Assets** of Group after net off of current liabilities aggregated to ₹ 4193.86 million in Fiscal 2017 as compared to ₹ 3782.68 million in Fiscal 2016, registering a growth of 10.87%.

The following table provides the details of the standalone financial performance of Group –

	Fiscal 2017			Fiscal 2016		
	₹ In million	% of Income	% growth compared to Fiscal 2016	₹ In million	% of Income	% growth compared to Fiscal 2015
<b>Income from Operations</b>	<b>3,068.06</b>	<b>100.00</b>	<b>27.32</b>	2,409.65	100.00	31.70
<b>Expenses</b>						
Cost of Materials consumed / traded	893.28	29.12	26.96	703.58	29.20	26.02
Employee benefits expense	311.28	10.15	21.13	256.98	10.66	47.00
Other expenses	679.80	22.16	32.23	514.12	21.34	37.92
<b>Total Expenses</b>	<b>1,884.36</b>	<b>61.42</b>	<b>27.78</b>	1,474.68	61.20	33.35



	Fiscal 2017			Fiscal 2016		
	₹ In million	% of Income	% growth compared to Fiscal 2016	₹ In million	% of Income	% growth compared to Fiscal 2015
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>1,183.70</b>	<b>38.58</b>	<b>26.60</b>	934.97	38.80	29.19
Other income (net) excluding dividend & income from current investments	20.85	0.68	-8.49	22.78	0.95	20.21
Dividend & income from current investments	70.07	2.28	64.29	42.65	1.77	(31.36)
Depreciation and amortisation expense	180.47	5.88	-1.04	182.37	7.57	41.76
<b>Profit before exceptional item and tax</b>	<b>1,094.15</b>	<b>35.66</b>	<b>33.76</b>	818.03	33.95	20.98
Exceptional Items	-	-	-	-	-	-
<b>Profit before tax (PBT)</b>	<b>1,094.15</b>	<b>35.66</b>	<b>33.76</b>	818.03	33.95	20.98
Tax expense	384.50	12.53	28.15	300.03	12.45	27.25
<b>Profit for the year (PAT)</b>	<b>709.65</b>	<b>23.13</b>	<b>37.00</b>	518.00	21.50	17.63

### Revenue from operations

Revenue from operations increased from ₹ 2409.65 million in Fiscal 2016 to ₹ 3068.06 million in Fiscal 2017, registering a growth of 27.32%.

The increase in revenue from diagnostic services in Fiscal 2017 is mainly on account of the growth in revenue from preventive care offerings, sustained growth in seek care business by improvement in turnaround time due to newly set-up regional processing laboratories, recognition of brand Aarogyam, realization of revenue from newly introduced verticals and our media campaigns. The revenue from our preventive care brand Aarogyam alone constitutes 52% of the total revenue from pathology business in Fiscal 2017 (46% in Fiscal 2016). The revenue from imaging business in Fiscal 2017, however has grown at lesser pace than the pathology business, mainly on account stagnation of growth evidenced in some region, limitation on conducting scan due to non-availability of FDG for conducting the investigations, delay in starting of our PETCT centres in Vadodra and Raipur and competition in regional market.

### Expenses

#### Cost of material consumed

	Fiscal 2017			Fiscal 2016		
	₹ In million	% of income from operations	% growth compared to Fiscal 2015	₹ In million	% of income from operations	% growth compared to Fiscal 2015
<b>Cost of materials consumed</b>						
<b>Opening stock</b>	<b>99.82</b>			59.49		
Add: Purchases	844.73			670.66		
	944.56			730.15		
<b>Less: Closing stock</b>	<b>129.01</b>			99.82		
<b>Cost of material consumed [A]</b>	<b>815.54</b>	<b>26.58</b>	<b>29.38</b>	630.33	26.16	27.95
<b>Material consumed comprises:</b>						
Reagents / Diagnostics material	768.74	25.06		584.18	24.24	
Radiopharmaceuticals	4.52	0.15		2.83	0.12	
Consumables	42.28	1.38		43.32	1.80	
	815.54	26.58		630.33	26.16	

Cost of material consumed increased from ₹ 630.33 million in Fiscal 2016 to ₹ 815.54 million in Fiscal 2017, the cost of material consumed to revenue from operations was 26.58% (26.16% in Fiscal 2016). Cost of material consumed includes the cost of reagents, radiopharmaceuticals, diagnostic materials and other consumables instrumental to processing sample or manufacturing of radioactivity.

### Cost of material traded

The discussions about the cost of material traded is already included under the discussion on standalone financial statement of Thyrocare

### Cost of Materials consumed / traded

	Fiscal 2017			Fiscal 2016		
	₹ In million	% of Income	% growth compared to Fiscal 2016	₹ In million	% of Income	% growth compared to Fiscal 2015
<b>Cost of Materials consumed / traded [A]+[B]</b>	<b>893.28</b>	<b>29.12</b>	<b>26.96</b>	703.58	29.20	26.02

The overall Cost of material consumed / traded thus has increased from ₹ 703.58 million in Fiscal 2016 to ₹ 893.28 million in Fiscal 2017, the cost of material consumed/ traded to income from operations was 29.12 % (29.20 % in Fiscal 2016)

### Employee benefits expense

	Fiscal 2017		Fiscal 2016	
	₹ In million	% of Income	₹ In million	% of Income
Salaries, wages and bonus	244.78	7.98	188.55	7.82
Contributions to provident and other funds	19.43	0.63	14.78	0.61
Employees stock compensation expense	24.63	0.80	17.73	0.74
Gratuity	2.50	0.08	2.05	0.08
Compensated absences	10.23	0.33	24.17	1.00
Staff welfare expenses	9.71	0.32	9.70	0.40
	<b>311.28</b>	<b>10.15</b>	256.98	10.66

Total employee benefits expenses were ₹ 311.28 million in Fiscal 2017, increased from ₹ 256.98 million in Fiscal 2016. The employees benefits expenses as percentage of income from operations were 10.15 % in Fiscal 2017 (10.66 % in Fiscal 2016). The increase in the employees benefits expenses over the previous Fiscal 2016 is mainly on account of the increase in the headcounts, increase in the salary cost with appraisals, apportionment of employees stock options related cost and enhanced provisions for compensated absence in the current fiscal.

### Other expenses

	Fiscal 2017		Fiscal 2016	
	₹ In million	% of Income	₹ In million	% of Income
Service charges	127.46	4.15	84.23	3.50
Sales incentive	78.56	2.56	40.70	1.69
Power and fuel and water	63.53	2.07	53.21	2.21
Business promotion	62.03	2.02	32.69	1.36
Rent	57.42	1.87	54.05	2.24
Printing and stationery	44.86	1.46	40.03	1.66
Outlab processing	35.12	1.14	32.10	1.33
Postage and courier	34.56	1.13	27.28	1.13
Others	176.26	5.74	149.83	6.22
	<b>679.80</b>	<b>22.16</b>	514.12	21.34

Other expenses as percentage of revenue increased from 21.34 % in fiscal 2016 to 22.16 % in Fiscal 2017, mainly on account of the increase in service charges and sales incentive paid.

### Earnings before interest, tax, depreciation and amortisation (EBITDA)

In Fiscal 2017 EBITDA was ₹ 1183.70 million (38.58 % of income from operations) as compared to ₹ 934.99 million (38.80 % of income from operations) in Fiscal 2016. There is a marginal decrease in the EBITDA of 0.22 % as a percentage of income from operations during Fiscal 2016.

**Other income (net)**

	Fiscal 2017		Fiscal 2016	
	₹ In million	% of Income	₹ In million	% of Income
Dividend income from current investment	48.94	1.60	32.22	1.34
Net gain on sale of current investments	21.12	0.69	10.44	0.43
Technical assistance / trade mark assignment fees	1.47	0.05	1.38	0.06
Interest income	2.03	0.07	0.28	0.01
Net gain on account of foreign exchange fluctuations	-	0.00	1.10	0.05
Others	17.36	0.57	20.00	0.83
	90.92	2.96	65.42	2.71

In Fiscal 2017, there is a marginal increase in other income as percentage of income of 0.25 % to 2.96 % (2.71 % in Fiscal 2016).

**Depreciation and amortisation**

Depreciation and amortisation decreased from ₹ 182.37 million in Fiscal 2017 (7.57 % of income from operations) to ₹ 180.47 million in Fiscal 2016 (5.88 % of income from operations). In Fiscal 2016 there was increase in additions during the current fiscal in plant and equipments, vehicles and computer softwares for Regional Processing Laboratories (RPLs).

**Profit before tax (PBT)**

In Fiscal 2017, PBT was ₹ 1094.15 million (₹ 818.03 million in Fiscal 2016). As a percentage of income from operations, PBT increased from 33.95 % in Fiscal 2016 to 35.66 % in Fiscal 2017. The increase of 1.71 % is mainly due to :

- Decrease in depreciation and amortization from 7.57 % of income from operations to 5.88 % of income from operations.
- Increase in the dividend income received from the current investments and realized net gain on sale of current investments i.e. mutual funds – 0.51 %

**Tax expense**

Tax expense increased to ₹ 384.50 million in Fiscal 2017 from ₹ 300.03 million in Fiscal 2016. As a percentage of income from operations, it has marginally increased from 12.45 % in Fiscal 2016 to 12.53 % in Fiscal 2017.

**Profit for the year (PAT)**

The net profit in Fiscal 2017 was ₹ 709.65 million (23.13 % of income from operations) as compared to ₹ 518.00 million in Fiscal 2016 (21.50 % of income from operations).

**FINANCIAL POSITION – CONSOLIDATED****Share capital**

	Fiscal 2017		Fiscal 2016	
	₹ In million	No. of shares	₹ In million	No. of shares
<b>Authorised</b>				
Equity shares of ₹ 10 each with equal voting rights	1,000.00	10,00,00,000	1,000.00	10,00,00,000
<b>Issued</b>				
Equity shares of ₹ 10 each with equal voting rights	537.24	5,37,23,533	537.24	5,37,23,533
<b>Subscribed and fully paid up</b>				
Equity shares of ₹ 10 each with equal voting rights	537.24	5,37,23,533	537.24	5,37,23,533
	537.24	5,37,23,533	537.24	5,37,23,533

We have only one class of shares – equity shares of par value of ₹ 10/- each. Our authorised share capital stood at ₹ 1000.00 million, divided into 100 million equity shares of ₹ 10/- each. The issued, subscribed and paid up capital stood constant at ₹ 537.24 million as at March 31, 2017 and as at March 31, 2016.

During the year ended March 31, 2017, the Company has offered stock options equivalent to 50,537 ordinary equity shares of ₹ 10 each to the eligible employees under "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016" (ESOS2016) vide authorisation of shareholders in the annual general meeting held on September 12, 2016. The number of options as at 31 March 2017 has reduced to 46,719 equity shares, due to discontinuance of certain eligible employees during the period. The details of the options granted as at March 31, 2017 are provided under the notes to the Standalone Financial Statement in the Annual Report. During the year ended March 31, 2016, the Company had allotted 40,434 ordinary equity shares of ₹ 10 each to "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015" (ESOS2015) vide authorisation of shareholders in their extra ordinary general meeting held on September 26, 2015. The details of the options granted as at March 31, 2016 are provided under the notes to the Standalone Financial Statement in the Annual Report.

### Reserves and surplus

Reserves and surplus as at March 31, 2017 were ₹ 3530.59 million (₹ 3118.86 million as at March 31, 2016), an increase of 13.20%.

### Capital reserve

Capital reserve as at March 31, 2017 amounted to ₹ 1.06 million, which is the same as per the previous year.

### Securities premium account

Securities premium as at March 31, 2017 amounted to ₹ 1232.93 million, which is the same as per the previous year.

### Share option outstanding account

During the year ₹ 24.63 million, was charged to share option outstanding account towards employees compensation expenses on account of THYROCARE EMPLOYEES STOCK OPTION SCHEME 2014" (ESOS2014), THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015" (ESOS2015) and THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016" (ESOS2016). The difference between the fair price of the shares underlying the options on the grant date and the exercise price of the option (being the intrinsic value of the option) representing stock compensation expense is expensed over the vesting period.

Particular	As at 31 March 2017	As at 31 March 2016
ESOS2016	5.20	-
ESOS2015	3.68	1.96
ESOS2014	15.75	15.77
<b>Total expense recognised in employee benefits expense</b>	<b>24.63</b>	<b>17.73</b>

The balance as at March 31, 2017 was ₹ 50.55 million (As at March 31, 2016 it was ₹ 25.92 million).

### General reserve

General reserve as at March 31, 2017 were ₹ 91.67 million, which was the same as per the previous year.

### Surplus in the statement of profit and loss account

Balance in the statement of profit and loss as at March 31, 2017 was ₹ 2154.38 million (₹ 1767.28 million as at March 31, 2016) after appropriation towards dividend on equity shares and tax on dividend.

### Trade payable, other current liabilities and other long term liabilities

	Trade payables		Other current liabilities		Other long-term liabilities		Total	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Trade/Security deposits received	-	-	4.58	7.08	72.63	54.92	77.20	62.00
Expenses payable	-	-	52.59	29.61	-	-	52.59	29.61
Contribution received for expenses	-	-	18.86	-	-	-	18.86	-
Employees dues	-	-	18.37	18.55	-	-	18.37	18.55

	Trade payables		Other current liabilities		Other long-term liabilities		Total	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Other payables	-	-	16.15	-	-	-	16.15	-
Advances received from customers	-	-	15.21	16.77	-	-	15.21	16.77
Creditors other than micro enterprises and small enterprises	6.79	20.24	-	-	-	-	6.79	20.24
Statutory dues	-	-	6.40	7.40	-	-	6.40	7.40
Deferred rent	-	-	2.91	5.02	1.87	3.43	4.78	8.45
Creditors for capital goods	-	-	0.45	19.55	-	-	0.45	19.55
	6.79	20.24	135.52	103.98	74.50	58.35	216.81	182.57

Total trade payable, other current liabilities and other long term liabilities increased to ₹ 216.81 million as at March 31, 2017 (₹ 182.57 million as at March 31, 2016). The increase was mainly on account of –

- Reimbursement by selling shareholder for advertisement contract entered into, expenditure for which is yet to incur by the company.
- Payable to relative of KMP ₹ 16.15 million advance received subject to transfer of non-current investment.
- Increase in outstanding expenses payable that includes operating, administrative and marketing expenses.
- Decrease in outstanding creditors for capital goods;
- Decrease in outstanding trade creditors;
- Increase in security deposits received from service providers, customers and employees;

#### Short-term and long-term provisions

	Short-term provisions		Long-term provisions		Total provisions	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Provision for compensated absences	4.00	3.62	33.61	35.60	37.61	39.22
Provision for current tax (net of advance tax and tax deducted at source)	11.98	17.35	-	-	11.98	17.35
Provision for gratuity	0.14	0.15	11.36	8.91	11.50	9.06
Provision for claims	-	-	6.56	23.72	6.56	23.72
Provision for bonus	5.37	4.69	-	-	5.37	4.69
Provision for refundable staff security deposits	0.39	1.62	-	-	0.39	1.62
Provision for proposed dividend	-	134.31	-	-	-	134.31
Provision for dividend distribution tax	-	28.10	-	-	-	28.10
	21.88	189.84	51.52	68.23	73.41	258.07

Provisions aggregated ₹ 73.41 million as at March 31, 2017 (₹ 258.07 million as at March 31, 2016).

The decrease of ₹ 184.66 million in total provisions was mainly attributable to:

- Proposed dividend and dividend distribution tax thereon is not recognized as a liability as at March 31, 2017 as per the provisions of Companies (Accounting Standards) Amendment Rules, 2016.
- Decrease in provision for claims by ₹ 17.16 million.
- Decrease in current income tax (net) ₹ 5.37 million.

### Fixed assets

The additions to gross block in Fiscal 2017 were:

- Plant and equipment ₹ 164.10 million (₹ 164.21 million in Fiscal 2016)
- Furniture and fixtures ₹ 3.40 million (₹ 19.81 million in Fiscal 2016)
- Office equipment ₹ 1.96 million (₹ 8.58 million in Fiscal 2016)
- Computer, printer, scanner and softwares ₹ 6.54 million (₹ 3.24 million in Fiscal 2016)

The capital work in progress on account of tangible assets was ₹ 174.48 million as at March 31, 2017 (₹ 10.18 million as at March 31, 2016) and on account of intangible assets was ₹ 0.40 million as at March 31, 2017 (₹ 3.75 million as at March 31, 2016).

Adjustment to the gross block in Fiscal 2016 represents capitalisation of the additional vat of ₹ 0.92 Million paid towards the premises purchased in Fiscal 2011 and a VAT of ₹ 0.30 million paid towards the premises purchased in Fiscal 2012 and accumulated depreciation in the current year of ₹ 0.19 million represents the depreciation charged on the said capitalisation calculated retrospectively from the date of acquisitions.

The estimated amount of contracts remaining to be executed on capital account and not provided for towards tangible assets aggregates to ₹ 449.40 million as on March 31, 2017 (₹ 11.83 million as on March 31, 2016).

### Current investments and non-current investments

	Current investments		Non-current investments		Total investments	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Investments in mutual funds - Quoted	1,014.82	909.31	-	-	1,014.82	909.31
Others - Unquoted	-	-	16.15	16.15	16.15	16.15
Less : Provision for other than temporary diminution in the value of investments	-	-	(16.15)	-	(16.15)	-
Investments in preference shares - Quoted	-	7.00	-	-	-	7.00
	<b>1,014.82</b>	<b>916.31</b>	<b>-</b>	<b>16.15</b>	<b>1,014.82</b>	<b>932.46</b>

Increase in total investments in Fiscal 2017 was mainly on account of additional investment in the quoted mutual funds.

### Short-term and long-term loans and advances

	Short-term loans and advances		Long-term loans and advances		Total loans and advances	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Security deposits to parties other than related parties	69.98	0.38	16.75	16.19	86.73	16.57
Prepaid expenses	50.48	8.47	-	-	50.48	8.47
Advance income tax (net of provision for tax)	-	-	42.40	46.06	42.40	46.06
Advances for supply of goods and services	3.81	67.98	10.00	-	13.81	67.98
Capital advances	-	-	10.00	2.44	10.00	2.44
Balance with government authorities	-	-	5.23	2.09	5.23	2.09
MAT credit entitlement	-	-	5.17	5.17	5.17	5.17
Loans and advances to employees benefit trust	0.34	-	-	0.34	0.34	0.34
Loans and advances to employees	0.05	0.11	-	0.05	0.05	0.16
Security deposits to related parties	-	-	-	33.70	-	33.70
	<b>124.65</b>	<b>76.94</b>	<b>89.55</b>	<b>106.04</b>	<b>214.21</b>	<b>182.98</b>

Loans and advances as at March 31, 2017 increased to ₹ 214.21 million from ₹ 182.98 million as at March 31, 2016.

### Inventories

Inventories as a percentage of income from operations were at 4.73 % as at March 31, 2017 compared to 4.45 % as at March 31, 2016. Inventories comprises of reagents, diagnostic material, consumables and stock in trade.

### Trade receivables

Trade receivable as a percentage of income from operations were at 2 % as at March 31, 2017 compared to 3.11 % as at March 31, 2016. Trade receivable includes recoverable from related parties of ₹ 9.63 million as at March 31, 2017 (₹ 31.63 million as at March 31, 2016).

### Cash and bank balances

Cash and bank balances were ₹ 115.88 million as at March 31, 2017 (₹ 102.95 million as at March 31, 2016). The bank balances as at March 31, 2017 includes ₹ 19.00 million (₹ 0.50 million as at March 31, 2016) against bank guarantee.

### Other current assets

Other current assets were at ₹ 1.37 million as at March 31, 2017 (₹ 65.60 million as at March 31, 2016), Other current assets mainly include ₹ 65.36 million as at March 31, 2016 receivable towards expenses related to initial public offering to be recovered from the selling shareholders of the initial public offering.

### CASH FLOW – CONSOLIDATED

The Group business generates cash from operations every year that is sufficient to manage the working capital and capital expenditure requirements. The Group has not availed any credit/ overdraft facility from any of the bank since its inception.

#### Summary of cash flow statement is given below

	Fiscal 2017	Fiscal 2016
<b>Net cash flows from/ (used in) :</b>		
Operating activities	894.44	678.01
Investing activities	(415.13)	(176.75)
Financing activities	(484.97)	(449.56)
<b>Net increase/ (decrease) in Cash and cash equivalents</b>	<b>(5.66)</b>	<b>51.70</b>

#### Cash flow from operating activities

	Fiscal 2017	Fiscal 2016
Operating profit before working capital changes	1,258.12	988.59
Adjustments for (increase) / decrease in working capital	41.00	8.66
Net income tax (paid)	(404.68)	(319.24)
<b>Net cash flows from operating activities</b>	<b>894.44</b>	<b>678.01</b>

In Fiscal 2017, Group generated net cash of ₹ 894.44 million (₹ 678.01 million in Fiscal 2016) from operating activities. This is attributable to:

- Increase in operating profit before working capital changes to ₹ 1258.12 million in Fiscal 2017 (₹ 988.59 million in Fiscal 2016).
- Decrease in working capital requirement thereby cash used in increased to ₹ 41.00 million in Fiscal 2017 (₹ 8.66 million used in Fiscal 2016).
- Increase in taxes paid to ₹ 404.68 million in Fiscal 2017 (₹ 319.24 million in Fiscal 2016).

#### Cash flows from investing activities

	Fiscal 2017	Fiscal 2016
Fixed assets (net)	(363.01)	(143.45)
Current investments (net)	(83.34)	(65.27)
Dividend received	48.94	32.22
Others	(17.70)	(0.25)
<b>Net cash (used in) investing activities</b>	<b>(415.11)</b>	<b>(176.75)</b>



In Fiscal 2017, cash used in investing activities was ₹ 415.11 million (₹ 176.75 million used in Fiscal 2016).

During Fiscal 2017, cash used in investing activities was primarily attributable to:

- Purchase of fixed assets (net) ₹ 363.01 million in Fiscal 2017 (₹ 143.45 million in Fiscal 2016); and
- Net purchase of mutual funds & other investments ₹ 83.34 million (₹ 65.27 million in Fiscal 2016).
- Dividend received ₹ 48.94 million (₹ 32.22 million in Fiscal 2016).
- Bank deposits ₹ 18.60 million (₹ 0.50 million in Fiscal 2016).

#### Cash flows from financing activities

	Fiscal 2017	Fiscal 2016
Dividend paid on equity shares including tax thereon	(484.97)	(449.56)
<b>Net cash (used in) financing activities</b>	<b>(484.97)</b>	<b>(449.56)</b>

The cash used in financing activities in Fiscal 2017 were payment of dividend ₹ 484.97 million including dividend tax (₹ 449.56 million in Fiscal 2016).

### III. Segment performance

The Company has identified business segments as its primary segment. Revenue and expenses directly attributable to segments are reported under each reportable primary segment. The following table presents summary of revenue by industry segments.

	Segment revenue				
	(% aggregate revenue)				
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016	% Growth
Diagnostic Testing Services	2,732.01	2,142.86	89.05	88.93	27.49
Imaging Services	182.95	155.54	5.96	6.45	17.62
Others	153.10	111.25	4.99	4.62	37.62
	3,068.06	2,409.65	100.00	100.00	27.32

In Fiscal 2017, revenue from diagnostic testing services contributed the largest share to revenue (89.05 %) at a growth rate of 27.49 %. The other segment which contributed impressive growth rates is imaging services that is mainly contributed due to increase in the number of scans performed by our subsidiary.

Imaging services segment represent PET-CT scan and sale of radio pharmaceuticals used in imaging services. Our subsidiary has conducted 18635 scans during Fiscal 2017 (15903 scans during Fiscal 2016).

The number of scans performed at our Hyderabad PET-CT centre has grown by 32.9 %.

Number of scans	Fiscal 2017	Fiscal 2016	Fiscal 2015	Total
Delhi PETCT Centre	8176	7484	5840	21500
Navi Mumbai PETCT Centre	7078	6653	4617	18348
Hyderabad PETCT Centre	2347	1766	715	4828
Surat PETCT Centre	876	-	-	876
Baroda PETCT Centre	158	-	-	158
<b>Total Scans</b>	<b>18635</b>	<b>15903</b>	<b>11172</b>	<b>45710</b>

	Fiscal 2017
Growth YOY	
Hyderabad PETCT Centre	32.9%
Delhi PETCT Centre	9.2%
Navi Mumbai PETCT Centre	6.4%
<b>Total Scans</b>	<b>17.2%</b>

#### IV. Related Party Transaction

These have been discussed in detail in the Notes to the Standalone Financial Statements in the Annual Report.

#### 8. Outlook, risks and concerns

This section lists forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with respect to, but not limited to, regulatory changes pertaining to the industry in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our Company's exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation or deflation, unanticipated turbulence in any or all of interest rates or foreign exchange rates or both, equity prices and other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in the competitive environment.

Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following –

- operating highly-competitive and fragmented industry and our business, financial condition and results of operations may be adversely affected if we are not able to compete effectively;
- negative publicity or other harm to our reputation, brand or customer perception of our brand;
- disruption in operations of any our laboratories or offerings of particular tests;
- delay or interruption in transportation of samples to the laboratory and regional processing laboratories and our dependence on hub-and-spoke business model complemented by the regional processing laboratories;
- failure to attract and retain authorized service providers;
- failure of our equipment, information technology and other technological systems; and
- changes in technologies and/or the introduction of new technology could reduce demand for our pathology testing services.

#### 9. Internal control systems and their adequacy

The CEO and CFO certification provided in the CEO and CFO certification section of the Annual Report discusses the adequacy of our internal control systems and procedures.

# BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2)(f)]

## Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	U85110MH2000PLC123882
2	Name of the Company	Thyrocare Technologies Limited
3	Registered Address	D-37/1, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai-400703.
4	Website	www.thyrocare.com
5	E-mail id	investor_relations@thyrocare.com
6	Financial Year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Independent Diagnostic Laboratories - NIC Code: 86095
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	(i) Diagnostic Services. (ii) Radiology Services. (iii) Sale of Glucose Strips, Glucometer, vials & kits
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	None
	(b) Number of National Locations	The Company has a Central Processing Laboratory at Navi Mumbai and six Regional Processing Laboratories in New Delhi, Coimbatore, Hyderabad, Kolkata, Bhopal and Bangaluru.
10	Markets served by the Company – Local/State/National/ International	National.

## Section B: Financial Details of the Company

1.	Paid up Capital (INR)	537.24 Million
2.	Total Turnover (INR)	3081.38 Million
3.	Total profit after taxes (INR)	748.46 Million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.81 %
5.	List of activities in which expenditure in 4 above has been incurred:-	i) Promoting education & enhancing vocational skills ii) Contribution to Swachh Bharat campaign iii) Eradicating hunger, poverty and malnutrition iv) Promotion of Art and Culture

## SECTION C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has a wholly-owned subsidiary, viz. Nuclear Healthcare Limited
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)	Yes. The subsidiary company participates in the BR initiatives of the Company by following the basic principles and practices of the Parent company, to the extent applicable.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities. [Less than 30 %, 30-60 %, More than 60 %]	The Company encourages adoption of BR initiatives by its Business Associates to the extent feasible.

## SECTION D: BR Information

## 1 Details of Director/Directors responsible for BR

## (a) Details of the Directors responsible for implementation of the BR policy / policies

1	DIN Number	00002804	00003260
2	Name	Dr. A. Velumani	Mr. A. Sundararaju
3	Designation	Chairman & Managing Director	Executive Director & CFO

## (b) Details of the BR head

No.	Particulars	Details
1	DIN Number	00002804
2	Name	Dr. A. Velumani
3	Designation	Chairman & Managing Director
4	Telephone number	022-2762 2762
5	e-mail id	ceo@thyrocare.com

## 2. Principle-wise (as per NVGs) BR Policy/policies

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency & Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the wellbeing of all employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principle 5: Businesses should respect and promote human rights

Principle 6: Business should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	Policy No.								
		1	2	3	4	5	6	7	8	9
		Ethics, Transparency & Accountability	Safety and Sustainability of Services rendered	Well-being of the employees	Being responsive to the stakeholders' interests	Respect to Human Rights	Protection of Environment	Responsible reaction to Public Policy	Inclusive Growth & Equitable Development	Providing value to customers & consumers
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been approved by the Board and signed by the Chairman & Managing Director/Executive Director & CFO.								

		Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of Board / Director / Official to oversee the implementation of the Policy?	Implementation of the Policy would be overseen by the Corporate Social Responsibility Committee, consisting of one Independent Director as Chairman and another Independent Director and one Executive Director (who is also CFO) as Members.								
6.	Indicate the link for the policy to be viewed online?	www.thyrocare.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Policy has been communicated to the relevant internal and external stakeholders.								
8	Does the company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy /policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes.The Grievances can be reported by investors "investor_relations@thyrocare.com" and by others to "complaints@thyrocare.com".								
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N
	(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why? (Tick up to 2 options)									
No.	Questions									
1	The company has not understood the Principles.									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3	The company does not have financial or manpower resources available for the task.	It is planned to be done within the next one year, as this requirement has become applicable to us, this year.								
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year ✓									
6	Any other reason (please specify)									
3.	<b>Governance related to BR</b>									
	(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. - Within 3 months, 3-6 months, Annually, More than 1 year.	As this has been introduced only now, it is proposed to have a regular assessment of BR Performance every three months.								
	(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The requirement of furnishing the Business Responsibility Report is applicable to the Company only from this year. It forms part of the Annual Report, which will be uploaded in the Company's website, and can be viewed at the said website.								

**SECTION E: Principle-wise Performance****Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency & Accountability**

Thyrocare believes that Ethics, Transparency and Accountability are inter-related - a business which runs its operations ethically and in a transparent manner, would never have any problem of Accountability towards all its stakeholders – to the society at large. Thyrocare has been conducting its business on Ethical lines, and in a Transparent manner from the day of inception. Thyrocare has formulated an elaborate code of conduct, which is applicable to all the Directors and the employees of the Company and its subsidiary. The Company has also put in place a Whistle-Blower policy to enable employees to report any actual or suspected incidence of corruption, bribery, or any kind of unethical behaviour on the part of any employee, including executives and directors. The Code of Conduct and the Whistle Blower Policy have been uploaded in the Company's website.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group / Joint Venture / Suppliers / Contractors / NGOs / Others	The policy relating to ethics, bribery and corruption are primarily applicable to the Company and its subsidiary. Thyrocare encourages the contractors, suppliers and others to comply with the same, wherever possible.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide in about 50 words or so.	The Company has not received any complaint from any stakeholders relating to ethics, bribery and corruption.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

Thyrocare believes that for a diagnostic service oriented company like it, sustainability means providing dependable results at affordable cost. With this in view, Thyrocare established India's first fully automated and IT-enabled laboratory that ensures error-free processing of over 60,000 specimens collected from all over India and sent by using an innovative air-cargo system, and conducting over 2,50,000 clinical investigations per night, and giving results within a turnaround time of four hours. By employing the latest technologies, and fully computerising testing process, Thyrocare is able to remain at par with global standards in terms of quality and service delivery. By handling huge volumes, Thyrocare is able to provide its services at the lowest possible cost, unmatched by any other service provider.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company focuses on preventive Clinical Biochemistry based Diagnostic Services, and has introduced groups of tests packaged under the brandname "Aarogyam", and various other tests, all of which have been designed keeping its social responsibility in view - at lowest possible rates, affordable even to the common man. The three most popular tests are mentioned below: (a) . Aarogyam Profile (b) . Thyroid Profile (c) . Diabetic Profile
2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (Optional): (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not applicable
3. Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company has in place adequate procedures through long-term contracts for sustainable sourcing of inputs required for its operations. Reagents and diagnostic materials are the major inputs for us. By tying up mostly with the same vendors who have also supplied / leased the laboratory equipment / instruments, we ensure that almost 100 % of these materials are sourced sustainably.
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Considering factors like cost, quality, timely delivery and commercial obligations, the reagents and diagnostic consumables are procured mostly from those companies who have sold/leased major equipment to us. However, we procure other goods and services from the local business communities surrounding the place of work.

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	This will be done in due course.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The bio-medical wastes produced in the laboratory are handed over to the State Pollution Control Board for recycling or safe disposal. The Company has formulated Standard Operating Procedures for waste management, to ensure proper separation, handling, storage and transportation of bio-medical wastes.

### Principle 3: Businesses should promote the wellbeing of all employees

Thyrocare is alive to the fact that Human Resources are the most valued assets of any organisation, and hence every entity has to take all possible measures for the well-being of the employees, so as to keep their morale and motivation high. With this in view, Thyrocare has structured many welfare measures and is also taking necessary steps for enhancement of their skills and abilities on a continuous basis. Thyrocare organises recreational events like New Year celebrations and Get-togethers and periodical contests to enable the employees to exhibit their abilities. Thyrocare is also providing other regular facilities like heavily subsidised canteen, free transportation from the workspot to the nearest railway station, etc. Thyrocare allotted shares equivalent to about 0.25 % of its then paid up capital to the eligible employees at the face value of ₹ 10/- whereas the current market price is about 70 times of the offer price. Thyrocare has also introduced another liberal Employees Stock Option Scheme whereby shares equivalent to about 1 % of the Company's paid up capital would be offered, over a period of ten years at the rate of 10 % every year, to all the eligible employees at face value, to inculcate into them a deep sense of belonging to the organisation, besides giving them an opportunity of sharing the benefit of the Company's growth.

1.	Please indicate the Total number of employees.	808
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	21
3.	Please indicate the Number of permanent women employees.	215
4.	Please indicate the Number of permanent employees with disabilities	0
5.	Do you have an employee association that is recognized by management.	There is no employee association recognized by the Management.
6.	What percentage of your permanent employees is members of this recognized employee association?	N.A.
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.	
	<b>No. Category No of complaints filed during the financial year</b>	<b>No. Category No of complaints filed during the financial year</b>
1	Child labour/forced labour / involuntary labour	Nil
2	Sexual harassment	Nil
3	Discriminatory employment	Nil
8.	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	The Company believes in constant upgradation of skills of the employees and hence conducts periodical training sessions to improve their work-abilities. Standard Operating Procedures have been formulated for safety measures to be taken on a continuous basis.
(a)	Permanent Employees	100 %
(b)	Permanent Women Employees	100 %
(c)	Casual/Temporary/Contractual Employees	100 %
(d)	Employees with Disabilities	N.A.



**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

The modern concept of any business is to take care of welfare of not only the shareholders, but all the stake-holders as a whole. True to this concept, Thyrocare takes care to structure its business policies in such a way that they are beneficial to all the stake-holders – investors, employees, customers, vendors, business associates, and to the society at large, and particularly the weaker sections of the society. The Company's pricing policy is based on the principle of taking the company's services within the reach of common man.

1. Has the company mapped its internal and external stakeholders? Yes/No	Yes.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?	Yes.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.	The Company is implementing welfare measures for that part of the society which is disadvantaged, vulnerable and marginalised.

**Principle 5: Businesses should respect and promote human rights**

Thyrocare is conscious of the fact that it is the responsibility of every business enterprise to respect human rights, to avoid infringing on the human rights of others, and should remedial measures in the event of any such infringement. Therefore, Thyrocare takes efforts to ensure that their own activities or business relationships do not cause any negative human rights impact.

1.	Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The policy on human rights covers the Company and its subsidiary.							
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Shareholder related			Employee related			Customer related	
		Resolved	Pending	Received	Resolved	Pending	Received	Resolved	Pending
		0	0	0	0	0	1725	1633	92
		The Company has setup an investor grievance mechanism to respond to investor grievances in a timely and appropriate manner. The investor grievances and action taken are also reviewed at the Board level by the Stakeholders Relationship Committee.							
		Employees' grievances, if any, are resolved through internal review mechanism by Senior Management. There is also a vigil mechanism in place to report serious grievances and inappropriate action by any other employee/executive/director. A Committee has also been constituted to look into complaints of sexual harassment, if any.							
The Company has also established robust customer care system, which tracks customer complaints and responds to them in the minimum time possible and take appropriate remedial measures.									

**Principle 6: Business should respect, protect, and make efforts to restore the environment.**

Thyrocare is fully aware that protecting the environment around us – air, water, soil, and the entire ecosystem – is of vital importance for our well being; damages to the environment are actually damages to the Nature and will ultimately endangers the very existence of life itself in the long run. Therefore, Thyrocare is taking all possible efforts to prevent any kind of pollution and adhering to the best procedures to protect the environment. Apart from complying with the statutory regulations, Thyrocare has structured Standard Operating Procedures to ensure that the Company's activities do not create any negative impacts on the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others.	The Company's policy on Environment, Health and Safety and Standard Operating Procedures are applicable to the Company and its subsidiary.							
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. Yes / No. If yes, please give hyperlink for webpage, etc.	No.							

3.	Does the company identify and assess potential environmental risks? Y/N	Yes.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	No.
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewal energy, etc. Yes / No. If Yes, please give hyperlink for web page, etc.	The Company has already installed solar panels, which produce 6 to 7 % power. The Company has also entered into a tie up with another company for installing necessary equipment at our site, so as to produce and supply solar power to us for 25 years.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes. All emissions/waste generated are within permissible limits. These are continuously monitored, reviewed internally and reported to the CPCB/SPCB as per the requirement.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	The Company has not received any Show Cause Notice or Legal Notices from CPC / SPCB during the financial year.

**Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

Though collaborating with similar businesses and representing to the Government for redressal of common grievances is recognised as an acceptable business practice, it is the policy of Thyrocare that any engagement with the Government should be for the welfare of the public at large, and should not be with the intention of advancing the interests or promoting the welfare of a select few.

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company is not a member of any trade association or chamber.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes /No; If yes, specify the broad areas (Drop box - Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others )	Not applicable.

**Principle 8: Business should support inclusive growth and equitable development**

Thyrocare believes that real growth and development can be achieved only when equal opportunities are made available to every member of the society and there is equitable development; a lopsided growth will ultimately lead to social unrest and result in negation of the benefits already achieved. Therefore, Thyrocare formulates its policies in such a way that the benefits of its services are easily available to everyone. Thyrocare has also structured its CSR policies on the principle of empowering and enabling the community as a whole to participate in the march towards growth and development.

1.	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.	The Company's CSR Policies are aimed at supporting inclusive growth and equitable development. The Company has also introduced Employees Share Purchase Scheme through which shares were allotted to all the eligible employees. The Company has also introduced an Employees Stock Option Scheme for issuing shares equivalent to 1% of the paid-up equital capital over a period of ten years.
2.	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO / government structures / any other organisation?	Under the Company's CSR project, appropriate assistance is extended to other entities for programmes designed to achieve inclusive growth and equitable development.
3.	Have you done any impact assessment of your initiative?	A regular assessment of the impact of the initiative is being done.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	The Company has spent about ₹13.51 Million during the financial year 2016-17 towards community development projects, as part of its CSR activities. This expenditure is incurred towards: Giving financial assistance for (i) promoting education, (ii) enhancing vocational skills (iii) helping citizens suffering from poverty (iv) promoting art & culture and (v) contribution to swachh Bharat campaign.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Adoption of such initiatives is ensured through periodical contacts with the entities through whom such initiatives are implemented.

#### Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Thyrocare has always considered the customer as the most important person in its business and its avowed Mission is to ensure that the right value is given in right time to the right patient at the least cost. High productivity, lean operations, able administration and volume-enabled savings have made Thyrocare the most affordable Clinical Chemistry Laboratory in the world.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.	We are processing about 60,000 blood samples for conducting more than 2 lakh investigations every day, from customers living across the breadth and length of the country. The customers complaints we receive constitute hardly 2.03% of the total number of tests done. There is a dedicated team to look into the complaints, and redress them appropriately. The Company has formulated a Standard Operating Procedure for dealing and redressing the complaints.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information)	Not applicable to us.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Nil
4. Did your company carry out any consumer survey/ consumer satisfaction trends?	The Company has not carried out any consumer survey, but has a system of getting feedback from the consumers, based on which appropriate actions are taken to improve the services and resolve the consumer grievances.

# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on code of governance is to ensure

- Highest levels of transparency and accountability in all facets of its operations;
- Equity and ethics in its interactions with all stakeholders, including Clients, Shareholders, Employees, Vendors and Business Partners.
- Commitment in its responsibility towards the Society as a whole.

The Company's basic goal is to maximize the overall shareholders' value, and all its business decisions and actions are oriented towards achieving this basic goal.

The Company has been following many of the Corporate Governance requirements voluntarily even before it became a listed company. This culture continues, and the Company is in full compliance with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations").

## 2. BOARD OF DIRECTORS

### a) Composition and Category of Directors:

The Board of Directors of the Company is headed by Dr. A. Velumani, Founder-Promoter of the Company. The Board consists of eight directors - Two Executive Directors, One Non-Executive Nominee Director, One Non-Executive Woman Director and Four Independent Directors. During the year under review, there is no change in the composition of the Board of Directors.

The following table gives details of Composition and Category of Board of Directors:

S. No.	Name	Director Identification No. (DIN)	Designation	Category
1	Dr. A. Velumani	00002804	Chairman & Managing Director	Executive Director - Promoter
2	Mr. A. Sundararaju	00003260	Executive Director & Chief Financial Officer	Executive Director - Promoter
3	Mr. Sohil Chand	02170052	Nominee Director	Non-Executive Director - Nominee of Norwest Venture Partners
4	Mr. Gopalkrishna Shivaram Hegde	00157676	Director	Independent Director
5	Mr. Vishwas Kulkarni	06953750	Director	Independent Director
6	Dr. Neetin Desai	02622364	Director	Independent Director
7	Mr. N. Palanisamy	06972368	Director	Independent Director
8	Miss Amruta Velumani	06534120	Director	Non-Executive Director - Promoter Group

The composition of the Board is in conformity with Section 149 of the Act read with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**b. Attendance of Directors at the meetings:**

The details of attendance of the Directors at the Board Meetings held during the year ended March 31, 2017 and at the last Annual General Meeting are given below:

S. No.	Name	Board Meetings		Attendance at AGM held on 12-09-2016.
		Held during the tenure of the Director	Attended	
1	Dr. A. Velumani	6	6	Yes
2	Mr. A. Sundararaju	6	6	Yes
3	Mr. Sohil Chand	6	3	No
4	Mr. Gopalkrishna Shivaram Hegde	6	6	Yes
5	Mr. Vishwas Kulkarni	6	6	Yes
6	Dr. Neetin Desai	6	3	Yes
7	Mr. N. Palanisamy	6	6	No
8	Miss Amruta Velumani	6	6	Yes

**c. Other Directorships & Committee Memberships/Chairmanships**

The number of Directorships and Memberships / Chairmanship in the Committees in other public companies:

S. No.	Name	In Other Public Companies		
		No. of Directorships	No. of Committee Membership	No. of Committee Chairmanship
1	Dr. A. Velumani	3	-	-
2	Mr. A. Sundararaju	3	-	-
3	Mr. Sohil Chand	1	2	-
4	Mr. Gopalkrishna Shivaram Hegde	1	-	2
5	Mr. Vishwas Kulkarni	-	-	-
6	Dr. Neetin Desai	-	-	-
7	Mr. N. Palanisamy	-	-	-
8	Miss Amruta Velumani	-	-	-

**d) Number of Board Meetings:**

During the financial year 2016-17, there were six Board Meetings, held on

- (i) 11-06-2016,
- (ii) 22-07-2016
- (iii) 27-08-2016,
- (iv) 24-10-2016,
- (v) 28-01-2017, and
- (xii) 24-03-2017.

The maximum gap between two consecutive Board Meetings did not exceed 120 days.

**e) Disclosure of relationship between Directors inter-se:**

Dr. A. Velumani, Chairman & Managing Director and Mr. A. Sundararaju, Executive Director & Chief Financial Officer are related to each other as Brothers. Miss. Amruta Velumani, Non-executive Director is the daughter of Dr. A. Velumani, Chairman & Managing Director. None of the other directors is related to any of the other directors.

**f) Shares held by Non-Executive Directors:**

S. No.	Name	Category of Director	No. of Equity Shares (Face value of ₹ 10/- each held in the Company)
1	Mr. Sohil Chand *	Non-Executive Nominee Director representing Norwest Venture Partners. *	-
2	Mr. Gopalkrishna Shivaram Hegde	Independent Director	-
3	Mr. Vishwas Kulkarni	Independent Director	-
4	Dr. Neetin Desai	Independent Director	-
5	Mr. N. Palanisamy	Independent Director	-
6	Miss. Amruta Velumani	Non-Executive Director	7,52,512

- Norwest Venture Partners are holding 50,64,880 equity shares in the Company.

**g) Web-link address where details of familiarisation programmes imparted to independent directors are disclosed.**

Details of familiarisation programmes conducted for the Independent directors are disclosed in Company's website [www.thyrocare.com/investor relations](http://www.thyrocare.com/investor%20relations)

**3. AUDIT COMMITTEE:**

**a) Brief description of terms of reference:**

**The terms of reference of Audit Committee are broadly as under:**

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, remuneration and terms of appointment of the auditors of the Company;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval of payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion(s) in the draft audit report.

6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed Offer by the Company;
8. Approval of any transactions of the Company with Related Parties, including any subsequent modifications thereof.
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end-use of funds raised through public offers and related matters;
13. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
14. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussing with internal auditors on any significant findings and follow up there on;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. Reviewing the functioning of the whistle blower mechanism;
21. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
22. Carrying out such other function as may be required in pursuance of any decision of the Board of Directors or any provision under the Companies Act and Stock Exchange Listing Regulations or any other applicable law.

**The Audit Committee shall mandatorily review the following information:**

1. Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;



5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the Listing Regulations.

**The Audit Committee shall have the following powers:**

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employee;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**(b) Composition, names of members and chairperson;**

The Audit Committee has been constituted with an Independent Director as Chairman, an Independent Director and a Non-Executive Nominee Director as Members as shown below:

S. No.	Name	Category of Director	Position in Committee
1	Mr. Gopalkrishna Shivaram Hegde	Independent Director	Chairman
2	Mr. Vishwas Kulkarni	Independent Director	Member
3	Mr. Sohil Chand	Non-executive Nominee Director	Member

The Company Secretary acts as the Secretary of the Audit Committee.

**c) Meetings and attendance during the year:**

During the year, there were six meetings of Audit Committee, held on

(i) 11-06-2016, (ii) 22-07-2016 (iii) 27-08-2016, (iv) 24-10-2016, (v) 28-01-2017, and (vi) 24-03-2017.

The maximum gap between two consecutive Audit Committee Meetings did not exceed 120 days.

The details of attendance at the Committee are as follows:

S. No.	Name	Position	Committee Meetings	
			Held	Attended
1	Mr. Gopalkrishna Shivaram Hegde	Chairman	6	6
2	Mr. Vishwas Kulkarni	Member	6	6
3	Mr. Sohil Chand	Member	6	3

#### 4. NOMINATION & REMUNERATION COMMITTEE:

##### a Brief description of terms of reference:

The terms of reference of Nomination & Remuneration Committee are broadly as under:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of performance of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal;
5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as applicable;
11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
12. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

##### (b) Composition, names of members and chairperson;

The Nomination & Remuneration Committee was constituted with an Independent Director as Chairman, an Independent Director and a Non-Executive Nominee Director as Members as shown below:

S. No.	Name	Category of Director	Position in Committee
1	Mr. Gopalkrishna Shivaram Hegde	Independent Director	Chairman
2	Mr. Vishwas Kulkarni	Independent Director	Member
3	Mr. Sohil Chand	Non-executive Nominee Director	Member

**c) Meetings and attendance during the year.**

During the year, there were two meetings of Nomination & Remuneration Committee, held on 11-06-2016 and 24-03-2017. Details of attendance of Members Nomination & Remuneration Committee are as given below:

S. No.	Name	Position	Committee Meetings	
			Held	Attended
1	Mr. Gopalkrishna Shivaram Hegde	Chairman	2	2
2	Mr. Vishwas Kulkarni	Member	2	2
3	Mr. Sohil Chand	Member	2	1

The Company Secretary acts as the Secretary of the N & R Committee.

**(d) Performance evaluation criteria for independent directors:**

Evaluation of performance of Independent Directors is carried out on the criteria of complying with statutory requirements applicable to independent directors, ability to understand the interests of the Company independent of any other factor, participation in the discussions, contribution to the decision-making, etc.

**5. REMUNERATION TO DIRECTORS.**

- a) The Independent Directors are paid sitting fee for the meetings attended by them, as approved by the Board of Directors. The details of sitting fees paid to them for the year under review are given below:

S. No.	Name of the Independent Director	Sitting Fee paid during the year - ₹ in Million
1	Mr. Gopalkrishna Shivaram Hegde	0.16
2	Mr. Vishwas Kulkarni	0.16
3	Dr. Neetin Desai	0.04
4	Mr. N. Palanisamy	0.07

- b) There were no pecuniary transactions with any of the non-executive directors of the Company, other than sitting fees paid to the Independent Directors, mentioned above.
- c) Dr. A. Velumani, Chairman & Managing Director and Mr. A. Sundararaju, Executive Director & Chief Financial Officer, are the two executive directors who received remuneration during the year under review. The details are given below:

	₹ In millions	
	Dr. A. Velumani, Chairman & Managing Director	Mr. A. Sundararaju, Executive Director & Chief Financial Officer
Salary	12.00	6.00
Benefits	-	-
Bonuses	-	-
Pension	-	-
Commission	-	-
Leave Encashment	4.00	2.00
<b>Total</b>	<b>16.00</b>	<b>8.00</b>
Service Contract	Appointed for a term of three years from April 01, 2017.	Appointed for a term of three years from April 01, 2017.
Notice Period	As per rules of the Company.	As per rules of the Company.

Both the Chairman & Managing Director and the Executive Directors & Chief Financial Officer have been re-appointed for a term of three years from April 01, 2017.

Dr. A. Velumani, Chairman & Managing Director, has chosen to draw a token remuneration of ₹ 1/- (Rupee One Only). Mr. A. Sundararaju, Executive Director & Chief Financial Officer, has chosen to draw the existing remuneration of ₹ 5 lakhs only per month for the entire tenure of three years. This would be effective after approval of the Members.

The other benefits, to which they are eligible, are as per the terms and conditions approved by the Nomination & Remuneration Committee, the Audit Committee and the Board of Directors. These are mentioned in the Resolutions placed before the Shareholders for their approval at the ensuing annual general meeting. No stock options have been issued to either of them. There is no severance fee payable to them.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

### a) Composition:

The Stakeholders Relationship Committee has been constituted with Mr. Gopalkrishna Shivaram Hegde, an Independent Director as Chairman, and an Executive Director and a Non-Executive Director as Members as shown below:

S. No.	Name	Category of Director	Position in Committee
1	Mr. Gopalkrishna Shivaram Hegde	Independent Director	Chairman
2	Mr. A. Sundararaju	Executive Director & Chief Financial Officer	Member
3	Miss Amruta Velumani	Non-executive Director	Member

### b) Name and designation of the Compliance Officer:

Mr. Ramjee Dorai, Company Secretary.

### c) Number of shareholders' complaints received so far:

During the year under review, the Company came out with its Initial Public Offer of 1,07,44,708 equity shares, which was over-subscribed more than 75 times. There were more than seven lakh applicants, who had participated in the IPO. A total number of 759 complaints were received mostly relating to non-allotment of shares at the IPO, delay in unblocking of their bank accounts locked for ASBA application, etc., and all were attended to promptly. No complaint is pending as on date.

Other than the above, the Company did not receive any complaint.

### d) Number not solved to the satisfaction of shareholders: Nil

### e) Number of pending complaints: Nil

## 7. GENERAL BODY MEETINGS:

### a) Location and time, where last three annual general meetings held;

The last three Annual General Meetings of the Company were held as under:

AGM Detail	Venue	Time & Date
14th Annual General Meeting	Corporate Office of the Company at D-37/3, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai-400 703	2.00 P.M. on August 21, 2014.
15th Annual General Meeting	Corporate Office of the Company at D-37/3, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai-400 703	2.00 P.M. on September 26, 2015.
16th Annual General Meeting	Hotel Yogi Midtown, Plot No. DX-12, TTC Industrial Area, Mumbai-Pune Road, Turbhe, Navi Mumbai-400 705	2.30 P.M. on September 12, 2016.

**b) Special resolutions passed in the previous three annual general meetings:**

**14th Annual General Meeting:**

1	Acquisition of 56,11,000 equity shares of Nuclear Healthcare Limited and issue of 9,68,681 equity shares in our company as consideration for the said acquisition.
2	Increase in Authorised Share Capital from ₹15 crores to ₹100 crores, and amendment of Capital Clause of Memorandum of Association.
3	Alteration of Capital Clause in the Articles of Association of the Company for the above increase in Authorised Capital
4	Conversion of 3,77,500 Nos. of Compulsorily Convertible Debentures issued in the year 2010 into 15,10,000 equity shares of our company at the rate of 4 equity shares for one CCD.

**15th Annual General Meeting:**

1	Appointment of BSR & Co. LLP as Auditors of the Company from the conclusion of 15th AGM till the conclusion of 16th AGM, in the place of M/s. BSR and Co., retiring auditors.
2	Issue of Stock Options equivalent to 40,434 equity shares to the eligible employees of the Company.

**16th Annual General Meeting:**

1	Issue of Stock Options equivalent to 50,537 equity shares to the eligible employees of the Company.
---	---

**c) Whether any special resolution passed last year through postal ballot, details of voting pattern and (d) Person who conducted the postal ballot exercise:**

No special resolution was passed through Postal Ballot during the year under review.

**e) Whether any special resolution is proposed to be conducted through postal ballot and (f) procedure for postal ballot:**

None of the items to be transacted at the ensuing Annual General Meeting is required to be passed through Postal Ballot during the year under review.

**8. MEANS OF COMMUNICATION:**

**(a) quarterly results (b) newspapers wherein results normally published (c) any website, where displayed (d) whether it also displays official news releases; and (e) presentations made to institutional investors or to the analysts.**

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India, viz. The Financial Express, Lok Satta and Jansatta, and are displayed on the Company's website "www.thyrocare.com/investor relations". All advertisements and intimations given to the Stock Exchanges are displayed on the Company's website. Besides, the Company has uploaded in its website a list of frequently asked questions (FAQs) giving details about the Company and its shares.

**9. GENERAL SHAREHOLDER INFORMATION**

a	17th Annual General Meeting	
	Date	August 12, 2017
	Day	Saturday
	Time	10:30 A.M.
	Venue	Hotel Yogi Midtown, Plot No. DX-12, TTC Industrial Area, Mumbai-Pune Road, Turbhe, Navi Mumbai - 400 007
b	Financial Year	1st April 2016 to 31st March.2017
	Financial Calendar for the year 2017-18 Board Meetings (Tentative, subject to change)	
	Results of the quarter ended 30th June 2017	Fourth Week of July 2017.
	Results of the quarter ended 30th September 2017	Fourth Week of October 2017.
	Results of the quarter ended 31st December 2017	Fourth week of January 2018
	Results of the year ended 31st March 2018	Fourth week of April 2018
	18th Annual General Meeting	Fourth week of July 2018

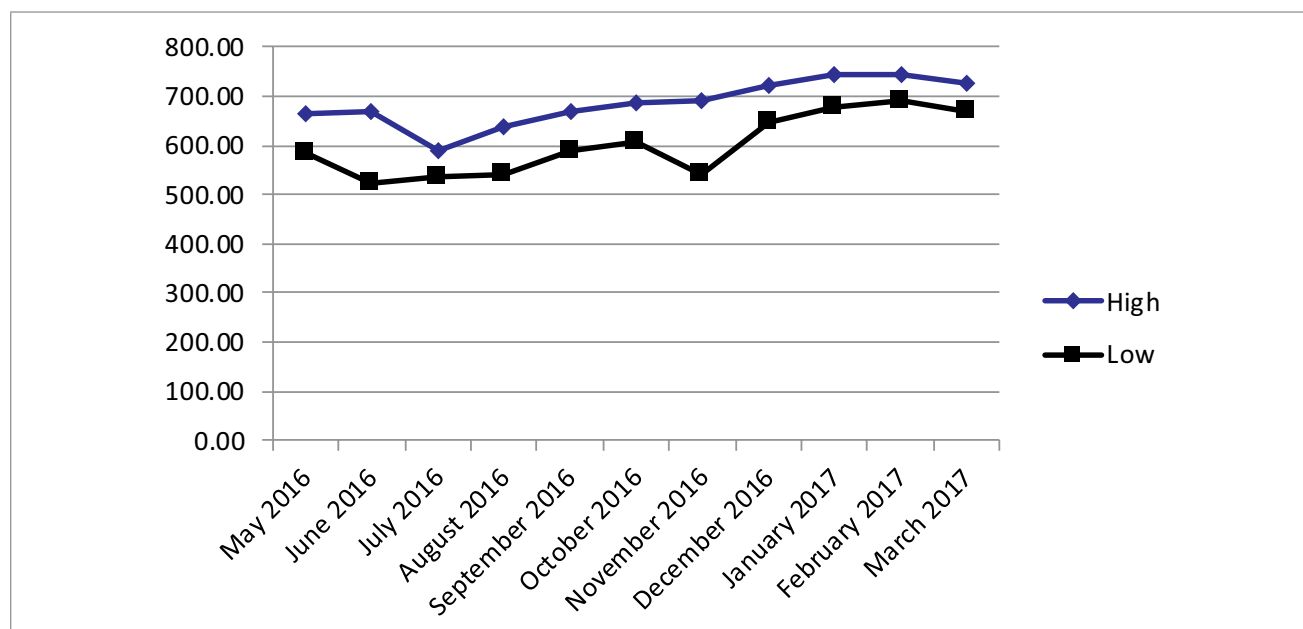
c	Dividend Payment Date	Within 30 days from the date of approval by the Shareholders .
d	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051  BSE Limited, 1st Floor, P.J. Towers, Exchange Plaza, Dalal Street, Fort, Mumbai-400 001  Annual Listing fee has been paid to both the exchanges.
e	Stock Code	NSE – THYROCARE BSE – 539871

## f Market price data

High / Low at NSE during each month in the year under review from the date of listing:

Month	High	Low	No. of shares traded
May 2016	665.00	585.45	2,29,64,618
June 2016	669.90	523.20	62,54,469
July 2016	589.65	536.00	22,36,378
August 2016	636.70	541.00	19,56,340
September 2016	668.80	590.00	24,86,486
October 2016	684.80	605.00	12,68,368
November 2016	692.25	540.10	11,50,061
December 2016	720.65	645.10	11,06,702
January 2017	742.50	679.15	6,76,918
February 2017	744.70	690.35	3,28,781
March 2017	727.00	666.85	4,63,559

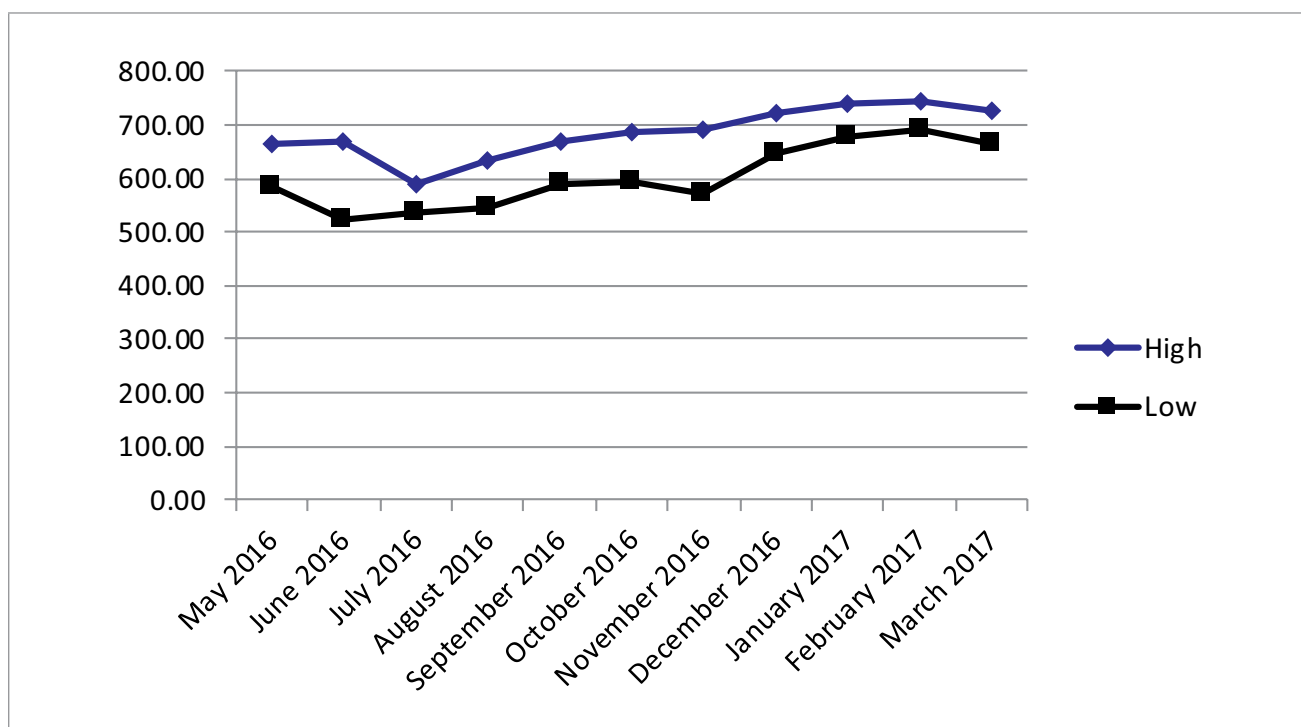
## Share Price Movement at NSE



**High / Low at BSE during each month in the year under review from the date of listing**

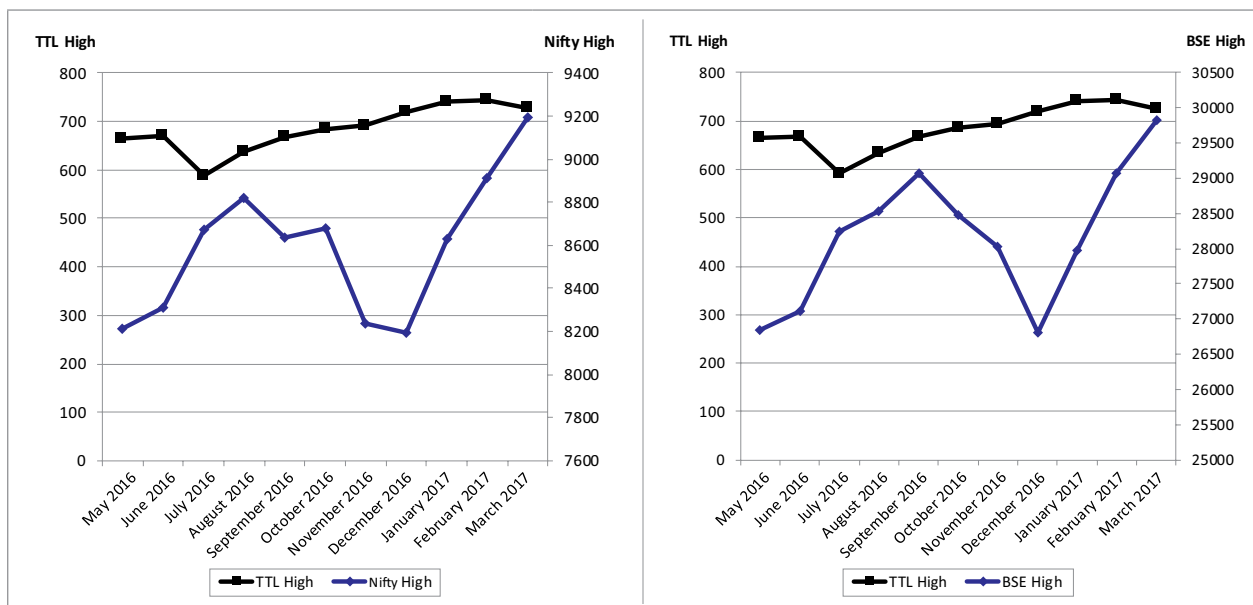
May-16	665.40	585.00	55,60,879
June-16	668.70	523.60	15,79,005
July-16	591.00	536.25	4,88,047
August-16	635.00	545.00	2,87,504
September-16	667.95	589.50	5,23,399
October-16	684.90	592.55	2,45,862
November-16	693.00	571.10	1,91,705
December-16	719.85	646.00	1,83,999
January-17	740.50	677.00	1,08,417
February-17	742.75	692.75	1,62,320
March-17	725.90	665.60	1,01,582

**Share Price\ Movement at BSE**



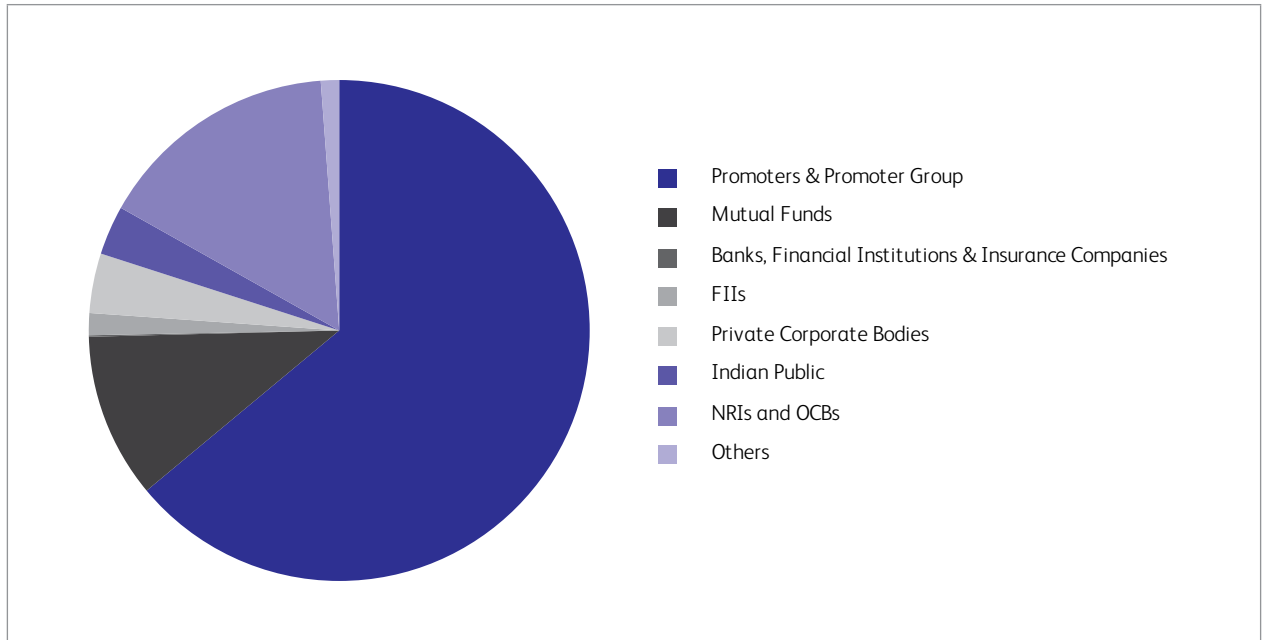


- g Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index, etc.



- h Reasons for suspension, if any  
There is no suspension.
- I Registrar to an issue and share transfer agents;  
Link Intime India Pvt. Limited,  
  
C-101, 247 Park, Lal Bahadur Shastri Marg,  
  
Vikhroli West, Mumbai, MH 400083.
- J Share Transfer System  
All shares are in demat form, except for five (5) shares, which are held in physical form by the concerned shareholder, as on 09-05-2017. Transfer of shares is done through depositories by furnishing appropriate Instruction Slip. If any shareholder rematerialises his shares, the share transfer form, along with the physical share certificate, should be sent to the Registrars at the address given above. The transfer will be effected within 15 days, subject to the transfer documents being valid and complete in all respects.
- k. Shareholding Pattern as on May 05, 2017

S. No.	Category	No. of shares	Percentage of shareholding
1	Promoters & Promoter Group	34361745	63.96
2	Mutual Funds	5715821	10.64
3	Banks, Financial Institutions & Insurance Companies	51413	0.10
4	FIIs	762335	1.42
5	Private Corporate Bodies	2070049	3.85
6	Indian Public	1706692	3.18
7	NRI's and OCBs	8421704	15.68
8	Others	633774	1.18
<b>TOTAL</b>		<b>53723533</b>	<b>100</b>



Distribution of Shareholding as on May 05, 2017.

Sr. No.	SHAREHOLDING RANGE			NO. OF SHARE-HOLDERS	PERCENTAGE OF TOTAL	TOTAL SHARES	PERCENTAGE OF TOTAL
1	1	to	500	24979	98.35	1036930	1.93
2	501	to	1000	184	0.72	141288	0.26
3	1001	to	2000	69	0.27	104139	0.19
4	2001	to	3000	43	0.17	105562	0.20
5	3001	to	4000	22	0.09	78050	0.15
6	4001	to	5000	13	0.05	60398	0.11
7	5001	to	10000	13	0.05	93182	0.17
8	10001	to	*****	75	0.30	52103984	96.99
<b>Total</b>				<b>25,398.00</b>	<b>100</b>	<b>53,723,533</b>	<b>100</b>

**l) Dematerialization of shares and liquidity;**

The Company's shares are dematerialised, with both the depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on date, except five (5) shares held in physical form, all other shares are held in dematerialised form only.

ISIN No. is INE594H01019.

**m) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity;**

The Company has not issued any GDRs / ADRs or Warrants or any other Convertible Instruments that are outstanding.

**n) Commodity price risk or foreign exchange risk and hedging activities;**

The Company is not dealing in any commodities. The Company has foreign exchange exposure but it is not considered to necessary to have any hedging cover.

**o) Plant locations;**

The Company does not have any 'plants'. The Company's Central Processing Laboratory is at D-37/1, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai.

The Company has six Regional Processing Laboratories at the following places:

1. New Delhi.
2. Hyderabad.
3. Coimbatore.
4. Kolkata.
5. Bhopal.
6. Bengaluru.

**p) Address for correspondence**

Thyrocare Technologies Limited,  
D-37/3, TTC Industrial Area,  
MIDC, Turbhe,  
Navi Mumbai 400 703.  
Maharashtra.  
Phone: 022-4125 2525 / 022-2762 2762  
Fax: 022-2768 2409  
Email: asr@thyrocare.com

**10. Other Disclosures:**

(a) disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;	Nil
(b) details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;	Nil
(c) details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;	Whistle Blower policy has been formulated as part of Vigil Mechanism introduced, and the details are available at the Company's website, "www.thyrocare.com". No personnel has been denied access to the Audit Committee.
(d) details of compliance with mandatory requirements and adoption of the non-mandatory requirements;	All mandatory requirements have been complied with. Adoption of non-mandatory requirements would be considered at appropriate time.
(e) web link where policy for determining material subsidiaries is disclosed;	The policy for determining 'material subsidiaries' is disclosed at the company's website, "www.thyrocare.com".
(f) web link where policy on dealing with related party transactions;	The policy for dealing with Related Party transactions is disclosed at the company's website, "www.thyrocare.com".
(g) disclosure of commodity price risks and commodity hedging activities.	Not applicable, as the Company is not dealing with any 'commodities'.

11.	Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed.	Not applicable, since all the requirements have been complied with.
12.	The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.	Discretionary requirements would be adopted as and when felt appropriate.
13.	The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report.	The Company has complied with the requirements specified in regulation 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46.
D.	Declaration signed by the Chief Executive Officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.	Declaration signed by the Chief Executive Officer is attached.
E.	Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors report.	Compliance Certificate from the Auditors is annexed.
F.	Disclosures with respect to demat suspense account / unclaimed suspense account	
(1)	The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:	NSDL CDSL
(a)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (at the time of listing after IPO)	99 33
(b)	number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	66 33
(c)	number of shareholders to whom shares were transferred from suspense account during the year;	2 1
(d)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	33 shares due to one shareholder is still lying in the escrow account. Nil
(e)	that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	Yes Yes

## CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit & Risk Management Committee:
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Navi Mumbai

Date: May 09, 2017

**A. Sundararaju**

Executive Director &amp; CFO

**Dr. A. Velumani**

Chairman &amp; Managing Director and CEO

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director, Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has, in respect of the year ended March 31, 2017, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the employees in the General Manager cadre as on March 31, 2017.

Place: Navi Mumbai

Date: May 09, 2017

**Dr. A. Velumani**

Chairman &amp; Managing Director and CEO

# Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of

## Thyrocare Technologies Limited

1. This certificate is issued in accordance with the terms of our agreement dated 21 September 2016.
2. This report contains details of compliance of conditions of corporate governance by Thyrocare Technologies Limited ('the Company') for the year ended 31 March 2017 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

## Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

## Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2017.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

## Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Sreeja Marar**

Partner

Membership No: 111410

Mumbai  
9 May 2017

# Independent Auditors' Report

To the Members of  
Thyrocare Technologies Limited

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Thyrocare Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

## Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 2017, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to Note 28.16 to the standalone financial statements which more fully describes that the Company has entered into contracts for advertisements in various media, aggregating ₹ 304.85 million, with the intention to promote the 'Thyrocare' brand at the specific instance of Agalia Private Limited ('APL' or the selling shareholder). APL has fully reimbursed the Company in respect of payments made towards these contracts. Considering the nature and size of the transactions, both the expenses incurred as well as the amount reimbursed by APL has been disclosed as an exceptional item. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by sub-section 3 of Section 143 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the Directors as on 31 March 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2017 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the 'Annexure B'; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28.1(A) to the standalone financial statements;
  2. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  3. there were no amounts outstanding as on balance sheet date which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  4. the Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. However, as stated in note 28.15 to the standalone financial statements amounts aggregating to ₹ 14.90 million as represented to us by the Management, have been received from transactions which are not permitted.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Sreeja Marar**

Partner

Membership No: 111410

Mumbai

9 May 2017

## Annexure A to Independent Auditors' Report - 31 March 2017

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act with respect to the investments.
- (v) According to the information and explanations given to us, the

Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and the Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess, duty of excise and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, value added tax, cess, duty of excise and any other material statutory dues were in arrears as on 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, value added tax and duty of excise which have not been deposited with the appropriate authorities on account of any dispute except as disclosed below:

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates	Forum where the dispute is pending
The Income tax Act, 1961	Penalty under section 271	2.44	--	2010-2011	Income-tax Appellate Tribunal
The Income tax Act, 1961	Interest on Income-tax	1.43	0.19	2011-2012 and 2012-2013	Commissioner of Income-tax (Appeals)
The Income tax Act, 1961	Tax deducted at source and interest	140.42	10.00	2008-2009 and 2009-2010	Bombay High Court
The Income tax Act, 1961	Tax deducted at source and interest	228.10	10.00	2010-2011 and 2011-2012	Income-tax Appellate Tribunal

(viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institutions, banks or the government nor does it have any dues to debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.

(ix) The Company has completed the Initial Public Offering (IPO) through an offer for sale of equity shares by the existing shareholders during the year. Accordingly, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. And therefore paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with

sections 177 and 188 of the Act where applicable and details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or issued any fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Sreeja Marar**

Partner

Membership No: 111410

Mumbai

9 May 2017

# Annexure B to Independent Auditors' Report – 31 March 2017

(Referred to in our report of even date)

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Thyrocare Technologies Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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 Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting 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.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Sreeja Marar**

Partner

Membership No: 111410

Mumbai  
9 May 2017

# Balance sheet

as at 31 March 2017

(Currency: ₹ in million)

	Notes	31 March 2017	31 March 2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	537.24	537.24
Reserves and surplus	4	3,667.12	3,216.61
		4,204.36	3,753.85
<b>Non-current liabilities</b>			
Other long-term liabilities	5	62.50	55.53
Long-term provisions	6	43.43	43.33
		105.93	98.86
<b>Current liabilities</b>			
Trade payables	7	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2.49	14.55
Other current liabilities	8	121.20	88.16
Short-term provisions	9	21.38	189.22
		145.07	291.93
<b>Total</b>		4,455.36	4,144.64
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10A	885.47	916.86
Intangible assets	10B	6.09	8.89
Capital work-in-progress	10C	21.33	10.18
Intangible assets under development	10C	0.40	3.37
		913.29	939.30
Non-current investments	11	1,946.74	1,962.89
Deferred tax assets (net)	12	44.08	25.55
Long-term loans and advances	13	45.17	54.23
		2,949.28	2,981.97
<b>Current assets</b>			
Current investments	14	1,014.82	694.92
Inventories	15	137.61	98.89
Trade receivables	16	58.60	73.00
Cash and bank balances	17	106.20	76.46
Short-term loans and advances	18	89.45	74.43
Other current assets	19	99.40	144.97
		1,506.08	1,162.67
<b>Total</b>		4,455.36	4,144.64
Significant accounting policies	2		
The accompanying notes form an integral part of the standalone financial statements	3-28		

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - U85110MH2000PLC123882

**Sreeja Marar**  
Partner  
Membership No: 111410

**Dr. A Velumani**  
Managing Director  
DIN - 00002804

**A Sundararaju**  
Director and Chief Financial Officer  
DIN - 00003260

**Ramjee D**  
company Secretary  
Membership No - F2966

Mumbai  
9 May 2017

# Statement of profit and loss

for the year ended 31 March 2017

(Currency: ₹ in million)

	Notes	31 March 2017	31 March 2016
<b>Revenue</b>			
Revenue from operations	20	3,000.59	2,351.35
Other income	21	80.79	52.04
<b>Total revenue</b>		<b>3,081.38</b>	<b>2,403.39</b>
<b>Expenses</b>			
Cost of materials consumed	22.a	783.76	596.60
Purchases of stock-in-trade	22.b	86.37	66.42
Changes in inventories of stock-in-trade	22.c	(8.63)	6.83
Employee benefits expense	23	293.50	242.86
Depreciation and amortisation	10A & 10B	116.89	113.53
Other expenses	24	676.50	492.56
<b>Total expenses</b>		<b>1,948.39</b>	<b>1,518.80</b>
<b>Profit before exceptional items and tax</b>		<b>1,132.99</b>	<b>884.59</b>
<b>Exceptional items (Refer Note 28.4 and Note 28.16)</b>		<b>-</b>	<b>2.98</b>
<b>Profit after exceptional items and before tax</b>		<b>1,132.99</b>	<b>887.57</b>
<b>Tax expense:</b>			
Current tax		403.70	321.00
Current tax expense relating to prior years		(0.64)	(4.10)
Deferred tax		(18.53)	(16.87)
		<b>384.53</b>	<b>300.03</b>
<b>Profit after tax</b>		<b>748.46</b>	<b>587.54</b>
<b>Earnings per share [Nominal value of ₹ 10 each]</b>			
(a) Basic	25.a	13.93	11.42
(b) Diluted	25.b	13.91	11.41
Significant accounting policies	2		
The accompanying notes form an integral part of the standalone financial statements	3-28		

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Sreeja Marar**  
Partner  
Membership No: 111410

Mumbai  
9 May 2017

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - U85110MH2000PLC123882

**Dr. A Velumani**  
Managing Director  
DIN - 00002804

**A Sundararaju**  
Director and Chief Financial Officer  
DIN - 00003260

**Ramjee D**  
company Secretary  
Membership No - F2966

# Cash flow statement

for the year ended 31 March 2017

(Currency: ₹ in million)

	31 March 2017	31 March 2016
<b>A. Cash flows from operating activities</b>		
Net profit before tax	1,132.99	887.57
Adjustments for:		
Depreciation and amortisation	116.89	113.53
Provision for diminution in value of investments	5.95	2.16
Net (gain) on sale of current investments	(11.84)	(4.90)
(Profit) / loss on sale of fixed assets	(0.31)	(0.44)
(Profit) on disposal of assets under slump sale arrangement	-	(2.98)
Provision for other than temporary diminution in the value of long-term investments	16.15	-
Provision for doubtful receivables	6.48	-
Unrealised (gain) / loss on foreign exchange fluctuation	0.49	(1.48)
Employee stock compensation expense	24.63	17.73
Dividend income from current investments	(42.29)	(22.17)
Interest income	(1.65)	(0.04)
	114.50	101.41
Operating profit before working capital changes	1,247.49	988.98
(Increase) in Inventories	(38.72)	(28.39)
Decrease/ (Increase) in Trade receivables	7.40	(25.27)
Decrease/ (Increase) in Loans and advances	30.71	(22.94)
(Decrease)/ Increase in Trade payables	(12.05)	6.57
Increase in Other liabilities	58.42	34.80
Increase in Provisions	0.02	26.54
Cash generated from operations	1,293.27	980.30
Net income tax (paid)	(400.61)	(311.55)
<b>Net cash flows from operating activities (A)</b>	<b>892.66</b>	<b>668.75</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, capital work in progress and capital advances	(107.13)	(153.29)
Proceeds from sale of fixed assets	0.61	0.75
Purchase of current investments	(1,202.43)	(998.86)
Proceeds from sale of current investments	888.41	943.64
Dividend received - Others	42.29	22.17
Bank deposits (having original maturity of more than 3 months)	(18.60)	(0.50)
Interest received - Others	0.32	0.01
<b>Net cash (used in) investing activities (B)</b>	<b>(396.53)</b>	<b>(186.08)</b>

# Cash flow statement

for the year ended 31 March 2017

(Currency: ₹ in million)

	31 March 2017	31 March 2016
<b>C. Cash flows from financing activities</b>		
Dividend paid on equity shares	(402.95)	(379.02)
Tax paid on dividend	(82.05)	(70.54)
<b>Net cash (used in) financing activities (C)</b>	<b>(485.00)</b>	<b>(449.56)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>11.12</b>	<b>33.11</b>
Cash and cash equivalents at the beginning of the year	<b>75.96</b>	42.85
Cash and cash equivalents at the end of the year	<b>87.08</b>	75.96
Thyrocare Technologies Limited		
<b>Notes to cash flow statement</b>		
Components of cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
(i) In current accounts	<b>87.10</b>	75.96
	<b>87.10</b>	75.96

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements" prescribed as per Companies (Accounting Standards) Rules, 2014.
- The company allotted Nil (31 March 2016: 3,187,562) equity shares of ₹ 10 each fully paid up, to the equity shareholders of Nueclear Healthcare Limited ('NHL') in consideration for Nil (31 March 2016 : 4,611,000) equity shares of NHL. These amounts have not been considered in the above cash flow statements.

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Sreeja Marar**  
Partner  
Membership No: 111410

Mumbai  
9 May 2017

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - U85110MH2000PLC123882

**Dr. A Velumani**  
Managing Director  
DIN - 00002804

**A Sundararaju**  
Director and Chief Financial Officer  
DIN - 00003260

**Ramjee D**  
company Secretary  
Membership No - F2966



# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 1 Corporate information

Thyrocare Technologies Limited ("the Company") is fully automated diagnostic laboratory with a focus on providing quality diagnostic services at affordable costs to laboratories and hospitals in India and other countries. The Company operates through various Thyrocare Service Providers (TSPs), Thyrocare Aggregators (TAGs), through online portals and other online media for catering to various diagnostics requirements of their customers.

## 2 Significant accounting policies

### 2.1 Basis of accounting and preparation of standalone financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with applicable accounting standards notified under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the Act, to the extent notified and applicable. The financial statements are presented in Indian rupees rounded off to the nearest million.

### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

### 2.3 Current - non- current classification

All assets and liabilities are classified into current and non-current.

#### Assets

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

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) 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 position 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 :

- (a) it is expected to be settled in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) 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 the settlement by the issue of equity investments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

#### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III of the Companies Act, 2013. Normal operating cycle for the Company is 12 months.

### 2.4 Inventories

Inventories comprises of reagents, diagnostic material, consumables and stock in trade which are valued at lower of cost and net realisable value. Cost is determined under the first-in first-out method and includes all costs incurred in bringing the inventories to their present location and condition.

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 2.5 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## 2.7 Revenue recognition

Revenue from testing services is recognised once the testing samples are processed for requisitioned diagnostic tests. Revenue from imaging services is recognised once the services are rendered.

Revenue from sale of products is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of products. Sales are accounted net of sales tax and trade discounts, if any.

Revenue is recognised when there is reasonable certainty of realisation.

Revenue from technical assistance and trade mark assignment is recognised once the Company's right to receive the revenue is established by the reporting date. Revenue from technical assistance and trademark is recognised as per the agreed percentage of the turnover of the respective entities, as per the terms of the agreement. Interest income is recognised using the time proportion method, based on the underlying interest rates. Dividend income, if any is recognized when the right to receive dividend is established.

## 2.8 Tangible fixed assets

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not

recoverable from tax authorities) and expenses incidental to acquisition and installation of the fixed assets up to the time the assets are ready for intended use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

In respect of fixed assets purchased during the year, the depreciation is provided on a pro rata basis from the date on which such asset is ready to use. Depreciation on tangible fixed assets, except leasehold land, is provided under the written down value method at the rates prescribed in Schedule II to the Act, which in the opinion of management reflects the economic useful lives of assets. Depreciation on sale of assets is provided up to the date of sale of the asset. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at higher rate based on the management's estimate of the useful life/ remaining useful life.

Assets costing up to Rupees five thousand are fully depreciated in the year of purchase.

Leasehold land is amortised on a straight line basis over the primary period of lease.

Assets on leasehold land i.e. building premises are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Act).

## 2.9 Intangible fixed assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset. Intangible assets are amortised over the estimated useful life not exceeding 5 years.

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## Intangible assets under development

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

## 2.10 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification scheme of Schedule III of the Act. Long-term investments are stated at cost. Provision for diminution in value is made only when in the opinion of the management there is a diminution other than temporary in the carrying value of such investments determined separately for each investment. Current investments are valued at lower of cost and market value.

## 2.11 Employee benefits

### Short-term employment benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages and bonus, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period of rendering of service by the employees.

### Post employment benefits

#### Defined contribution plans

The Company has defined contribution plans for post employment benefits namely Provident Fund. Under the

provident fund plan, the Company contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution. The Company makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them. The Company's contributions to the above funds are charged to the Statement of profit and loss every year.

### Defined benefit plans

The Company's gratuity benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

### Other long-term employment benefits

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 2.12 Earnings per share

Basic EPS is computed by dividing the net profit attributable to shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti dilutive.

## 2.13 Taxes on income

### Income tax

Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961.

### Deferred tax

Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

## 2.14 Employee stock options

The excess of the fair value of shares, at the date of grant of options under the Employees Stock Option Scheme of the Company, over the exercise price is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The accounting treatment is as prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India.

## 2.15 Impairment of assets

In accordance with AS 28 on 'impairment of assets', other fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. The impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the profit or loss; however, in the case of revalued assets, the reversal is credited directly to revaluation surplus except to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss.

## 2.16 Provisions and contingencies

Provision is recognised in the balance sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosures is made.

Monetary items (including long-term monetary items) in foreign currency, which are outstanding as at the year-end are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of profit and loss. Non-monetary foreign currency items are carried at cost.

## 2.17 Foreign exchange transactions

“Foreign exchange transactions are recorded into Indian rupees using the average of the opening and closing spot rates on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of profit and loss of the year.

## 2.18 Lease

Operating lease payments are recognised as an expense on a straight-line basis over the non cancellable period of the lease term and charged to the Statement of profit and loss unless other systematic basis is more representative of the time pattern of the benefit. Any modifications in respect of lease terms or assumptions are recorded prospectively.

# Notes to the standalone financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 3 Share capital

	31 March 2017		31 March 2016	
	Number of shares	Amount	Number of shares	Amount
<b>(a) Authorised</b>				
Equity shares of ₹ 10 each with equal voting rights	<b>10,00,00,000</b>	<b>1,000.00</b>	10,00,00,000	1,000.00
<b>(b) Issued</b>				
Equity shares of ₹ 10 each with equal voting rights	<b>5,37,23,533</b>	<b>537.24</b>	5,37,23,533	537.24
<b>(c) Subscribed and fully paid up</b>				
Equity shares of ₹ 10 each with equal voting rights	<b>5,37,23,533</b>	<b>537.24</b>	5,37,23,533	537.24
<b>Total</b>	<b>5,37,23,533</b>	<b>537.24</b>	5,37,23,533	537.24

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	31 March 2017		31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares with equal voting rights				
Opening balance	<b>5,37,23,533</b>	<b>537.24</b>	5,05,35,971	505.36
Add : Fresh issue of equity shares for consideration other than cash (refer note v (c))	-	-	31,87,562	31.88
Closing balance	<b>5,37,23,533</b>	<b>537.24</b>	5,37,23,533	537.24

ii) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each shareholder is eligible for one vote per share. The equity shares are entitled to dividend as declared from time to time.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

# Notes to the standalone financial statements

as at 31 March 2017

(Currency: ₹ in million)

iii) Details of equity shares held by each shareholder holding more than 5 % of shares:

Class of shares / Name of shareholder	31 March 2017		31 March 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with equal voting rights				
Dr A Velumani	<b>1,48,09,317</b>	<b>27.57%</b>	1,48,09,317	27.57%
Thyrocare Publications Private Limited	<b>65,34,500</b>	<b>12.16%</b>	65,34,500	12.16%
Thyrocare Properties and Infrastructure Private Limited	<b>52,17,800</b>	<b>9.71%</b>	52,17,800	9.71%
Norwest Venture Partners Fund VIIA Mauritius	<b>50,64,880</b>	<b>9.43%</b>	50,64,880	9.43%
Agalia Private Limited	<b>10,87,068</b>	<b>2.02%</b>	1,12,94,540	21.02%

iv) As at 31 March 2017 : 85,192 (31 March 2016 : 39,188) equity shares of ₹ 10 each were reserved for issuance as follows:

- 46,719 (31 March 2016 : Nil) equity shares of ₹ 10 each reserved for issuance under Employee Stock Option Scheme 2016 (ESOS 2016) (Refer note 26c).
- 38,473 (31 March 2016 : 39,188) equity shares of ₹ 10 each reserved for issuance under Employee Stock Option Scheme 2015 (ESOS 2015) (Refer note 26c).

v) Aggregate no. of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting date :

- Employees stock options

During the year ended 31 March 2015, the Company has approved Employees Stock Options Scheme on 20 September 2014 pursuant to which certain employees are entitled to 33,650 equity shares of ₹ 10 each. These equity shares have been issued to the ESOP Trust pursuant to the approved terms of employees stock option scheme 2014, for which only the exercise price i.e. the face value of shares has been recovered in cash (Refer note 26(c)).

- During the year ended 31 March 2015, the Company has allotted 37,383,507 equity shares of ₹ 10/- each fully paid up on 24 September 2014, as bonus shares in the ratio of 3 equity shares for every share held, by capitalisation of securities premium account of ₹ 370.81 million and capital redemption reserve of ₹ 3.03 million.

- During the years 31 March 2016 and 31 March 2015, the Company has allotted 3,187,562 and 691,295 equity shares of ₹ 10 each fully paid up respectively, to the equity shareholders of Nueclear Healthcare Limited ('NHL') in consideration for 4,611,000 and 1,000,000 equity shares of NHL respectively at a premium of ₹295.95 per share.

# Notes to the standalone financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 4 Reserves and surplus

	31 March 2017	31 March 2016
(a) Capital reserve		
At the commencement and end of the year	1.06	1.06
(b) Securities premium account		
At the commencement of the year	1,232.93	289.57
Add : Premium received on issue of shares to equity shareholders of Nueclear Healthcare Limited [Refer note 3(v)(c)]	-	943.36
At the end of the year	1,232.93	1,232.93
(c) Share options outstanding account		
At the commencement of the year	25.91	8.18
Employee stock compensation expense for the year [Refer note 23 and 26(c)]	24.63	17.73
At the end of the year	50.54	25.91
(d) General reserve		
At the commencement and end of the year	91.67	91.67
(e) Surplus in the statement of profit and loss		
At the commencement of the year	1,865.04	1,896.09
Profit for the year	748.46	587.54
Appropriation		
Interim dividend on equity shares [amount of ₹ 5 per share (31 March 2016 : ₹7.5 per share)]	(268.64)	(379.02)
Dividend distribution tax	(53.94)	(77.16)
Proposed dividend on equity shares Nil (31 March 2016 : ₹2.5 per share) (Refer note 28.17)	-	(134.31)
Tax on proposed dividend on equity shares	-	(28.10)
At the end of the year	2,290.92	1,865.04
	3,667.12	3,216.61

## 5 Other long-term liabilities

Trade/Security deposits received	60.63	54.90
Deferred rent	1.87	0.63
	62.50	55.53

## 6 Long-term provisions

Provision for employee benefits:		
Provision for compensated absences	32.35	34.59
Provision for gratuity (Refer Note 26.b)	11.08	8.74
	43.43	43.33



# Notes to the standalone financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 7 Trade payables

	31 March 2017	31 March 2016
Trade Payables		
- total outstanding dues of micro enterprises and small enterprises (Refer note 28.2)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	2.49	14.55
	2.49	14.55

## 8 Other current liabilities

Employees dues	17.18	17.30
Statutory dues *	6.00	6.43
Creditors for capital goods	0.45	18.87
Advances received from customers	15.16	16.77
Reimbursement of expenses received §	18.87	-
Trade/Security deposits received	4.54	6.94
Expenses payable #	42.74	21.62
Other payables (Refer Note 27.b)	16.15	-
Deferred rent	0.11	0.23
	121.20	88.16

\* Statutory dues include tax deducted at source, local body tax, profession tax, service tax, sales tax, employees provident fund and ESIC.

§ Received towards reimbursement of advertisement expenses from the selling shareholder in Initial Public Offer (IPO)

# Expenses payable include operating, administrative and marketing expenses.

## 9 Short-term provisions

Provision for employee benefits:		
Provision for bonus	5.06	4.38
Provision for compensated absences	3.80	3.42
Provision for gratuity (Refer Note 26.b)	0.14	0.15
Provision for refundable staff security deposits	0.38	1.51
Other provisions :	9.38	9.46
Provision for proposed dividend (Refer note 28.17)	-	134.31
Provision for dividend distribution tax	-	28.10
Provision for current tax (net of advance tax and tax deducted at source)	12.00	17.35
	21.38	189.22

# Notes to the standalone financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 10 Fixed assets

### A. Tangible assets

Tangible assets		Gross block				Accumulated depreciation and amortisation					Net block	
1 April 2016	Addition	Disposal/ Adjustment	Other adjustment**	31 March 2017	1 April 2016	Depreciation/ amortisation expense for the year	Disposal/ adjustment	Other adjustment**	31 March 2017	31 March 2017	31 March 2016	
₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
Leasehold Land	168.96 (164.55)	-	-	168.96 (168.96)	9.12 (6.21)	2.46 (2.45)	-	-	11.58 (9.12)	157.38 (159.84)	159.84 (158.34)	
Buildings/ Premises	496.58 (479.40)	-	-	496.58 (496.58)	97.74 (71.46)	19.55 (20.86)	-	-	117.29 (97.74)	379.29 (398.84)	398.84 (407.94)	
Plant and Equipment *	393.46 (231.62)	71.35 (161.84)	-	464.81 (393.46)	123.18 (71.58)	60.35 (51.60)	-	-	183.53 (123.18)	281.28 (270.28)	270.28 (160.04)	
Furniture and Fixtures	116.12 (96.31)	3.40 (19.81)	-	119.52 (116.12)	54.25 (33.92)	17.20 (20.33)	-	-	71.45 (54.25)	48.07 (61.87)	61.87 (62.39)	
Vehicles	17.08 (18.22)	-	1.76 (1.19)	15.32 (17.08)	11.23 (9.28)	1.89 (2.89)	1.51 (0.94)	-	11.61 (11.23)	3.71 (5.85)	5.85 (8.94)	
Office equipment	52.11 (45.41)	1.73 (7.96)	0.93 (1.26)	52.91 (52.11)	35.69 (27.99)	7.79 (8.90)	0.89 (1.20)	-	42.59 (35.69)	10.32 (16.42)	16.42 (17.42)	
Computers printers and scanners	41.32 (38.93)	5.96 (2.39)	-	47.28 (41.32)	37.56 (34.28)	4.30 (3.28)	-	-	41.86 (37.56)	5.42 (3.76)	3.76 (4.65)	
Total tangible assets	1,285.63 (1,074.44)	82.44 (193.27)	2.69 (2.45)	1,365.38 (1,285.63)	368.77 (254.72)	113.54 (110.31)	2.40 (2.14)	-	479.91 (368.77)	885.47 (916.86)	916.86 (819.72)	

\* Includes ₹9.76 million towards gross block of fixed assets capitalised and its accumulated depreciation of ₹3.27 million (31 March 2016 : ₹1.84 million) which is claimed under Corporate Social Responsibility (CSR) expenditure.

# Notes to the standalone financial statements

as at 31 March 2017

(Currency: ₹ in million)

B. Intangible assets											
Gross block				Accumulated depreciation and amortisation				Net block			
1 April 2016	Addition	Disposal/ Adjustment	Other adjustment**	31 March 2017	1 April 2016	Depreciation/ amortisation expense for the year	Disposal/ adjustment	Other adjustment**	31 March 2017	31 March 2017	31 March 2016
₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Computer software	25.03	0.55	-	25.58	16.14	3.35	-	-	19.49	6.09	8.89
	(23.68)	(1.35)	-	(25.03)	(12.93)	(3.21)	-	-	(16.14)	(8.89)	(10.75)
Total intangible assets	25.03	0.55	-	25.58	16.14	3.35	-	-	19.49	6.09	8.89
Previous year	(23.68)	(1.35)	-	(25.03)	(12.93)	(3.21)	-	-	(16.14)	(8.89)	(10.75)
Total	1,310.66	82.99	2.69	1,390.96	384.91	116.89	2.40	-	499.40	891.56	925.75
Total previous year	(1,098.11)	(194.62)	(2.45)	(1,310.66)	(267.65)	(113.53)	(2.14)	(5.88)	(384.90)	(925.74)	(830.47)
C. Capital work-in-progress											
Tangible capital-work-in progress											
									21.33	10.18	10.18
									(10.18)	(49.79)	(49.79)
Intangible asset under development											
									0.40	3.37	3.37
									(3.37)	(5.17)	(5.17)
Total Capital work-in-progress											
									21.73	13.55	13.55
Total previous year									(13.55)	(54.96)	(54.96)

\*\* Adjustment in previous year to gross block represents book value of fixed assets, being land and building pertaining to cyclotron division ₹ 20.37 million and accumulated depreciation / amortisation of ₹ 5.88 million adjusted pursuant to the modifications to the slump sale arrangements entered into by the Company. (Refer Note 1 below).

## Notes:

Note 1: Parties to the slump sale mutually agreed to modify the slump sale agreement vide Addendum to the Slump Sale Letter Agreement dated 29 September 2015 to remove the said leasehold land and building from the slump sale by reducing the consideration by ₹11.50 million, from ₹125 million to the revised consideration of ₹113.50 million. Accordingly, the Company had re-recognised said leasehold land and building in its books.

Note 2: Figures in bracket represent balances for the year ended 31 March 2016.

# Notes to the standalone financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 11 Non-current investments

(valued at cost unless stated otherwise)

	31 March 2017	31 March 2016
<b>Non Trade Investments- Unquoted</b>		
Investments in equity instruments :		
Investment in subsidiary		
11,111,000 (31 March 2016 : 11,111,000) equity shares of ₹10 each fully paid up of Nuclear Healthcare Limited	1,946.74	1,946.74
Others		
5,440 (31 March 2016 : 5,440) equity shares of USD 0.1 each fully paid up of Thyrocare International Holding Company, Mauritius at premium of USD 54.83 per share (Refer note (i))*	16.15	16.15
Less : Provision for other than temporary diminution in the value of investments (Refer Note 27.b)	(16.15)	-
	1,946.74	1,962.89
<b>Aggregate book value of unquoted non-current investments</b>	<b>1,946.74</b>	<b>1,962.89</b>
Aggregate provision for diminution other than temporary in the value of non-current investments	16.15	-

- (i) As per the terms of the investment agreements executed between the Company, the promoter controlled entity - Thyrocare International Holding Company (TIHC) and the investors, the Company is required to obtain prior written consent of the investors before transferring the above investments to any third party. The said investment is subject to lock in period of 3 years from the Closing Date i.e. upto 23.01.2016, as per the investment agreement.

\* The title of the investment is held by related party as at 31 March 2017 and is subsequently transferred in the name of the Company.

## 12 Deferred tax assets (net)

<b>Deferred tax assets/(liabilities)</b>		
Tax effect of items constituting deferred tax liability	-	-
Tax effect of items constituting deferred tax assets		
On difference between book balance and tax balance of fixed assets	9.39	3.64
Provision for compensated absences, gratuity and other employee benefits	20.24	20.24
On others	14.45	1.67
Tax effect of items constituting deferred tax assets	44.08	25.55
<b>Deferred tax assets (net)</b>	<b>44.08</b>	<b>25.55</b>

## 13 Long-term loans and advances

(Unsecured, considered good)

Capital advances	-	2.44
Security deposits		
To related parties (Refer Note 27.b)	-	1.86
To parties other than related parties	13.21	12.94
Loans and advances to employees benefit trust	-	0.34
Loans and advances to employees	-	0.05
Balance with government authorities	5.23	2.09
Advance income tax (net of provision for tax)	26.73	34.51
	<b>45.17</b>	<b>54.23</b>

# Notes to the standalone financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 14 Current investments

(At lower of cost and market value)

	31 March 2017	31 March 2016
<b>Non Trade</b>		
<b>Investments in mutual funds - Quoted</b>		
4,607,065.55 units (31 March 2016 : Nil units) of BSL Dynamic Bond Fund - Dividend - Regular - fully paid-up [Market Value - ₹ 50.91 million (31 March 2016 : ₹ Nil)]	50.91	-
3,128,376.72 units (31 March 2016 : Nil units) of BSL Dynamic Bond Fund - Dividend - Direct - fully paid-up [Market Value - ₹ 35.05 million (31 March 2016 : ₹ Nil)]	35.05	-
Nil units (31 March 2016 : 12,241,169.43 units) of BSL Enhanced Arbitrage Fund - Dividend Regular - fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 132.61)]	-	132.61
8,768,109.53 units (31 March 2016 : 10,921,476.07 units) of BSL Enhanced Arbitrage Fund - Dividend fully paid-up [Market Value - ₹ 96.81 million (31 March 2016 : ₹ 120.03 million)]	96.73	120.03
301,457.95 units (31 March 2016 : Nil units) of BSL Floating Rate Fund - Dividend - Direct - fully paid-up [Market Value - ₹ 30.26 million (31 March 2016 : ₹ Nil)]	30.26	-
968,873.26 units (31 March 2016 : Nil units) of BSL Short Term Opportunity Fund - Dividend - Direct - fully paid-up [Market Value - ₹ 10.20 million (31 March 2016 : ₹ Nil)]	10.20	-
324,935.57 units (31 March 2016 : Nil units) of BSL Treasury Optimizer Fund - Monthly Dividend - Direct - fully paid-up [Market Value - ₹ 35.02 million (31 March 2016 : ₹ Nil)]	35.02	-
775,778.08 units (31 March 2016 : Nil units) of BSL Treasury Optimizer Fund - Monthly Dividend - Regular - fully paid-up [Market Value - ₹ 82.84 million (31 March 2016 : ₹ Nil)]	82.84	-
504,427.47 units (31 March 2016 : Nil units) of BSL Treasury Optimizer Fund - Quarterly Dividend - Regular - fully paid-up [Market Value - ₹ 52.84 million (31 March 2016 : ₹ Nil)]	52.84	-
2,925,455.29 units (31 March 2016 : Nil units) of DSP Blackrock Banking & PSU Debt Fund -Dividend - fully paid-up [Market Value - ₹ 29.94 million (31 March 2016 : ₹ Nil)]	29.94	-
3,043,723.08 units (31 March 2016 : Nil units) of DSP Blackrock Banking & PSU Debt Fund -Growth - fully paid-up [Market Value - ₹ 42.12 million (31 March 2016 : ₹ Nil)]	40.00	-
29,458.41 units (31 March 2016 : Nil units) of DSP Blackrock Strategic Bond Fund -Dividend - fully paid-up [Market Value - ₹ 30.34 million (31 March 2016 : ₹ Nil)]	30.00	-
12,667.93 units (31 March 2016 : Nil units) of DSP Blackrock Strategic Bond Fund - Growth - fully paid-up [Market Value - ₹ 24.83 million (31 March 2016 : ₹ Nil)]	20.00	-
1,475,378.86 units (31 March 2016 : Nil units) of HDFC Banking & PSU Debt Fund - Dividend - fully paid-up [Market Value - ₹ 15.24 million (31 March 2016 : ₹ Nil)]	15.19	-
1,220,685.13 units (31 March 2016 : Nil units) of HDFC High Interest Dynamic Fund - Dividend - fully paid-up [Market Value - ₹ 15.14 million (31 March 2016 : ₹ Nil)]	15.14	-
3,006,236.23 units (31 March 2016 : Nil units) of HDFC Income Fund - Dividend - fully paid-up [Market Value - ₹ 34.71 million (31 March 2016 : ₹ Nil)]	34.71	-
2,989,769.01 units (31 March 2016 : Nil units) of HDFC Short Term Opportunities Fund - Growth - fully paid-up [Market Value - ₹ 53.78 million (31 March 2016 : ₹ Nil)]	50.00	-
Nil units (31 March 2016 : 4,978,553.86 units) of Reliance Arbitrage Advantage Fund - Monthly Dividend fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 52.27 million)]	-	52.19
Nil units (31 March 2016 : 2,055,650.57 units) of DSP Blackrock Short Term Fund - Growth fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 52.95 million)]	-	50.00

## Notes to the standalone financial statements

### as at 31 March 2017

(Currency: ₹ in million)

	31 March 2017	31 March 2016
Nil units (31 March 2016 : 3,752,234.32 units) of SBI Fixed Interval Debt Fund fully paid-up [Market Value - ₹ Nil - (31 March 2016 : ₹ 45.33 million)]	-	45.04
Nil units (31 March 2016 : 2,668,171.01 units) of SBI Arbitrage Opportunity Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 35.00 million)]	-	35.00
Nil units (31 March 2016 : 2,991,146.21 units) of Reliance Quarterly Interval Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 30.36 million)]	-	30.00
Nil units (31 March 2016 : 1,823,165.14 units) of L & T Income Opportunities Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 30.72 million)]	-	30.00
2,172,338.89 units (31 March 2016 : 2,172,338.89 units) of ICICI Prudential Balance Advantage - Growth fully paid-up [Market Value - ₹ 30.93 million (31 March 2016 : ₹ 28.54 million)]	30.00	28.54
10,196.06 units (31 March 2016 : Nil units) of Indiabulls Ultra Short Term Fund - Dividend - fully paid-up [Market Value - ₹ 10.24 million (31 March 2016 : ₹ Nil)]	10.24	-
2,447,873.64 units (31 March 2016 : Nil units) of Kotak Banking & PSU Debt Fund - Dividend - fully paid-up [Market Value - ₹ 25.13 million (31 March 2016 : ₹ Nil)]	25.13	-
1,973,975.11 units (31 March 2016 : Nil units) of Kotak Flexi Debt Fund - Dividend - fully paid-up [Market Value - ₹ 25.26 million (31 March 2016 : ₹ Nil)]	25.00	-
4,698,411.29 units (31 March 2016 : Nil units) of Reliance Arbitrage Advantage Fund - Dividend - fully paid-up [Market Value - ₹ 50.71 million (31 March 2016 : ₹ Nil)]	50.47	-
2,417,011.13 units (31 March 2016 : Nil units) of Reliance Banking & PSU Debt Fund - Dividend - fully paid-up [Market Value - ₹ 25.06 million (31 March 2016 : ₹ Nil)]	25.06	-
28,771.47 units (31 March 2016 : 28,771.47 units) of Reliance Money Manager - Bonus fully paid-up [Market Value - ₹ 38.00 million (31 March 2016 : ₹ 35.06 million)]	28.42	28.42
2,773,168.13 units (31 March 2016 : 2,288,300.84 units) of Reliance Short Term Fund Monthly Dividend fully paid-up [Market Value - ₹ 31.15 million (31 March 2016 : ₹ 25.24 million)]	31.04	25.24
2,207,359.48 units (31 March 2016 : Nil units) of SBI Dynamic Bond Fund - Dividend - fully paid-up [Market Value - ₹ 30.26 million (31 March 2016 : ₹ Nil)]	30.22	-
546,492.88 units (31 March 2016 : Nil units) of SBI Short Term Debt Fund - Growth - Direct - fully paid-up [Market Value - ₹ 10.51 million (31 March 2016 : ₹ Nil)]	10.00	-
1,934,925.78 units (31 March 2016 : Nil units) of SBI Short Term Debt Fund - Dividend - fully paid-up [Market Value - ₹ 20.46 million (31 March 2016 : ₹ Nil)]	20.41	-
2,497,627.25 units (31 March 2016 : Nil units) of SBI Short Term Debt Fund - Growth - Regular - fully paid-up [Market Value - ₹ 47.21 million (31 March 2016 : ₹ Nil)]	45.00	-
8,202.34 units (31 March 2016 : Nil units) of SBI Treasury Advantage Fund - Growth - fully paid-up [Market Value - ₹ 15.15 million (31 March 2016 : ₹ Nil)]	15.00	-
284,150.90 units (31 March 2016 : Nil units) of Unifi Capital Fund - Growth - fully paid-up [Market Value - ₹ 41.46 million (31 March 2016 : ₹ Nil)]	40.00	-
Nil units (31 March 2016 : 574,909.16 units) of ICICI Prudential Income - Growth fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 26.68 million)]	-	25.12
Nil units (31 March 2016 : 2,151,586.01 units) of BSL Short Term Fund - Monthly Dividend fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 25.29 million)]	-	25.12

# Notes to the standalone financial statements

as at 31 March 2017

(Currency: ₹ in million)

	31 March 2017	31 March 2016
Nil units (31 March 2016 : 20,463.96 units) of SBI Treasury Advantage Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : 20.63 million)]	-	20.61
Nil units (31 March 2016 : 12,667.93 units) of DSP Blackrock Strategic Bond Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 22.49 million)]	-	20.00
Nil units (31 March 2016 : 1,312,292.90 units) of L & T Short Term Income Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 20.63 million)]	-	20.00
Investments in preference shares - Quoted	-	-
Nil, 9.25% Compulsorily redeemable non convertible cumulative preference shares with maturity period of April 2016 (31 March 2016 : 700,000 shares) of India Infoline Finance Limited fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 7.00 million)]	-	7.00
	<b>1,014.82</b>	694.92
Aggregate book value of quoted current investments	<b>1,014.82</b>	694.92
Aggregate market value of quoted current investments	<b>1,034.30</b>	710.83
Aggregate provision for diminution in value of current investments	<b>5.95</b>	2.16

## 15 Inventories

(At lower of cost and net realisable value)		
Reagents, diagnostic material and consumables	<b>121.64</b>	91.55
Stock-in-trade	<b>15.97</b>	7.34
	<b>137.61</b>	98.89

## 16 Trade receivables

Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	<b>0.03</b>	0.34
Unsecured, considered good*	<b>0.51</b>	21.60
Unsecured, considered doubtful	<b>6.48</b>	-
Less : Provision for doubtful receivables (Refer Note 27.b)	<b>(6.48)</b>	-
	<b>0.54</b>	21.94
Others		
Secured, considered good	<b>36.58</b>	18.77
Unsecured, considered good *	<b>21.48</b>	32.29
	<b>58.06</b>	51.06
	<b>58.60</b>	73.00
* Recoverable from related parties (Refer note 27.b)	<b>9.63</b>	31.63

# Notes to the standalone financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 17 Cash and bank balances

	31 March 2017	31 March 2016
Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
in current accounts	87.10	75.96
	87.10	75.96
Other bank balances		
in deposit accounts (with original maturity period exceeding 3 months but maturing within 12 months from reporting date) *	19.10	0.50
	106.20	76.46
* Includes ₹ 19.00 million (31 March 2016: ₹ 0.50 million ) held as margin money deposits against bank guarantee		
<b>Details of bank balance / deposits</b>		
Bank balance available on demand / deposits with original maturity of 3 months or less included under cash and cash equivalent	-	-
Bank deposits due to mature within 12 months of the reporting date included under other bank balances	19.10	0.50
Bank deposits due to mature after 12 months of the reporting date included under Other non-current assets	-	-

## 18 Short-term loans and advances

(unsecured, considered good)

Security deposits		
To related parties (Refer Note 27.b)	1.86	-
To parties other than related parties	36.28	0.38
Loans and advances to employees	0.05	0.11
Loans and advances to employees benefit trust	0.34	-
Prepaid expenses	47.67	8.26
Advances for supply of goods and services	3.25	65.68
	89.45	74.43

## 19 Other current assets

Amount recoverable from related party (Refer note 27.b)	98.04	79.57
Other receivables*	-	65.37
Interest accrued on deposits	1.36	0.03
*Initial Public Offer (IPO) related expenses recoverable from the selling shareholders offering their shares in the proposed initial public offering. (Refer note 28.12)		
	99.40	144.97



# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 20 Revenue from operations

	31 March 2017	31 March 2016
Sale of products (Refer Note (i) below)	153.10	111.25
Sale of services (Refer Note (ii) below)	2,748.36	2,144.87
	2,901.46	2,256.12
Other operating revenue	99.13	95.23
(Includes registration charges and other miscellaneous charges recovered)		
	3,000.59	2,351.35
Note:		
(i) Sale of products comprises :		
Traded goods		
Glucose strips/ Gluco meter	27.53	26.95
Vials, tubes and kit	45.99	33.16
Others	79.58	51.14
<b>Total</b>	<b>153.10</b>	<b>111.25</b>
(ii) Sale of services comprises :		
Diagnostic Services	2,632.88	2,047.63
Imaging Services	115.48	97.24
<b>Total</b>	<b>2,748.36</b>	<b>2,144.87</b>

## 21 Other income

Interest income (Refer Note (i) below)	1.65	0.04
Dividend income from current investments	42.29	22.17
Net gain on account of foreign exchange fluctuations	-	1.10
Technical assistance/ trade mark assignment fees	1.47	1.38
Net gain on sale of current investments	11.84	4.90
Others (Refer Note (ii) below)	23.54	22.45
	80.79	52.04
Note:		
(i) Interest income comprises:		
Interest from banks on deposits	1.36	0.03
Interest on deposit for electricity	0.29	0.01
<b>Total - Interest income</b>	<b>1.65</b>	<b>0.04</b>
(ii) Others comprises:		
Profit on sale of fixed assets	0.31	0.44
Miscellaneous income	23.23	22.01
<b>Total - Others</b>	<b>23.54</b>	<b>22.45</b>

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 22a. Cost of materials consumed

	31 March 2017	31 March 2016
Opening stock	91.55	56.32
Add: Purchases	813.85	631.83
	905.40	688.15
Less: Closing stock	121.64	91.55
<b>Cost of material consumed</b>	<b>783.76</b>	596.60
Material consumed comprises:		
Reagents/ Diagnostics material	768.75	584.19
Consumables	15.01	12.41
	783.76	596.60

## 22b. Purchase of stock-in-trade

Glucose strips/ Gluco meter	25.61	25.35
Others	60.76	41.07
	86.37	66.42

## 22c. Changes in inventories of stock-in-trade

Inventories at the end of the year:		
Glucose strips/ Gluco meter	4.08	0.47
Others	11.89	6.87
	15.97	7.34
Inventories at the beginning of the year:		
Glucose strips/ Gluco meter	0.47	3.15
Others	6.87	11.02
	7.34	14.17
<b>Net change</b>	<b>(8.63)</b>	6.83

## 23 Employee benefits expense

Salaries, wages and bonus	228.90	175.81
Contributions to provident and other funds (Refer note 26.a)	18.28	13.82
Employees stock compensation expense (Refer note 26.c)	24.63	17.73
Gratuity (Refer Note 26.b)*	2.40	2.05
Compensated absences*	9.66	23.92
Staff welfare expenses	9.63	9.53
	293.50	242.86

\*Includes prior period expense of ₹ Nil (31 March 2016 : ₹ 11.37 million) towards compensated absences and ₹ Nil (31 March 2016 : ₹ 0.90 million) towards gratuity.

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 24 Other expenses

	31 March 2017	31 March 2016
Outlab processing	139.62	119.00
Power and fuel and water	46.52	37.34
Rent (Refer note 28.3)	21.85	15.75
Repairs and maintenance - Buildings	8.46	7.62
Repairs and maintenance - Machinery	16.24	13.28
Repairs and maintenance - Others	0.64	0.58
Insurance	1.74	1.56
Rates and taxes	21.38	15.02
Communication	5.12	6.03
Service charges	127.46	84.23
Postage and courier	29.91	23.29
Travelling and conveyance	2.49	3.07
Printing and stationery	43.52	39.19
Freight and forwarding	1.37	0.21
Sales incentive	78.26	40.34
Advertisement expenses	1.26	29.08
Accreditation expenses	3.38	2.93
Business promotion	61.93	32.64
Bank charges	2.99	5.36
Legal and professional fees	8.54	6.93
Payments to auditors (Refer Note (i) below)	5.26	2.48
Provision for diminution in value of investments	5.95	2.16
Provision for other than temporary diminution in the value of long-term investments (Refer Note 27.b)	16.15	-
Provision for doubtful trade receivables (Refer Note 27.b)	6.48	-
Loss on foreign exchange fluctuation (net)	1.85	-
Corporate social responsibility expenses (Refer note 28.11)	13.51	0.04
Miscellaneous expenses	4.62	4.43
	<b>676.50</b>	<b>492.56</b>

Notes:

(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
Statutory audit	4.79	2.24
Tax audit	0.47	0.24
	<b>5.26</b>	<b>2.48</b>

Excludes amount to be recovered from shareholders whose shares are being offered for sale in the proposed initial public offerings ₹ Nil (31 March 2016 : ₹ 4.34 million) towards fees in connection with filing of offer document with SEBI. (Refer note 28.12)

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 25 Earning Per Share

	31 March 2017	31 March 2016
<b>25.a Basic</b>		
Net profit for the year attributable to equity shareholders	<b>748.46</b>	587.54
Weighted average number of equity shares outstanding during the year	<b>5,37,23,533</b>	5,14,70,407
Face value per share ₹	<b>10</b>	10
Earnings per share - Basic (₹)	<b>13.93</b>	11.42
<b>25.b Diluted</b>		
Net profit for the year attributable to equity shareholders	<b>748.46</b>	587.54
Weighted average number of equity shares for Basic EPS	<b>5,37,23,533</b>	5,14,70,407
Weighted average number of equity shares - for diluted EPS	<b>5,38,07,460</b>	5,15,08,294
Face value per share ₹	<b>10</b>	10
Earnings per share - Diluted (₹)	<b>13.91</b>	11.41

## 26 Employee benefit plans

### 26.a Defined contribution plans

The Company makes Provident Fund, ESIC and Maharashtra Labour Welfare fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 14.56 million (31 March 2016 : ₹ 11.64 million) for Provident Fund contributions, ₹ 3.65 million (31 March 2016 : ₹ 2.15 million) for ESIC contributions and ₹ 0.07 million (31 March 2016 : ₹ 0.03 million) for Maharashtra Labour Welfare fund contributions in the Statement of Profit and Loss during the year (Refer note 23). The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company does not expect any further liability other than the specified contributions.

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 26.b Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

### i. Gratuity

The following table sets out the unfunded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	31 March 2017 Gratuity	31 March 2016 Gratuity
Components of employer expense		
Current service cost	2.20	1.91
Interest cost	0.70	0.64
Prior period liability recognised in current period	-	0.90
Expected return on plan assets	-	-
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	(0.50)	(1.40)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>2.40</b>	<b>2.05</b>
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	-	-
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	-	-
Present value of unfunded obligation	(11.22)	(8.89)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(11.22)</b>	<b>(8.89)</b>
<b>Net asset/ (liability) is bifurcated as follows :</b>		
Current	(0.14)	(0.15)
Non Current	(11.08)	(8.74)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(11.22)</b>	<b>(8.89)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	8.89	7.13
Current service cost	2.20	1.91
Interest cost	0.70	0.64
Actuarial (gains) / losses	(0.50)	(1.40)
Past service cost	-	-
Prior period liability recognised in current period	-	0.90
Benefits paid	(0.07)	(0.28)
<b>Present value of DBO at the end of the year</b>	<b>11.22</b>	<b>8.89</b>
<b>Actuarial assumptions</b>		
Discount rate	7.27%	7.86%
Salary escalation	10%	10%

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## Note:

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

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors and the rate of attrition is assumed on the basis of the nature of business carried out and the retention policy of the Company.

The mortality rates as given under Indian Assured Lives Mortality (2006-2008) Ultimate have been used to provide for liability on account of death while in service and the retirement age has been considered as 58 years, except in case of directors in whose case it is 70 years.

The defined benefit obligations are unfunded.

## Experience adjustments

	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Gratuity					
Present value of DBO	11.22	8.89	7.13	4.33	3.11
Fair value of plan assets	-	-	-	-	-
Funded status [Surplus / (Deficit)]	(11.22)	(8.89)	(7.13)	(4.33)	(3.11)
Experience gain / (loss) adjustments on plan liabilities	1.63	1.52	0.22	(0.10)	(0.76)
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

## 26.c Employees share based payments

### Description of share-based payments arrangements

During the year, the Company has offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016” (ESOS2016) vide authorisation of shareholders in the annual general meeting held on 12 September 2016. The options may be exercised either fully or partially in four equal installments.

The employees were identified as those who had completed two years of service as on 31 March 2016, subject to their continuous service till the vesting period.

During the previous year, the Company had offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015” (ESOS2015) vide authorisation of shareholders in the annual general meeting held on 26 September 2015. The options may be exercised either fully or partially in four equal installments.

The employees were identified as those who had completed two years of service as on 31 March 2015, subject to their continuous service till the vesting period.

The Company had offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2014” (ESOS2014) vide authorisation of shareholders in their extra ordinary general meeting held on 20 September 2014. The Company has formed the trust under the name of ‘Thyrocare Employee Stock Option Trust’. The shares to be issued under these options to the employees are allotted to the trust. The trust hold these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The options may be exercised either fully or partially in four equal installments. The employees were identified on the basis of the length of service, nature of their work, remuneration earned, etc. and are entitled to ESOS, subject to their continuous service till the vesting period. The identified employees are also entitled to purchase additional shares proportionately from the shares of employees who are not desirous to purchase the equity shares or who have left the organisation during this year.

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Scheme	Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (INR) per share	Weighted Average Exercise Price (INR) per share
ESOS2016	2016	12-Sep-16	50,537	Vested after 3 years from date of grant of options	One year after the expiry of vesting period	10	10
ESOS2015	2015	26-Sep-15	40,434	Vested after 3 years from date of grant of options	One year after the expiry of vesting period	10	10
ESOS2014	2014	23-Sep-14	134,600*	Vested after 2.5 years from date of grant of options	One year after the expiry of vesting period	10	10

\* Includes 100,950 no. of bonus shares

For the above, the difference between the fair price of the shares underlying the options on the grant date and the exercise price of the option (being the intrinsic value of the option) representing stock compensation expense and is expensed over the vesting period.

## Share based payment expense

Particulars	As at 31 March 2017	As at 31 March 2016
ESOS2016	5.20	-
ESOS2015	3.68	1.96
ESOS2014	15.75	15.77
<b>Total expense recognised in employee benefits expense</b>	<b>24.63</b>	<b>17.73</b>

The fair value of the shares granted under ESOS2016 is ₹ 619 per share, ESOS2015 is ₹ 301 per share and ESOS2014 is ₹ 305 per share on the respective grant date.

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under employee stock option plans are as follows.

Particulars	31 March 2017		31 March 2016	
	No of Options	Weighted average exercise price	No of Options	Weighted average exercise price
<b>ESOS2016</b>				
Outstanding at 1 April	-	-	-	-
Granted during the year	50,537	10	-	-
Forfeited during the year	3,818	10	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Outstanding at 31 March</b>	<b>46,719</b>	<b>10</b>	-	-
<b>ESOS2015</b>				
Outstanding at 1 April	39,188	10	-	-
Granted during the year	-	-	40,434	10
Forfeited during the year	715	-	1,246	10
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Outstanding at 31 March</b>	<b>38,473</b>	<b>10</b>	39,188	10
<b>ESOS2014</b>				
Outstanding at 1 April	1,34,600	10	1,34,600	10
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Outstanding at 31 March</b>	<b>1,34,600</b>	<b>10</b>	1,34,600	10



# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

The options outstanding at 31 March have an exercise price and a weighted average contractual life as given below :

Particulars	31 March 2016			31 March 2016		
	No of Outstanding Share options	Range of Exercise price	Weighted average remaining life	No of Outstanding Share options	Range of Exercise price	Weighted average remaining life
ESOS2016	46,719	10	2.50	-	-	-
ESOS2015	38,473	10	1.50	39,188	10	2.50
ESOS2014	134,600	10	.*	134,600	10	1.00

\* less than 12 months

The Company has adopted the intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The Company's profit for the year and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with Black and Scholes model.

Particulars	31 March 2017	31 March 2016
Net Profit after tax as reported	<b>748.46</b>	587.54
Add : Employees stock option compensation expense as per intrinsic value method	<b>24.63</b>	17.73
Less : Employee stock option compensation expense as per fair value	<b>23.38</b>	15.98
Adjusted proforma net profit after tax	<b>749.71</b>	589.29
Basic Earnings per share as reported	<b>13.93</b>	11.42
Basic Earnings per share - proforma	<b>13.95</b>	11.45
Diluted Earnings per share as reported	<b>13.91</b>	11.41
Diluted Earnings per share - proforma	<b>13.93</b>	11.44

For purpose of the above proforma disclosures, the estimated grant date fair value of stock options granted under the ESOS 2014 is ₹ 278.63, under the ESOS 2015 is ₹ 274.63 and under the ESOS 2016 is ₹ 584.48. The fair values are measured based on the Black-Scholes- Merton formula. Expected volatility, an input in this formula, is estimated by considering historic average share price volatility. The inputs used in the measurement of grant date fair values are as follows :

	ESOS 2016	ESOS 2015	ESOS 2014
Share price at grant date	<b>619</b>	301	305
Exercise price	<b>10</b>	10	10
Expected volatility	<b>27.06%</b>	0.01 %	0.01 %
Expected life	<b>2.5</b>	2.5	1.0
Expected dividends	<b>10.00</b>	10.00	10.00
Risk-free interest rate (based on government bonds)	<b>6.89%</b>	7.86 %	7.86 %

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 27 Related party transactions

### 27.a Details of related parties:

Description of relationship	Names of related parties
Subsidiary	Nuclear Healthcare Limited
Enterprise over which directors and their relatives exercise control or influence, where transactions have taken place during the year	Thyrocare International Holding Company Limited, Mauritius Thyrocare Gulf Laboratories WLL Sumathi Infra Projects LLP (converted into LLP w.e.f 29 March 2016) Sumathi Construction Private Limited Mahima Advertising LLP (converted into LLP w.e.f 30 March 2016) Thyrocare Properties & Infrastructure Private Limited Thyrocare Publications LLP (converted into LLP w.e.f 30 March 2016)
Key Management Personnel (KMP)	Dr A Velumani, Managing Director A Sundararaju, Director Sumathi Velumani, Director (deceased on 13 February 2016) Amruta Velumani, Director (w.e.f. 22 February 2016)
Relatives of KMP	Dr A Velumani HUF (HUF in which Dr A Velumani is Karta) Amruta Velumani, daughter of Dr A Velumani (upto 21 February 2016) Anand Velumani (son of Dr A Velumani) A Sundararaju HUF (HUF in which A Sundararaju is Karta) JKR Rajagopal (brother in-law of Dr A Velumani) Bhamini S (wife of A Sundararaju) S Susila (sister of Dr A Velumani) A Rathinaswamy (brother of Dr A Velumani) A Sayamal (mother of Dr A Velumani) P Arokiaswamy (father of Dr A Velumani)

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 27.b Details of related party transactions during the year ended 31 March 2017 and balances outstanding as at 31 March 2017:

Particulars	Subsidiary	Enterprise over which directors and their relatives exercise control or influence	KMP	Relatives of KMP	Total
<b>Rent paid</b>					
Nuclear Healthcare Limited	<b>0.90</b>	-	-	-	<b>0.90</b>
	(0.90)	(-)	(-)	(-)	(0.90)
Sumathi Construction Private Limited	-	<b>2.82</b>	-	-	<b>2.82</b>
	(-)	(3.21)	(-)	(-)	(3.21)
<b>Service income</b>					
Nuclear Healthcare Limited	<b>6.43</b>	-	-	-	<b>6.43</b>
	(6.43)	(-)	(-)	(-)	(6.43)
<b>Outlab processing charges paid</b>					
Nuclear Healthcare Limited	<b>104.50</b>	-	-	-	<b>104.50</b>
	(86.90)	(-)	(-)	(-)	(86.90)
<b>Revenue from operations</b>					
Thyrocare Gulf Laboratories WLL	-	<b>26.35</b>	-	-	<b>26.35</b>
	(-)	(15.85)	(-)	(-)	(15.85)
<b>Other Income</b>					
Thyrocare Gulf Laboratories WLL	-	<b>0.19</b>	-	-	<b>0.19</b>
	(-)	(-)	(-)	(-)	(-)
<b>Purchase of fixed assets</b>					
Thyrocare Gulf Laboratories WLL	-	-	-	-	-
	(-)	(4.52)	(-)	(-)	(4.52)
<b>Purchase of consumables</b>					
Thyrocare Gulf Laboratories WLL	-	-	-	-	-
	(-)	(0.23)	(-)	(-)	(0.23)
<b>Provision for other than temporary diminution in the value of long-term investments</b>					
Thyrocare International Holding Company Limited, Mauritius	-	<b>16.15</b>	-	-	<b>16.15</b>
	(-)	(-)	(-)	(-)	(-)
<b>Provision for doubtful trade receivables</b>					
Thyrocare Gulf Laboratories WLL	-	<b>6.48</b>	-	-	<b>6.48</b>
	(-)	(-)	(-)	(-)	(-)
<b>Sale of non-current investments</b>					
S Susila	-	-	-	<b>16.15</b>	<b>16.15</b>
	(-)	(-)	(-)	(-)	(-)

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Particulars	Subsidiary	Enterprise over which directors and their relatives exercise control or influence	KMP	Relatives of KMP	Total
<b>Reversal of sale of non-current investments</b>					
S Susila	-	-	-	16.15	16.15
	(-)	(-)	(-)	(-)	(-)
<b>Royalty payment</b>					
Dr. A Velumani	-	-	0.03	-	0.03
	(-)	(-)	(-)	(-)	(-)
Waiving of royalty payment	-	-	0.03	-	0.03
Dr. A Velumani (Refer note 1 below)	(-)	(-)	(-)	(-)	(-)
<b>Balances written off</b>					
Thyrocare International Holding Company Limited, Mauritius	-	0.03	-	-	0.03
	(-)	(-)	(-)	(-)	(-)
<b>Expenses incurred on behalf of</b>					
Nuclear Healthcare Limited	5.16	-	-	-	5.16
	(4.63)	(-)	(-)	(-)	(4.63)
Thyrocare Gulf Laboratories WLL	-	0.80	-	-	0.80
	(-)	(-)	(-)	(-)	(-)
<b>Expenses incurred by</b>					
Nuclear Healthcare Limited	0.67	-	-	-	0.67
	(0.62)	(-)	(-)	(-)	(0.62)
Sumathi Construction Private Limited	-	0.37	-	-	0.37
	(-)	(0.29)	(-)	(-)	(0.29)
<b>Technical assistance fees income</b>					
Thyrocare International Holding Company Limited, Mauritius	-	1.47	-	-	1.47
	(-)	(1.38)	(-)	(-)	(1.38)
<b>Share swap of equity shares of Nuclear Healthcare Limited</b>					
Dr. A Velumani	-	-	-	-	-
	(-)	(-)	(907.22)	(-)	(907.22)
A Sundararaju	-	-	-	-	-
	(-)	(-)	(3.17)	(-)	(3.17)
Sumathi Velumani	-	-	-	-	-
	(-)	(-)	(2.12)	(-)	(2.12)
Amruta Velumani	-	-	-	-	-
	(-)	(-)	(-)	(1.06)	(1.06)

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Particulars	Subsidiary	Enterprise over which directors and their relatives exercise control or influence	KMP	Relatives of KMP	Total
Anand Velumani	-	-	-	-	-
	(-)	(-)	(-)	(1.06)	(1.06)
Dr A Velumani HUF	-	-	-	-	-
	(-)	(-)	(-)	(60.60)	(60.60)
<b>Dividend paid</b>					
Dr. A Velumani	-	-	<b>111.07</b>	-	<b>111.07</b>
	(-)	(-)	(84.36)	(-)	(84.36)
A Sundararaju	-	-	<b>1.87</b>	-	<b>1.87</b>
	(-)	(-)	(1.79)	(-)	(1.79)
Sumathi Velumani	-	-	-	-	-
	(-)	(-)	(4.42)	(-)	(4.42)
Amruta Velumani	-	-	<b>5.64</b>	-	<b>5.64</b>
	(-)	(-)	(-)	(5.62)	(5.62)
Anand Velumani	-	-	-	<b>4.75</b>	<b>4.75</b>
	(-)	(-)	(-)	(6.05)	(6.05)
Dr A Velumani HUF	-	-	-	<b>6.84</b>	<b>6.84</b>
	(-)	(-)	(-)	(6.70)	(6.70)
A Sundararaju HUF	-	-	-	<b>18.12</b>	<b>18.12</b>
	(-)	(-)	(-)	(19.47)	(19.47)
P Arokiaswamy	-	-	-	-	-
	(-)	(-)	(-)	(0.00)*	(0.00)*
A Sayamal	-	-	-	-	-
	(-)	(-)	(-)	(0.00)*	(0.00)*
Sumathi Infra Projects LLP	-	<b>11.82</b>	-	-	<b>11.82</b>
	(-)	(11.82)	(-)	(-)	(11.82)
Mahima Advertising LLP	-	<b>9.45</b>	-	-	<b>9.45</b>
	(-)	(9.45)	(-)	(-)	(9.45)
Thyrocare Properties & Infrastructure Private Limited	-	<b>39.13</b>	-	-	<b>39.13</b>
	(-)	(39.13)	(-)	(-)	(39.13)
Thyrocare Publications LLP	-	<b>49.01</b>	-	-	<b>49.01</b>
	(-)	(49.01)	(-)	(-)	(49.01)
<b>Remuneration paid</b>					
Dr. A Velumani	-	-	<b>16.00</b>	-	<b>16.00</b>
	(-)	(-)	(10.80)	(-)	(10.80)
A Sundararaju	-	-	<b>8.00</b>	-	<b>8.00</b>
	(-)	(-)	(5.16)	(-)	(5.16)

\* Amount less than ₹ 0.01 million

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Particulars	Subsidiary	Enterprise over which directors and their relatives exercise control or influence	KMP	Relatives of KMP	Total
<b>Balances outstanding at the end of the year</b>					
<b>Amount recoverable from related parties</b>					
Nuclear Healthcare Limited	<b>98.04</b>	-	-	-	<b>98.04</b>
	(79.57)	(-)	(-)	(-)	(79.57)
Thyrocare International Holding Company Limited, Mauritius	-	-	-	-	-
	(-)	(0.03)	(-)	(-)	(0.03)
<b>Amount payable to related parties</b>					
Nuclear Healthcare Limited	-	-	-	-	-
	(9.64)	(-)	(-)	(-)	(9.64)
Sumathi Construction Private Limited	-	-	-	-	-
	(-)	(0.08)	(-)	(-)	(0.08)
Thyrocare Gulf Laboratories WLL	-	-	-	-	-
	(-)	(4.75)	(-)	(-)	(4.75)
S Susila	-	-	-	<b>16.15</b>	<b>16.15</b>
	(-)	(-)	(-)	(-)	(-)
<b>Investment in equity instruments</b>					
Nuclear Healthcare Limited	<b>1,946.74</b>	-	-	-	<b>1,946.74</b>
	(1,946.74)	(-)	(-)	(-)	(1,946.74)
Thyrocare International Holding Company Limited, Mauritius	-	<b>16.15</b>	-	-	<b>16.15</b>
	(-)	(16.15)	(-)	(-)	(16.15)
<b>Provision for other than temporary diminution in the value of investments</b>					
Thyrocare International Holding Company Limited, Mauritius	-	<b>16.15</b>	-	-	<b>16.15</b>
	(-)	-	(-)	(-)	(-)
<b>Security deposit given</b>					
Nuclear Healthcare Limited	<b>1.86</b>	-	-	-	<b>1.86</b>
	(1.86)	(-)	(-)	(-)	(1.86)

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Particulars	Subsidiary	Enterprise over which directors and their relatives exercise control or influence	KMP	Relatives of KMP	Total
<b>Receivable towards revenue from operations</b>					
Thyrocare Gulf Laboratories WLL	-	<b>9.63</b>	-	-	<b>9.63</b>
	(-)	(24.63)	(-)	(-)	(24.63)
<b>Receivable towards technical assistance fees</b>					
Thyrocare Gulf Laboratories WLL	-	<b>6.48</b>	-	-	<b>6.48</b>
	(-)	(6.98)	(-)	(-)	(6.98)
<b>Provision for doubtful receivables</b>					
Thyrocare Gulf Laboratories WLL	-	<b>6.48</b>	-	-	<b>6.48</b>
	(-)	(-)	(-)	(-)	(-)
<b>Remuneration payable</b>					
Dr. A Velumani	-	-	<b>0.65</b>	-	<b>0.65</b>
	(-)	(-)	(1.40)	(-)	(1.40)
A Sundararaju	-	-	<b>0.36</b>	-	<b>0.36</b>
	(-)	(-)	(0.65)	(-)	(0.65)

## Notes :

1. The Company was providing for royalty based on the terms of the agreement for using the trademark. During the year, as Dr. A. Velumani has decided to transfer the assigned trademark to the Company, he has decided to waive the royalty payable to him for use of the trademark until the transfer takes effect.
2. Figures in bracket relates to the previous year

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 28 Additional information to the financial statements

### 28.1 Contingent liabilities and commitments

#### A) Contingent liabilities

	31 March 2017	31 March 2016
Claims against the Company not acknowledged as debts		
i) Property tax demand (See note (a) below)	82.90	67.59
ii) Income tax demands - TDS matter (See note (b) below)	368.52	368.52
iii) Other Income tax assessment (See note (c) below)	3.48	1.43
iv) Employees Provident Funds & Miscellaneous Provisions Act, 1952 (See note (d) below)	5.23	5.23

- a) Navi Mumbai Municipal Corporation (NMMC) raised a claim on the original owner of the corporate office premises at D/37 -3 located at Turbhe on account of arrears arising from retrospective amendment in the property tax rates. The Company has not received any reply to the letters filed from time to time with NMMC for the said matter. A writ petition has been filed before the H'ble High Court seeking intervention against the arbitrary assessment of the property tax with retrospective effect for the stated premises. The total amount of dues payable to NMMC is ₹ 93.24 million (31 March 2016: ₹ 71.04 million). Of the total amount of dues payable, the Company has provided for property tax dues of ₹ 10.34 million (31 March 2016: ₹ 3.45 million) for the said premises on the basis of the constructed area and the rates charged for the adjacent plot towards property tax. The balance outstanding amount of ₹ 82.90 million (31 March 2016: ₹ 67.59 million) as per NMMC for the corporate office premises has not been acknowledged as debts in the books of the Company.
- b) The Company had received income tax demand of ₹ 368.52 million (31 March 2016 : ₹ 368.52 million) on account of TDS survey proceedings initiated by the Income tax department for the FY 2008-09 to 2011-12. The Company has already filed an appeal before the H'ble High Court and the same is pending for hearing. In view of the management no provision is considered necessary as at 31 March 2017.
- c) The CIT (Appeals) vide its order dated 22 March 2017 dismissed an appeal filed by the Company for the Assessment year 2012-13 challenging the Income Tax demand of ₹ 0.39 million (included under contingent liability for the year ended 31 March 2016). The Company has not preferred further appeal against the stated order and accordingly, the Company has allowed the department to adjust the unpaid demand for the said appeal against the refund due to the Company for AY 2014-15.
- d) The Company received an order for Provident Fund demand of ₹ 5.23 million (31 March 2016: ₹ 5.23 million) on account of an inquiry u/s 7A of the Employees Provident Fund and Miscellaneous Provisions Act, 1952, the Company has already filed an appeal before the Tribunal and requested for condonation of delay and stay of the demand raised by the Regional Provident Fund Commissioner. The tribunal has passed an order dismissing the appeal in default to which the Company has filed an application for restoring the appeal. The appeal is restored back and is currently pending for hearing. As per the direction of the Provident Fund Appellate Tribunal, the Company has paid 40% of disputed amount aggregating ₹ 2.09 million (31 March 2016: ₹ 2.09 million) to the Provident Fund organisation. Meanwhile, the Regional Provident Fund Commissioner has proceeded to recover the balance amount in dispute. The Company has filed an application before the Tribunal for refunding the recovery amount, inspite of the stay granted by the Tribunal. The matter is pending for hearing and in view of the management no provision is considered necessary as at 31 March 2017.



# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## B) Commitments

- (i) The Company has entered into Reagent Rental Arrangements for a period ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers / diagnostic equipments at no cost in the processing laboratory of the Company. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads.

The value of purchase commitments for the remaining number of years are ₹ 2,631.38 million (31 March 2016: ₹ 3,117.77 million) of which annual commitment for next year is ₹ 593.26 million (31 March 2016 : ₹ 467.09 million) as per the terms of these arrangements.

The estimated amount of contracts remaining to be executed on capital account and not provided for towards tangible assets aggregates to ₹ Nil million (March 2016 : ₹ 10.38 million)."

## 28.2 Due to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 are set out in following disclosure. This has been relied upon by the auditors.

Particulars	31 March 2017	31 March 2016
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## Notes to the standalone financial statements

### for the year ended 31 March 2017

(Currency: ₹ in million)

28.3 The Company has entered into operating leases for office and storage spaces. Total lease payments recognised in books is ₹ 21.85 million (31 March 2016 : ₹ 15.75 million).

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2017 are as follows

Particulars	31 March 2017	31 March 2016
Payable within one year	10.72	9.79
Payable between one and five years	49.56	33.39
Payable after five years	16.53	16.22
<b>Total</b>	<b>76.81</b>	59.40

28.4 During the financial year 2014-15, pursuant to the Slump Sale Agreement dated 26 March 2015 and approval of shareholders in their meeting held on 14 March 2015, the transfer and sale of Cyclotron Division engaged in the business of manufacturing of radiopharmaceuticals located at Ground Floor, D/37-1, TTC MIDC, Turbhe, Navi Mumbai - 400703, as a going concern on a slump sale basis for a lumpsum consideration of ₹ 125 million to Nueclear Healthcare Limited (NHL) was concluded at close of business hours on 31 March 2015. The book value of the said undertaking as on the date of transfer was ₹ 107.21 million. The profit on sale of division was ₹ 17.79 million.

The slump sale agreement dated 26 March 2015 has been modified in the financial year 2015-16 with reference to the transfer of lease hold land and building appurtenant thereto in view of restriction imposed by Maharashtra Industrial Development Corporation (the "MIDC") for transfer of a portion of the plot of land and building thereon. Accordingly, the book value of the land and building and accumulated depreciation thereof effective 31 March 2015 as provided in the original agreement and given effect to in the financial statements of financial year ended 31 March 2015 has been reversed. Consequently the slump sale consideration has been reduced by ₹ 11.50 million as a result of which the Company has recognised additional profit of ₹ 2.98 million in the year ended 31 March 2016

The Company is currently in the process of obtaining regulatory approval from MIDC for sub-leasing of land and building to NHL where the Cyclotron unit is situated and also for the approvals and licenses required for production and handling of radiopharmaceuticals used for testing in Pet-CT scan that was issued to Company by Atomic Energy Regulatory Board ('AERB') to be transferred in the name of NHL.

The Company has made an application to MIDC vide letter dated 16 December 2015 and further replied to the letter dated 15 January 2016 from MIDC providing additional information as required.

The Company has also filed an application with AERB vide letter dated 22 December 2015 for obtaining the requisite approval. AERB responded with a request for certain additional documents vide their letter dated 15 February 2016.

Company's management is of the view that these approvals are procedural in nature and is expecting these approvals in due course. In the unlikely event of these regulatory authorities denying said approvals, management does not expect any material impact on the financial statements.

28.5 "During the year ended 31 March, 2016, as approved in the meeting of Audit Committee and Board of Directors dated 16 September 2014, the Company had issued 3,187,562 shares of the Company as fully paid equity shares at a premium of ₹ 295.95 per share for 4,611,000 shares of Nueclear Healthcare Limited (in the ratio of 1 : 1.44656) to the shareholders of Nueclear Healthcare Limited. Accordingly, Nueclear Healthcare Limited has become a wholly owned subsidiary on 16 December 2015. As on 31 March 2016 the Company holds all the equity shares of the subsidiary and is the only shareholder and member as per the

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

shareholder and member register of the subsidiary. As at 31 March 2017 the Company has transferred six equity shares to six persons (one each), assigned to hold these shares with beneficial ownership being vested with the Company, to comply with the requirement of the Companies Act, 2013.

## 28.6 Value of imports calculated on CIF basis :

	31 March 2017	31 March 2016
Raw materials	26.53	43.83
Capital goods	44.40	16.57

## 28.7 Earning in foreign currency :

	31 March 2017	31 March 2016
Revenue from operations	26.40	15.30
Reimbursement of expenses incurred	302.58	-
<b>Other income :</b>		
Technical assistance/ trade mark assignment fees	1.47	1.38
Miscellaneous income	0.19	-

## 28.8 Expenditure in foreign currency :

	31 March 2017	31 March 2016
<b>Others :</b>		
Accreditation fees	0.77	0.59
Business promotion	-	0.08
Advertisement expenses	0.15	-
Legal and professional fees	0.08	-
Rates and taxes	0.01	-
Repairs and maintenance - Machinery	0.25	-

## 28.9 Details of consumption of imported and indigenous items

	31 March 2017	31 March 2016
	₹ / %	₹ / %
Imported		
Raw materials	22.45	21.43
	2.86%	3.59%
Indigenous		
Raw materials	761.31	575.17
	97.14%	96.41%
<b>Total</b>	<b>783.76</b>	<b>596.60</b>
	<b>100%</b>	<b>100%</b>

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 28.10 Unhedged foreign currency exposures

Foreign currency exposures on account of trade receivables/ trade payables not hedged by derivative instruments are as follows :

	31 March 2017		31 March 2016	
	Amount in USD	Amount in ₹	Amount in USD	Amount in ₹
Trade receivables	0.25	16.11	0.48	31.63
Trade payables	0.01	0.92	0.15	9.95

## 28.11 Corporate social responsibility expenses

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The funds were primarily allocated and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

- A. Gross amount required to be spent by the Company during the year ₹ 15.16 million (31 March 2016 : ₹ 14.45 million)
- B. Amounts spent during the year on :

Activities	31 March 2017		31 March 2016	
	Paid in Cash	Yet to be Paid in Cash	Paid in Cash	Yet to be Paid in Cash
i) Construction/acquisition of any asset	-	-	-	-
ii) On purposes other than (i) above	13.51	-	0.04	-
	13.51	-	0.04	-

28.12 The Company completed Initial Public Offer through an offer for sale of 10,744,708 equity shares of ₹ 10/- each at a price of ₹ 446/- by the Selling shareholders. Accordingly, the Company has did not raised money by way of initial public offer, and hence no funds received by the Company.

The equity shares of the Company got listed on NSE and BSE on 9 May 2016.

28.13 In accordance with Accounting Standard 17 'Segment Reporting', segment information has been given in the consolidated financial statements of the Company.

28.14 The Company's international transactions and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2016. The Company will undertake a study for transactions upto 31 March 2017 and an independent opinion will be obtained for the same. Management believes that the Company's international transactions and domestic transactions with related parties post 31 March 2016 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

28.15 The Ministry of Corporate Affairs vide notification GSR 308(E) dated 30 March, 2017, directed to disclose the details of specified bank notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016. Accordingly, the details, in prescribed format are mentioned herein below :

# Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

	SBN	Other	Total
Closing cash in hand as on 8 November 2016	3,01,500	2,11,429	5,12,929
Transaction between 9 November 2016 to 30 December 2016			
Add: Withdrawal from bank accounts	-	3,78,857	3,78,857
Add: Receipts from permitted transactions (Refer Note 1)	-	3,86,27,272	3,86,27,272
Add : Receipts for non-permitted transactions			
- TSP related receipts (Refer Note 2)	1,36,18,000	-	1,36,18,000
- Others (Refer Note 1)	12,80,000	-	12,80,000
Less : Paid for permitted transactions (Refer Note 3)	-	(3,08,661)	(3,08,661)
Less : Paid for non-permitted transactions (Refer Note 3)	-	-	-
Less: Deposited in bank accounts	(15,81,500)	(72,40,172)	(88,21,672)
Less: TSP related direct deposits (Refer Note 2)	(1,36,18,000)	(3,09,29,536)	(4,45,47,536)
Closing cash in hand as on 30 December 2016	-	7,39,189	739,189

Note:

1. The Company renders diagnostic and healthcare related services. The consideration towards diagnostic services and cancer tests was received in SBN. The Company has deposited the same, without incurring any expenditure out of these received SBN into KYC complied current bank account of the Company. The Company has collected appropriate details including PAN no etc of the patients.
2. The receipts from authorised service providers towards diagnostic services availed from us and as deposited directly by the service providers in our KYC complied current banking account is disclosed/prepared to the extent of information is available and details as provided by the bank.
3. The Company has not made any direct payment, out of the SBN received, towards either permitted/non-permitted transactions. The payment towards permitted transactions have been incurred out of withdrawal of non SBN currency.

28.16 Pursuant to the IPO, Agalia Private Limited ('APL' or the selling shareholder) has divested part of its share-holding in the Company. At the instance of APL, the Company has entered into contracts for advertisements in various media with the intention to promote the 'Thyrocare' brand. Since these contracts aggregating ₹ 304.85 million were entered into at the specific instance of APL, APL has fully reimbursed the Company in respect of the payments made towards these contracts. During year ended 31 March 2017, the Company has incurred advertising costs aggregating to ₹ 283.08 million in this respect. Considering the nature and size of the transactions, both the expenses incurred as well as the amount reimbursed by APL have been disclosed as an exceptional item with net impact of ₹ Nil.

Particulars	31 March 2017	31 March 2016
Advertisement expenses	283.08	-
Less : Reimbursement received towards the above from selling shareholders	(283.08)	-
	-	-

## Notes to the standalone financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

28.17 On 9 May 2017, the Board of directors has recommended a final dividend of ₹ 5 per equity share for the financial year ended 31 March 2017. As per the provisions of Companies (Accounting Standards) Amendment Rules, 2016 proposed dividend is not recognised as a liability as at 31 March 2017. Post approval of proposed dividend by shareholders in Annual General Meeting, there will be cash outflow of ₹ 323.30 million including dividend distribution tax.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Sreeja Marar**

Partner

Membership No: 111410

Mumbai

9 May 2017

For and on behalf of the Board of Directors of

**Thyrocare Technologies Limited**

CIN - U85110MH2000PLC123882

**Dr. A Velumani**

Managing Director

DIN - 00002804

**A Sundararaju**

Director and Chief Financial Officer

DIN - 00003260

**Ramjee D**

company Secretary

Membership No - F2966

# Independent Auditors' Report

To the Members of  
Thyrocare Technologies Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Thyrocare Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21, Consolidated Financial Statements). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31 March 2017;
- ii) in the case of the Consolidated Statement of Profit and Loss, of the consolidated profits for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date

## Emphasis of Matter

We draw attention to Note 29.12 to the consolidated financial statements which more fully describes that the Company has entered into contracts for advertisements in various media, aggregating Rs. 304.85 million, with the intention to promote the 'Thyrocare' brand at the specific instance of Agalia Private Limited ('APL' or the selling

shareholder). APL has fully reimbursed the Company in respect of payment made towards these contracts. Considering the nature and size of the transactions, both the expenses incurred as well as the amount reimbursed by APL has been disclosed as an exceptional item. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, based on our audit, we report, to the extent applicable, that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representation received from the Directors of the Holding Company as on 31 March 2017, taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit report on standalone financial statements of the subsidiary company incorporated in India, none of the Directors of the Group are disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act;

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer note 29.1(A) to the consolidated financial statements;
  - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts outstanding as on balance sheet date which were required to be transferred to the Investor Education and Protection Fund by the Group; and
  - iv. the Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. However, as stated in note 29.11 to the consolidated financial statements, amounts aggregating to Rs. 15.10 million as represented to us by the Management, have been received from transactions which are not permitted.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Mumbai  
9 May 2017

**Sreeja Marar**  
Partner  
Membership No: 111410



# Annexure A to Independent Auditors' Report – 31 March 2017

(Referred to in our report of even date)

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Thyrocare Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, and its subsidiary, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under sub-section 10 of section 143 of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of

internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) 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
- (c) 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its subsidiary, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting 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 ICAI.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company which is incorporated in India, is based on the corresponding report of the auditors of the subsidiary.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Sreeja Marar**

Partner

Membership No: 111410

Mumbai

9 May 2017

# Consolidated Balance Sheet

as at 31 March 2017

(Currency: ₹ in million)

	Notes	31 March 2017	31 March 2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	537.24	537.24
Reserves and surplus	4	3,530.59	3,118.86
		4,067.83	3,656.10
<b>Non-current liabilities</b>			
Other long term liabilities	5	74.50	58.35
Long-term provisions	6	51.53	68.23
		126.03	126.58
<b>Current liabilities</b>			
Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6.79	20.24
Other current liabilities	8	135.52	103.98
Short-term provisions	9	21.88	189.84
		164.19	314.06
<b>Total</b>		4,358.05	4,096.74
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible assets	10A	1,511.62	1,513.58
Intangible assets	10B	6.07	8.87
Capital work-in-progress	10C	174.48	10.18
Intangible assets under development	10C	0.40	3.75
		1,692.57	1,536.38
Goodwill on consolidation		1,068.58	1,068.58
Non-current investments	11	-	16.15
Deferred tax assets (net)	12	44.08	25.56
Long-term loans and advances	13	89.55	106.04
		2,894.78	2,752.71
<b>Current assets</b>			
Current investments	14	1,014.82	916.31
Inventories	15	144.98	107.17
Trade receivables	16	61.57	75.05
Cash and bank balances	17	115.88	102.95
Short-term loans and advances	18	124.65	76.95
Other current assets	19	1.37	65.60
		1,463.27	1,344.03
<b>Total</b>		4,358.05	4,096.74
Significant accounting policies	2		
The accompanying notes form an integral part of the consolidated financial statements	3-29		

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - U85110MH2000PLC123882

**Sreeja Marar**  
Partner  
Membership No: 111410

**Dr. A Velumani**  
Managing Director  
DIN - 00002804

**A Sundararaju**  
Director and Chief Financial Officer  
DIN - 00003260

**Ramjee D**  
company Secretary  
Membership No - F2966

Mumbai  
9 May 2017

# Consolidated Statement of profit and loss

for the year ended 31 March 2017

(Currency: ₹ in million)

	Notes	31 March 2017	31 March 2016
<b>Revenue</b>			
Revenue from operations	20	3,068.06	2,409.65
Other income	21	90.92	65.42
<b>Total revenue</b>		<b>3,158.98</b>	<b>2,475.07</b>
<b>Expenses</b>			
Cost of materials consumed	22.a	815.54	630.33
Purchases of stock-in-trade	22.b	86.37	66.42
Changes in inventories of stock-in-trade	22.c	(8.63)	6.82
Employee benefits expense	23	311.28	256.98
Depreciation and amortisation	10A & 10B	180.47	182.37
Other expenses	24	679.80	514.12
<b>Total expenses</b>		<b>2,064.83</b>	<b>1,657.04</b>
<b>Profit before exceptional items and tax</b>		<b>1,094.15</b>	<b>818.03</b>
<b>Exceptional items (Refer Note 29.11)</b>		<b>-</b>	<b>-</b>
<b>Profit after exceptional items and before tax</b>		<b>1,094.15</b>	<b>818.03</b>
<b>Tax expense:</b>			
Current tax		403.70	321.00
Current tax expense relating to prior years		(0.67)	(4.10)
Deferred tax (credit)		(18.53)	(16.87)
		<b>384.50</b>	<b>300.03</b>
<b>Profit for the year</b>		<b>709.65</b>	<b>518.00</b>
<b>Earnings per share [Nominal value of ₹ 10 each]</b>			
(a) Basic	25.a	13.21	10.06
(b) Diluted	25.b	13.19	10.06
Significant accounting policies	2		
The accompanying notes form an integral part of the consolidated financial statements	3-29		

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Sreeja Marar**  
Partner  
Membership No: 111410

Mumbai  
9 May 2017

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - U85110MH2000PLC123882

**Dr. A Velumani**  
Managing Director  
DIN - 00002804

**A Sundararaju**  
Director and Chief Financial Officer  
DIN - 00003260

**Ramjee D**  
company Secretary  
Membership No - F2966

# Consolidated Cash flow statement

for the year ended 31 March 2017

(Currency: ₹ in million)

	31 March 2017	31 March 2016
<b>A. Cash flows from operating activities</b>		
Net profit before tax	1,094.15	818.03
Adjustments for:		
Depreciation and amortisation	180.47	182.37
Provision for diminution in value of investment	5.95	2.41
Net gain on sale of current investments	(21.12)	(10.44)
Profit on sale of fixed assets	(0.31)	(0.44)
Unrealised (gain) / loss on foreign exchange fluctuation	1.85	(1.48)
Provision for other than temporary diminution in the value of long-term investments	16.15	-
Provision for doubtful receivables	6.48	-
Provision for claims	0.84	12.91
Employee stock compensation expense	24.63	17.73
Dividend income from current investment	(48.94)	(32.22)
Interest income	(2.03)	(0.28)
	163.97	170.56
Operating profit before working capital changes	1,258.12	988.59
(Increase) in Inventories	(37.81)	(33.51)
(Increase) / Decrease in Trade receivables	5.61	(24.67)
(Increase) in Loans and advances	38.05	(10.25)
Increase / (Decrease) in Trade payables	(13.89)	12.11
Increase / (Decrease) in Other liabilities	66.75	38.16
Increase in Provisions	(17.71)	26.82
	41.00	8.66
Cash generated from operations	1,299.11	997.25
Net income tax (paid)	(404.68)	(319.24)
<b>Net cash flows from operating activities (A)</b>	<b>894.44</b>	<b>678.01</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, capital work in progress and capital advances	(363.63)	(144.20)
Proceeds from sale of fixed assets	0.61	0.75
Purchase of current investments	(1,209.07)	(1,064.44)
Proceeds from sale of current investments	1,125.73	999.17
Dividend received	48.94	32.22
Bank deposits (having original maturity of more than 3 months)	(18.60)	(0.50)
Interest received	0.90	0.25
<b>Net cash (used in) investing activities (B)</b>	<b>(415.13)</b>	<b>(176.75)</b>

# Consolidated Cash flow statement

for the year ended 31 March 2017

(Currency: ₹ in million)

	31 March 2017	31 March 2016
<b>C. Cash flows from financing activities</b>		
Loan taken	10.00	-
Loan repaid	(10.00)	-
Dividend paid on equity shares	(402.93)	(379.02)
Tax paid on dividend	(82.04)	(70.54)
<b>Net cash (used in) financing activities (C)</b>	<b>(484.97)</b>	<b>(449.56)</b>
<b>Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(5.67)</b>	51.70
<b>Cash and cash equivalents at the beginning of the year</b>	<b>102.45</b>	50.75
<b>Cash and cash equivalents at the end of the year</b>	<b>96.78</b>	102.45
<b>Notes to cash flow statement</b>		
Components of cash and cash equivalents		
Cash on hand	0.10	-
Balances with banks		
(i) In current accounts	96.68	102.45
	<b>96.78</b>	102.45

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements" as prescribed as per Companies (Accounting Standards) Rules, 2014.

2 Thyrocare Technologies Limited (TTL) allotted Nil (31 March 2016: 3,187,562) equity shares of ₹ 10 each fully paid up, to the equity shareholders of Nuclear Healthcare Limited ('NHL') in consideration for Nil (31 March 2016 : 4,611,000) equity shares of NHL. These amounts have not been considered in the above cash flow statements.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - U85110MH2000PLC123882

**Sreeja Marar**  
Partner  
Membership No: 111410

**Dr. A Velumani**  
Managing Director  
DIN - 00002804

**A Sundararaju**  
Director and Chief Financial Officer  
DIN - 00003260

**Ramjee D**  
company Secretary  
Membership No - F2966

Mumbai  
9 May 2017

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 1 Corporate information

Thyrocare Technologies Limited ("the Company") along with its wholly owned subsidiary, Nueclear Healthcare Limited ("the Subsidiary") is one of India's leading healthcare service providers in diagnostic segment. The Company and its Subsidiary ("the Group") are engaged in providing quality diagnostic services at affordable costs to laboratories, hospitals and cancer patients. The Group has its centralised fully automated diagnostic testing laboratory, regional processing laboratories, a medical cyclotron facility and multiple PET-CT facilities across the country.

## 2 Significant accounting policies

### 2.1 Basis of accounting and preparation of consolidated financial statements

These Consolidated Financial Statements relate to **Thyrocare Technologies Limited** ('the Company') and its subsidiary company, Nueclear Healthcare Limited ('the Subsidiary'), in which the Company has 100% equity holding as on 31 March 2017 (100% : 31 March 2016) herein after referred to as the "Group".

The Company acquired controlling stake in the subsidiary effective 15 November 2014.

These consolidated financial statements have been prepared as at 31 March 2017 and for year 1 April 2016 to 31 March 2017 have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis. These financials statements have been prepared to comply in all material aspects with applicable accounting standards notified under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the Act and the provisions of the Act, to the extent notified and applicable. The Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities. These consolidated financial statements are prepared in Indian rupees rounded off to the nearest million.

### 2.2 Principles of Consolidation:

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements". The Consolidated Financial Statements have been prepared on the following basis:

- (a) The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances, intra-group transactions and unrealised profits or losses have been fully eliminated.
- (b) "Minority interest" represents the amount of equity attributable to minority shareholders at the date on which investment in the subsidiary is made and its share of movements in the equity since the date the parent subsidiary relationship comes into existence.
- (c) The Consolidated Financial Statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.
- (d) Investments in subsidiary are eliminated and differences between the costs of investment over the net assets on the date of the investment in subsidiary are recognised as goodwill or capital reserve, as the case may be.
- (e) Goodwill on consolidation represents the excess of purchase consideration over the net book value of assets acquired of the subsidiary as on the date of investment. Goodwill on consolidation is not amortised but is tested for impairment on each balance sheet date and impairment losses are recognised, where applicable.
- (f) The financial statements of the subsidiary used for the purpose of consolidation are drawn upto the same reporting date as that of the parent Company, i.e. 31 March 2016.
- (g) Investments other than in subsidiary are accounted as per the Accounting Standard 13 – "Accounting for Investments".

### 2.3 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

## 2.4 Current - non-current classification

All assets and liabilities are classified into current and non-current.

### Assets

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

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) 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 position 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 :

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) 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 the settlement by the issue of equity investments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

## Operating cycle

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

All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III of the Companies Act, 2013. Normal operating cycle for the Company is 12 months.

## 2.5 Inventories

Inventories comprises of reagents, contrasts, diagnostic material, consumables and stock in trade which are valued at lower of cost and net realisable value. Cost is determined under the first-in first-out (FIFO) method and includes all costs incurred in bringing the inventories to their present location and condition.

## 2.6 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.7 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

## 2.8 Revenue recognition

Revenue from testing services and diagnostic services is recognised once the testing samples are processed for requisitioned diagnostic tests.

Revenue from imaging services is recognised once the services are rendered.



# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Revenue from sale of products is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.

Revenue from sale of products includes excise duty, wherever applicable

Sales are accounted net of sales tax and trade discounts, if any. Revenue is recognised when there is reasonable certainty of realisation.

Revenue from sale of products in a barter transaction is measured at the fair value of the product sold by reference to non barter transactions with other parties involving sale of same product.

Revenue from technical assistance and trade mark assignment is recognised once the company's right to receive the revenue is established by the reporting date. Revenue from technical assistance and trade mark is recognised as per the agreed percentage of the turnover of the respective entities, as per the terms of the agreement.

Interest income is recognized using the time proportion method, based on the underlying interest rates. Dividend income if any is recognized when the right to receive dividend is established.

## 2.9 Tangible fixed assets

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation of the fixed assets up to the time the assets are ready for intended use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

In respect of fixed assets purchased during the year, the depreciation is provided on a pro-rata basis from the date on which such asset is ready to use. Depreciation on fixed assets, except leasehold / freehold land, is provided under the written-down value method as per the useful lives prescribed under Part C of Schedule II to the Act, which in the opinion of management reflects the economic useful lives of assets. Depreciation on sale of assets is provided up to the date of sale of the asset. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful

life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at higher rate based on the management's estimate of the useful life / remaining useful life.

Assets costing up to Rupees five thousand are fully depreciated in the period of purchase.

Leasehold land is amortised on a straight-line basis over the primary period of lease.

Assets on leasehold land i.e. building premises are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Act).

## 2.10 Intangible fixed assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset. Intangible assets are amortised over the estimated useful life not exceeding 5 years.

Goodwill comprises the excess of purchase consideration over the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made. Goodwill arising on consolidation is not amortized but is tested for impairment.

## Intangible assets under development

Development activities involve a plan or design for the production of new or substantially improved products or processes.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

## 2.11 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification scheme of Schedule III of the Act.

Long Term investments are stated at cost. Provision for diminution in value is made only when in the opinion of the management there is a diminution other than temporary in the carrying value of such investments determined separately for each investment. Current investments are valued at lower of cost and market value.

## 2.12 Employee benefits

### Short-term employment benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages and bonus, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employees.

### Post employment benefits

#### Defined contribution plans

The Group has defined contribution plans for post employment benefits namely Provident Fund. Under the provident fund plan, the Group contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution. The Group makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further

obligation beyond making the payment to them. The Group's contributions to the above funds are charged to the Statement of profit and loss every year.

### Defined benefit plans

The Group's gratuity benefit scheme are defined benefit plans. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs is deducted. The calculation of the Group's obligation is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

### Other long-term employment benefits

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

## 2.13 Segment reporting

As per the guiding principles enunciated in the Accounting Standard 17 on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The Company has identified business segments as its primary segment. The Company recognizes its diagnostic testing

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

services activity, manufacturing of radiopharmaceuticals activity and imaging services activity as its primary business segment. Others represents trading and other related business activities that does not qualify as a separate business segment. Revenues and expenses directly attributable to segments are reported under each reportable segment.

## 2.14 Earnings per share

Basic EPS is computed by dividing the net profit attributable to shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

## 2.15 Taxes on income

### Income tax

Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961.

### Deferred tax

Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

### Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of the Income-tax Act, 1961 (the 'IT Act') is recognised as current tax in the Statement of Profit and Loss. The credit available under the IT Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the

Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

## 2.16 Employee stock options

The excess of the fair value of shares, at the date of grant of options under the Employees Stock Option Scheme of the Company, over the exercise price is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The accounting treatment is as prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India.

## 2.17 Impairment of assets

In accordance with AS 28 on 'Impairment of assets', other fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

has decreased, the assets or CGU's recoverable amount is estimated. The impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the profit or loss; however, in the case of revalued assets, the reversal is credited directly to revaluation surplus except to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss.

## 2.18 Provisions and contingencies

Provision is recognised in the balance sheet when the Group has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of

resources is remote, no provision or disclosures is made.

## 2.19 Foreign exchange transactions

Foreign exchange transactions are recorded into Indian rupees using the average of the opening and closing spot rates on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of profit and loss of the year.

Monetary items (including long-term monetary items) in foreign currency, which are outstanding as at the year-end are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of profit and loss. Non-monetary foreign currency items are carried at cost.

## 2.20 Lease

Operating lease payments are recognised as an expense on a straight-line basis over the non cancellable period of the lease term and charged to the Statement of profit and loss unless other systematic basis is more representative of the time pattern of the benefit. Any modifications in respect of lease terms or assumptions are recorded prospectively.

# Notes to the consolidated financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 3 Share capital

	31 March 2017		31 March 2016	
	Number of shares	Amount	Number of shares	Amount
<b>(a) Authorised</b>				
Equity shares of ₹ 10 each with equal voting rights	10,00,00,000	1,000.00	10,00,00,000	1,000.00
<b>(b) Issued</b>				
Equity shares of ₹ 10 each with equal voting rights	5,37,23,533	537.24	5,37,23,533	537.24
<b>(c) Subscribed and fully paid up</b>				
Equity shares of ₹ 10 each with equal voting rights	5,37,23,533	537.24	5,37,23,533	537.24
<b>Total</b>	<b>5,37,23,533</b>	<b>537.24</b>	<b>5,37,23,533</b>	<b>537.24</b>

### i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period/year:

	31 March 2017		31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares with equal voting rights				
Opening balance	5,37,23,533	537.24	5,05,35,971	505.36
Add : Fresh issue of equity shares for consideration other than cash (refer note v (c))	-	-	31,87,562	31.88
<b>Closing balance</b>	<b>5,37,23,533</b>	<b>537.24</b>	<b>5,37,23,533</b>	<b>537.24</b>

### ii) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each shareholder is eligible for one vote per share. The equity shares are entitled to dividend as declared from time to time.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

# Notes to the consolidated financial statements

as at 31 March 2017

(Currency: ₹ in million)

## iii) Details of equity shares held by each shareholder holding more than 5% of shares:

Class of shares / Name of shareholder	31 March 2017		31 March 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with equal voting rights</b>				
Dr A Velumani	<b>1,48,09,317</b>	<b>27.57%</b>	1,48,09,317	27.57%
Thyrocare Publications Private Limited	<b>65,34,500</b>	<b>12.16%</b>	65,34,500	12.16%
Thyrocare Properties & Infrastructure Private Limited	<b>52,17,800</b>	<b>9.71%</b>	52,17,800	9.71%
Norwest Venture Partners VIIIA Mauritius	<b>50,64,880</b>	<b>9.43%</b>	50,64,880	9.43%
Agalia Private Limited	<b>10,87,068</b>	<b>2.02%</b>	1,12,94,540	21.02%

iv) As at 31 March 2017 : 85,192 (31 March 2016 : 39,188) equity shares of ₹ 10 each were reserved for issuance as follows:

- a) 38,473 (31 March 2016 : 39,188) equity shares of ₹ 10 each reserved for issuance under Employee Stock Option Scheme 2015 (ESOS 2015) (Refer note 26c).
- b) 46,719 (31 March 2016 : Nil) equity shares of ₹ 10 each reserved for issuance under Employee Stock Option Scheme 2016 (ESOS 2016) (Refer note 26c).

v) Aggregate no. of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting date :

- a) Employees stock options

During the year ended 31 March 2015, the Company has approved Employees Stock Options Scheme on 20 September 2014 pursuant to which certain employees are entitled to 33,650 equity shares of ₹ 10 each.

These equity shares have been issued to the ESOP Trust pursuant to the approved terms of Employees Stock Option Scheme 2014, for which only the exercise price i.e. the face value of shares has been recovered in cash (Refer note 26(c)).

- b) During the years 31 March 2016 and 31 March 2015, the Company has allotted 3,187,562 and 691,295 equity shares of ₹ 10 each fully paid up respectively, to the equity shareholders of Nueclear Healthcare Limited ('NHL') in consideration for 4,611,000 and 1,000,000 equity shares of NHL respectively at a premium of ₹ 295.95 per share.
- c) During the year ended 31 March 2015, the Company has allotted 37,383,507 equity shares of ₹ 10/- each fully paid up on 24 September 2014, as bonus shares in the ratio of 3 equity shares for every share held, by capitalisation of securities premium account of ₹ 370.81 million and capital redemption reserve of ₹ 3.03 million.

# Notes to the consolidated financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 4 Reserves and surplus

	31 March 2017	31 March 2016
(a) Capital reserve		
At the commencement and end of the year	1.06	1.06
(b) Securities premium account		
At the commencement of the year	1,232.93	289.57
Add : Premium received on issue of shares to equity shareholders of Nuclear Healthcare Limited [Refer note 3(v)(b)]	-	943.36
At the end of the year	1,232.93	1,232.93
(c) Share options outstanding account		
At the commencement of the year	25.92	8.18
Employee stock compensation expense for the year [Refer note 23 and 26(c)]	24.63	17.74
At the end of the year	50.55	25.92
(d) General reserve		
At the commencement and end of the year	91.67	91.67
(e) Surplus in statement of profit and loss		
At the commencement of the year	1,767.28	1,867.88
Profit for the year	709.65	518.00
Appropriation		
Interim dividend on equity shares [amount of ₹ 5 per share (31 March 2016 : ₹ 7.5 per share)]	(268.62)	(379.02)
Dividend distribution tax	(53.93)	(77.16)
Proposed dividend on equity shares Nil (31 March 2016 : ₹ 2.5 per share) (Refer note 29.13)	-	(134.32)
Tax on proposed dividend on equity shares	-	(28.10)
	(322.55)	(618.60)
<b>At the end of the year</b>	<b>2,154.38</b>	<b>1,767.28</b>
	<b>3,530.59</b>	<b>3,118.86</b>

## 5 Other long-term liabilities

Trade/Security deposits received	72.63	54.92
Deferred rent	1.87	3.43
	<b>74.50</b>	<b>58.35</b>

## 6 Long-term provisions

Provision for employee benefits:		
Provision for compensated absences	33.61	35.60
Provision for gratuity (Refer Note 26.b)	11.36	8.91
Provision for claims* (Refer Note 29.1(a)(v))	6.56	23.72
	<b>51.53</b>	<b>68.23</b>

* At the commencement of the year	23.72	10.81
Provision during the year	0.84	12.91
Provision utilised during the year	(18.00)	-
At the end of the year	<b>6.56</b>	<b>23.72</b>

# Notes to the consolidated financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 7 Trade payables

	31 March 2017	31 March 2016
Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	6.79	20.24
	6.79	20.24

## 8 Other current liabilities

Employee dues	18.37	18.55
Statutory dues *	6.40	7.40
Creditors for capital goods	0.45	19.55
Advances received from customers	15.21	16.77
Reimbursement of expenses received \$	18.86	-
Trade/Security deposits received	4.58	7.08
Expenses payable #	52.59	29.61
Other payables (Refer Note 28.b)	16.15	-
Deferred rent	2.91	5.02
	135.52	103.98

\* Statutory dues include tax deducted at source, service tax, sales tax, local body tax, profession tax, employees provident fund and ESIC.

# Expenses payable include operating, administrative and marketing expenses.

\$ Received towards reimbursement of advertisement expenses from the selling shareholder in Initial Public Offer (IPO).

## 9 Short-term provisions

Provision for employee benefits:		
Provision for bonus	5.37	4.69
Provision for compensated absences	4.00	3.62
Provision for gratuity (Refer Note 26.b)	0.14	0.15
Provision for refundable staff security deposits	0.39	1.62
	9.90	10.08
Other provisions :		
Provision for proposed dividend (Refer note 29.13 )	-	134.31
Provision for dividend distribution tax	-	28.10
Provision for current tax (net of advance tax and tax deducted at source)	11.98	17.35
	21.88	189.84



# Notes to the Consolidated financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 10 Fixed assets

Tangible assets		Gross block				Accumulated depreciation and amortisation				Net block	
1 April 2016	Addition	Disposal/ Adjustment	Other adjustment	31 March 2017	1 April 2016	Depreciation/ amortisation expense for the year	Disposal/ adjustment	Other adjustment	31 March 2017	31 March 2017	31 March 2016
₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Leasehold Land	258.88	-	-	258.88	16.24	4.19	-	-	20.43	238.45	242.64
	(258.88)	-	-	(258.88)	(12.05)	(4.19)	-	-	(16.24)	(242.64)	(246.83)
Freehold Land	27.00	-	-	27.00	-	-	-	-	-	27.00	27.00
	(27.00)	-	-	(27.00)	-	-	-	-	-	(27.00)	(27.00)
Buildings/ Premises	870.09	-	-	870.09	163.29	34.66	-	-	197.95	672.14	706.80
	(868.87)	(1.22)	-	(870.09)	(126.52)	(36.77)	-	-	(163.29)	(706.80)	(742.35)
Plant and Equipment*	646.52	164.10	-	810.62	223.66	99.06	-	-	322.72	487.90	422.86
	(482.31)	(164.21)	-	(646.52)	(132.62)	(91.04)	-	-	(223.66)	(422.86)	(349.69)
Furniture and Fixtures	156.36	3.40	-	159.77	73.10	22.75	-	-	95.85	63.92	83.26
	(136.55)	(19.81)	-	(156.36)	(45.28)	(27.82)	-	-	(73.10)	(83.26)	(91.27)
Vehicles	17.08	-	1.76	15.32	11.22	1.89	1.51	-	11.60	3.72	5.86
	(18.22)	(0.05)	(1.19)	(17.08)	(9.28)	(2.88)	(0.94)	-	(11.22)	(5.86)	(8.94)
Office equipment	69.25	1.96	0.93	70.28	48.37	9.94	0.89	-	57.42	12.86	20.88
	(61.93)	(8.58)	(1.26)	(69.25)	(36.99)	(12.58)	(1.20)	-	(48.37)	(20.88)	(24.94)
Computers printers and scanners	42.98	5.99	-	48.97	38.70	4.64	-	-	43.34	5.63	4.28
	(39.74)	(3.24)	-	(42.98)	(34.83)	(3.87)	-	-	(38.70)	(4.28)	(4.91)
Total tangible assets	2,088.16	175.45	2.69	2,260.92	574.58	177.13	2.40	-	749.31	1,511.62	1,513.58
Total Previous year	(1,893.50)	(197.11)	(2.45)	(2,088.16)	(397.57)	(179.15)	(2.14)	-	(574.58)	(1,513.58)	(1,495.93)

\* Includes ₹ 9.76 million towards gross block of fixed assets capitalised and its accumulated depreciation of ₹ 3.27 million (31 March 2016 : ₹ 1.84 million) which is claimed under Corporate Social Responsibility (CSR) expenditure.

# Notes to the Consolidated financial statements

## as at 31 March 2017

(Currency: ₹ in million)

B. Intangible assets	Gross block			Accumulated depreciation and amortisation			Net block	
	1 April 2016	Addition	Disposal/ Adjustment	Other adjustment	31 March 2017	1 April 2016	Disposal/ adjustment	Other adjustment
	₹	₹	₹	₹	₹	₹	₹	₹
<b>Computer software</b>	<b>25.02</b>	<b>0.55</b>	<b>-</b>	<b>-</b>	<b>25.57</b>	<b>16.15</b>	<b>3.35</b>	<b>-</b>
	(23.68)	-	(1.34)	-	(25.02)	(12.93)	(3.22)	-
<b>Total intangible assets</b>	<b>25.02</b>	<b>0.55</b>	<b>-</b>	<b>-</b>	<b>25.57</b>	<b>16.15</b>	<b>3.35</b>	<b>-</b>
Total Previous year	(23.68)	-	(1.34)	-	(25.02)	(12.93)	(3.22)	-
<b>Total</b>	<b>2,113.18</b>	<b>176.00</b>	<b>2.69</b>	<b>-</b>	<b>2,286.49</b>	<b>590.73</b>	<b>180.47</b>	<b>2.40</b>
Total Previous year	(1,917.18)	(197.11)	(3.79)	-	(2,113.17)	(410.50)	(182.37)	(2.14)
<b>C. Capital work-in-progress</b>								
<b>Tangible capital work in progress</b>								
<b>Intangible assets under development</b>								
<b>Total capital work in progress</b>								

### Notes:

Figures in bracket represent balances for the year ended 31 March 2016

# Notes to the consolidated financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 11 Non-current investments

(valued at cost unless stated otherwise)

	31 March 2017	31 March 2016
<b>Non Trade Investments- Unquoted</b>		
Investments in equity instruments :		
5,440 (31 March 2016 : 5,440) equity shares of USD 0.1 each fully paid up of Thyrocare International Holding Company, Mauritius at premium of USD 54.83 per share (Refer note (i))*	16.15	16.15
Less : Provision for other than temporary diminution in the value of investments (Refer Note 28.b)	(16.15)	-
	-	16.15
<b>Aggregate book value of unquoted non-current investments</b>	-	16.15
Aggregate provision for diminution other than temporary in the value of non-current investments	16.15	-

(i) As per the terms of the investment agreements executed between the Company, the promoter controlled entity - Thyrocare International Holding Company and the investors, the Company is required to obtain prior written consent of the investors before transferring the above investments to any third party. The said investment is subject to lock in period of 3 years from the Closing Date i.e. upto 23 January 2016, as per the investment agreement.

\* The title of the investment is held by related party as at 31 March 2017 and is subsequently transferred in the name of the Company.

## 12 Deferred tax assets (net)

### Deferred tax assets/(liabilities)

Tax effect of items constituting deferred tax liability	-	-
Tax effect of items constituting deferred tax assets:-		
On difference between book balance and tax balance of fixed assets	9.39	3.65
Provision for compensated absences, gratuity and other employee benefits	20.25	20.24
On others	14.45	1.67
Tax effect of items constituting deferred tax assets	44.08	25.56
<b>Deferred tax assets (net)</b>	<b>44.08</b>	<b>25.56</b>

Note:

In case of subsidiary, the deferred tax assets of ₹ 101.06 million (31 March 2016: ₹ 123.26 million) are not recognised in view of carried forward business losses and unabsorbed depreciation, as they are not considered to be virtually certain of realisation.

## 13 Long-term loans and advances

(Unsecured, considered good)

Capital advances	10.00	2.44
Security deposits		
To related parties (Refer note 28.b)	-	33.70
To parties other than related parties	16.75	16.19
Advances for supply of goods and services	10.00	-
Loans and advances to employees benefit trust	-	0.34
Loans and advances to employees	-	0.05
Balance with government authorities	5.23	2.09
Advance income tax (net of provision for tax)	42.40	46.06
MAT credit entitlement	5.17	5.17
	<b>89.55</b>	<b>106.04</b>

# Notes to the consolidated financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 14 Current investments

(At lower of cost and market value)

	31 March 2017	31 March 2016
<b>Non Trade</b>		
<b>Investments in mutual funds - Quoted</b>		
4,607,065.55 units (31 March 2016 : Nil units) of BSL Dynamic Bond Fund - Dividend - Regular - fully paid-up [Market Value - ₹ 50.91 million (31 March 2016 : ₹ Nil)]	50.91	-
3,128,376.72 units (31 March 2016 : Nil units) of BSL Dynamic Bond Fund - Dividend - Direct - fully paid-up [Market Value - ₹ 35.05 million (31 March 2016 : ₹ Nil)]	35.05	-
8,768,109.53 units (31 March 2016 : 16,206,541.14 units) of BSL Enhanced Arbitrage Fund - Dividend fully paid-up [Market Value - ₹ 96.81 million (31 March 2016 : ₹ 178.11 million)]	96.73	178.11
Nil (31 March 2016 : 12,241,169.43 units) of BSL Enhanced Arbitrage Fund - Dividend Regular - fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 132.61 million)]	-	132.61
301,457.95 units (31 March 2016 : Nil units) of BSL Floating Rate Fund - Dividend - Direct - fully paid-up [Market Value - ₹ 30.26 million (31 March 2016 : ₹ Nil)]	30.26	-
968,873.26 units (31 March 2016 : Nil units) of BSL Short Term Opportunity Fund - Dividend - Direct - fully paid-up [Market Value - ₹ 10.20 million (31 March 2016 : ₹ Nil)]	10.20	-
324,935.57 units (31 March 2016 : Nil units) of BSL Treasury Optimizer Fund - Monthly Dividend - Direct - fully paid-up [Market Value - ₹ 35.02 million (31 March 2016 : ₹ Nil)]	35.02	-
775,778.08 units (31 March 2016 : Nil units) of BSL Treasury Optimizer Fund - Monthly Dividend - Regular - fully paid-up [Market Value - ₹ 82.84 million (31 March 2016 : ₹ Nil)]	82.84	-
504,427.47 units (31 March 2016 : Nil units) of BSL Treasury Optimizer Fund - Quarterly Dividend - Regular - fully paid-up [Market Value - ₹ 52.84 million (31 March 2016 : ₹ Nil)]	52.84	-
2,925,455.29 units (31 March 2016 : Nil units) of DSP Blackrock Banking & PSU Debt Fund -Dividend - fully paid-up [Market Value - ₹ 29.94 million (31 March 2016 : ₹ Nil)]	29.94	-
3,043,723.08 units (31 March 2016 : Nil units) of DSP Blackrock Banking & PSU Debt Fund -Growth - fully paid-up [Market Value - ₹ 42.12 million (31 March 2016 : ₹ Nil)]	40.00	-
29,458.41 units (31 March 2016 : Nil units) of DSP Blackrock Strategic Bond Fund -Dividend - fully paid-up [Market Value - ₹ 30.34 million (31 March 2016 : ₹ Nil)]	30.00	-
12,667.93 units (31 March 2016 : Nil units) of DSP Blackrock Strategic Bond Fund - Growth - fully paid-up [Market Value - ₹ 24.83 million (31 March 2016 : ₹ Nil)]	20.00	-
1,475,378.86 units (31 March 2016 : Nil units) of HDFC Banking & PSU Debt Fund - Dividend - fully paid-up [Market Value - ₹ 15.24 million (31 March 2016 : ₹ Nil)]	15.19	-
1,220,685.13 units (31 March 2016 : Nil units) of HDFC High Interest Dynamic Fund - Dividend - fully paid-up [Market Value - ₹ 15.14 million (31 March 2016 : ₹ Nil)]	15.14	-
3,006,236.23 units (31 March 2016 : Nil units) of HDFC Income Fund - Dividend - fully paid-up [Market Value - ₹ 34.71 million (31 March 2016 : ₹ Nil)]	34.71	-
2,989,769.01 units (31 March 2016 : Nil units) of HDFC Short Term Opportunities Fund - Growth - fully paid-up [Market Value - ₹ 53.78 million (31 March 2016 : ₹ Nil)]	50.00	-
Nil (31 March 2016 : 566,665.65 units) of BSL Treasury Optimizer Plan [Market Value - ₹ Nil (31 March 2016 : ₹ 59.41 million)]	-	58.95
Nil (31 March 2016 : 4,978,553.86 units) of Reliance Arbitrage Advantage Fund - Monthly Dividend fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 52.27 million)]	-	52.19
Nil (31 March 2016 : 2,055,650.57 units) of DSP Blackrock Short Term Fund - Growth fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 52.95 million)]	-	50.00

# Notes to the consolidated financial statements

as at 31 March 2017

(Currency: ₹ in million)

	31 March 2017	31 March 2016
Nil (31 March 2016 : 3,752,234.32 units) of SBI Fixed Interval Debt Fund fully paid-up [Market Value - ₹ Nil - (31 March 2016 : ₹ 45.33 million)]	-	45.04
Nil (31 March 2016 : 2,668,171.01 units) of SBI Arbitrage Opportunity Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 35.00 million)]	-	35.00
Nil (31 March 2016 : 2,991,146.21 units) of Reliance Quarterly Interval Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 30.36 million)]	-	30.00
Nil (31 March 2016 : 1,823,165.14 units) of L & T Income Opportunities Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 30.72 million)]	-	30.00
Nil (31 March 2016 : 28,980.11 units) of Reliance Money Manager Fund Daily Dividend [Market Value - ₹ Nil (31 March 2016 : ₹ 29.10 million)]	-	29.03
2,172,338.89 units (31 March 2016 : 2,172,338.89 units) of ICICI Prudential Balance Advantage - Growth fully paid-up [Market Value - ₹ 30.93 million (31 March 2016 : ₹ 28.54 million)]	30.00	28.54
10,196.06 units (31 March 2016 : Nil units) of Indiabulls Ultra Short Term Fund - Dividend - fully paid-up [Market Value - ₹ 10.24 million (31 March 2016 : ₹ Nil)]	10.24	-
2,447,873.64 units (31 March 2016 : Nil units) of Kotak Banking & PSU Debt Fund - Dividend - fully paid-up [Market Value - ₹ 25.13 million (31 March 2016 : ₹ Nil)]	25.13	-
1,973,975.11 units (31 March 2016 : Nil units) of Kotak Flexi Debt Fund - Dividend - fully paid-up [Market Value - ₹ 25.26 million (31 March 2016 : ₹ Nil)]	25.00	-
4,698,411.29 units (31 March 2016 : Nil units) of Reliance Arbitrage Advantage Fund - Dividend - fully paid-up [Market Value - ₹ 50.71 million (31 March 2016 : ₹ Nil)]	50.47	-
2,417,011.13 units (31 March 2016 : Nil units) of Reliance Banking & PSU Debt Fund - Dividend - fully paid-up [Market Value - ₹ 25.06 million (31 March 2016 : ₹ Nil)]	25.06	-
28,771.47 units (31 March 2016 : 28,771.47 units) of Reliance Money Manager - Bonus fully paid-up [Market Value - ₹ 38.00 million (31 March 2016 : ₹ 35.06 million)]	28.42	28.42
Nil units (31 March 2016 : 2,612,739.95 units) of DWS Treasury Fund Monthly Dividend now merged with DHFL Pramerica Short Term Floating Rate Fund-Direct Plan-Monthly Dividend [Market Value - ₹ Nil (31 March 2016 : ₹ 27.93 million)]	-	27.74
2,773,168.13 units (31 March 2016 : 2,288,300.84 units) of Reliance Short Term Fund Monthly Dividend fully paid-up [Market Value - ₹ 31.15 million (31 March 2016 : ₹ 25.24 million)]	31.04	25.24
2,207,359.48 units (31 March 2016 : Nil units) of SBI Dynamic Bond Fund - Dividend - fully paid-up [Market Value - ₹ 30.26 million (31 March 2016 : ₹ Nil)]	30.22	-
546,492.88 units (31 March 2016 : Nil units) of SBI Short Term Debt Fund - Growth - Direct - fully paid-up [Market Value - ₹ 10.51 million (31 March 2016 : ₹ Nil)]	10.00	-
1,934,925.78 units (31 March 2016 : Nil units) of SBI Short Term Debt Fund - Dividend - fully paid-up [Market Value - ₹ 20.46 million (31 March 2016 : ₹ Nil)]	20.41	-
2,497,627.25 units (31 March 2016 : Nil units) of SBI Short Term Debt Fund - Growth - Regular - fully paid-up [Market Value - ₹ 47.21 million (31 March 2016 : ₹ Nil)]	45.00	-
8,202.34 units (31 March 2016 : Nil units) of SBI Treasury Advantage Fund - Growth - fully paid-up [Market Value - ₹ 15.15 million (31 March 2016 : ₹ Nil)]	15.00	-
284,150.90 units (31 March 2016 : Nil units) of Unifi Capital Fund - Growth - fully paid-up [Market Value - ₹ 41.46 million (31 March 2016 : ₹ Nil)]	40.00	-
Nil (31 March 2016 : 574,909.16 units) of ICICI Prudential Income - Growth fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 26.68 million)]	-	25.12

# Notes to the consolidated financial statements

as at 31 March 2017

(Currency: ₹ in million)

	31 March 2017	31 March 2016
Nil (31 March 2016 : 2,151,586.01 units) of BSL Short Term Fund - Monthly Dividend fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 25.29 million)]	-	25.12
Nil (31 March 2016 : 130,256.91) units of ICICI Prudential Liquid Direct Plan Growth [Market Value - ₹ Nil (31 March 2016 : ₹ 29.22 million)]	-	25.00
Nil (31 March 2016 : 2,241,970.08 units) of SBI Corporate Bond Fund Daily Dividend [Market Value - ₹ Nil (31 March 2016 : ₹ 22.94 million)]	-	22.59
Nil (31 March 2016 : 20,463.96 units) of SBI Treasury Advantage Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 20.63 million)]	-	20.61
Nil (31 March 2016 : 12,667.93 units) of DSP Blackrock Strategic Bond Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 22.49 million)]	-	20.00
Nil (31 March 2016 : 1,312,292.90 units) of L & T Short Term Income Fund fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 20.63 million)]	-	20.00
<b>Investments in preference shares - Quoted</b>		
Nil, 9.25% Compulsorily redeemable non convertible cumulative preference shares with maturity period of April 2016 (31 March 2016 : 700,000 shares) of India Infoline Finance Limited fully paid-up [Market Value - ₹ Nil (31 March 2016 : ₹ 7.00 million)]	-	7.00
	<b>1,014.82</b>	916.31
Aggregate book value of quoted current investments	<b>1,014.82</b>	916.31
Aggregate market value of quoted current investments	<b>1,034.30</b>	937.50
Aggregate provision for diminution in value of current investments	<b>5.95</b>	2.41

## 15 Inventories

(At lower of cost and net realisable value)		
Reagents, diagnostic material and consumables	<b>129.01</b>	99.82
Stock-in-trade	<b>15.97</b>	7.35
	<b>144.98</b>	107.17

## 16 Trade receivables

Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good *	<b>0.03</b>	0.34
Unsecured, considered good *	<b>0.51</b>	21.60
Unsecured, considered doubtful	<b>6.48</b>	-
Less : Provision for doubtful receivables (Refer Note 28.b)	<b>(6.48)</b>	-
<b>Total</b>	<b>0.54</b>	21.94
Other Trade receivables		
Secured, considered good	<b>36.58</b>	18.77
Unsecured, considered good *	<b>24.45</b>	34.34
<b>Total</b>	<b>61.03</b>	53.11
	<b>61.57</b>	75.05
* Recoverable from related parties (Refer note 28.b)	<b>9.63</b>	31.63

# Notes to the consolidated financial statements

as at 31 March 2017

(Currency: ₹ in million)

## 17 Cash and bank balances

	31 March 2017	31 March 2016
Cash and cash equivalents		
Cash on hand	0.10	-
Balances with banks		
in current accounts	96.68	102.45
	96.78	102.45
Other bank balances		
in deposit accounts (with original maturity period exceeding 3 months but maturing within 12 months from reporting date)*	19.10	0.50
	115.88	102.95
* Includes ₹ 19.00 million (31 March 2016: ₹ 0.5 million) held as margin money deposits against bank guarantee		
<b>Details of bank balance / deposits</b>		
Bank balance available on demand / deposits with original maturity of 3 months or less included under cash and cash equivalent	-	-
Bank deposits due to mature within 12 months of the reporting date included under other bank balances	19.10	0.50
Bank deposits due to mature after 12 months of the reporting date included under Other non-current assets	-	-

## 18 Short-term loans and advances

(unsecured, considered good)		
Security deposits	69.98	0.38
Loans and advances to employees	0.05	0.11
Loans and advances to employees benefit trust	0.34	-
Prepaid expenses	50.48	8.47
Advances for supply of goods and services	3.81	67.99
	124.65	76.95

## 19 Other current assets

Other receivables*	-	65.36
Interest accrued on deposits	1.37	0.24
	1.37	65.60

\*Initial Public Offer (IPO) related expenses recoverable from the selling shareholders offering their shares in the proposed initial public offering.(Refer note 29.5).

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 20 Revenue from operations

	31 March 2017	31 March 2016
Sale of products (Refer Note (i) below) (gross)	169.92	126.72
Less : Excise duty#	1.13	-
	168.79	126.72
Sale of services (Refer Note (ii) below)	2,796.92	2,185.76
	2,965.71	2,312.48
Other operating revenue	102.35	97.17
(Includes registration charges and other miscellaneous charges recovered)		
	3,068.06	2,409.65
Note:		
(i) Sale of products comprises :		
Traded goods		
Glucose strips/ Gluco meter	27.53	26.95
Vials, tubes and kit	45.99	33.16
Others	79.58	51.14
Manufactured goods		
Radioactive pharmaceutical (FDG)	16.82	15.47
<b>Total</b>	<b>169.92</b>	<b>126.72</b>
(ii) Sale of services comprises :		
Diagnostic Services	2,632.88	2,047.63
Imaging Services	164.04	138.13
<b>Total</b>	<b>2,796.92</b>	<b>2,185.76</b>

# Excise duty collected from customers from the date of registration

## 21 Other income

Interest income (Refer Note (i) below)	2.03	0.28
Dividend income from current investment - Mutual Funds	48.94	32.22
Net gain on account of foreign exchange fluctuations	-	1.10
Technical assistance/ trade mark assignment fees	1.47	1.38
Net gain on sale of current investments	21.12	10.44
Others (Refer Note (ii) below)	17.36	20.00
	90.92	65.42
Note:		
(i) Interest income comprises:		
Interest from banks on deposits	1.36	0.04
Interest on income tax refund	0.35	0.23
Interest on deposit for electricity	0.32	0.01
<b>Total - Interest income</b>	<b>2.03</b>	<b>0.28</b>
(ii) Others comprises:		
Profit on sale of fixed assets	0.31	0.44
Miscellaneous income	17.05	19.56
<b>Total - Others</b>	<b>17.36</b>	<b>20.00</b>



# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 22a. Cost of materials consumed

	31 March 2017	31 March 2016
Opening stock	99.82	59.49
Add: Purchases*	844.73	670.66
	944.55	730.15
Less: Closing stock	129.01	99.82
<b>Cost of material consumed</b>	<b>815.54</b>	<b>630.33</b>
Material consumed comprises:		
Reagents/ Diagnostics material	768.74	584.18
Radiopharmaceuticals	4.52	2.83
Consumables	42.28	43.32
	815.54	630.33

\*Includes prior period reversal of ₹ 1.84 million (31 March 2016 : ₹ Nil).

## 22b. Purchase of stock-in-trade

Glucose strips/ Gluco meter	25.61	25.35
Others	60.76	41.07
	86.37	66.42

## 22c. Changes in inventories of stock-in-trade

Inventories at the end of the year:		
Glucose strips/ Gluco meter	4.08	0.48
Others	11.89	6.87
	15.97	7.35
Inventories at the beginning of the year:		
Glucose strips/ Gluco meter	0.47	3.15
Others	6.87	11.02
	7.34	14.17
<b>Net change</b>	<b>(8.63)</b>	<b>6.82</b>

## 23 Employee benefits expense

Salaries, wages and bonus	244.78	188.55
Contributions to provident and other funds (Refer note 26.a)	19.43	14.78
Employees stock compensation expense (Refer note 26.c)	24.63	17.73
Gratuity (Refer Note 26.b)*	2.50	2.05
Compensated absences*	10.23	24.17
Staff welfare expenses	9.71	9.70
	311.28	256.98

\*Includes prior period expense of ₹ Nil (31 March 2016 : ₹ 11.37 million) towards compensated absences and ₹ Nil (31 March 2016 : 0.90 million) towards gratuity

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 24 Other expenses

	31 March 2017	31 March 2016
Outlab processing	35.12	32.10
Power and fuel and water	63.53	53.21
Rent (Refer note 29.2)	57.42	54.05
Repairs and maintenance - Buildings	9.63	11.16
Repairs and maintenance - Machinery	21.44	13.66
Repairs and maintenance - Others	0.88	0.96
Insurance	1.74	1.56
Rates and taxes*	32.85	24.61
Communication	5.53	6.47
Service charges	127.46	84.23
Postage and courier	34.56	27.28
Travelling and conveyance	2.84	3.40
Printing and stationery	44.86	40.03
Freight and forwarding	1.37	0.21
Sales incentive	78.56	40.70
Advertisement expenses	1.30	29.15
Accreditation expenses	3.38	2.93
Business promotion	62.03	32.69
Bank charges	3.19	5.51
Legal and professional fees	35.74	26.11
Payments to auditors (Refer Note (i) below)	6.11	2.82
Provision for claim (Refer Note 29.1 (a) (v) )	0.84	12.91
Provision for diminution in value of investment	5.95	2.41
Provision for other than temporary diminution in the value of long-term investments (Refer Note 28.b)	16.15	-
Provision for doubtful trade receivables (Refer Note 28.b)	6.48	-
Loss on foreign exchange fluctuation (net)	1.85	-
Corporate social responsibility expenses (Refer note 29.4)	13.51	0.04
Miscellaneous expenses	5.48	5.92
	<b>679.80</b>	<b>514.12</b>

\* includes prior period expense of ₹ Nil (31 March 2016 : ₹ 4.51 million)

### Notes:

(i) Payments to the auditors comprises of (net of service tax input credit, where applicable):		
Statutory audit	5.40	2.50
Tax audit	0.71	0.30
Reimbursement of expenses	-	0.02
	<b>6.11</b>	<b>2.82</b>

Excludes amount to be recovered from shareholders whose shares are being offered for sale in the proposed initial public offerings ₹ Nil (31 March 2016 : ₹ 4.34 million) towards fees in connection with filing of offer document with SEBI.(Refer note 29.5)

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 25 Earning Per Share

	31 March 2017	31 March 2016
<b>25.a Basic</b>		
Net profit for the year	<b>709.65</b>	518.00
Weighted average number of equity shares outstanding during the year	<b>5,37,23,533</b>	5,14,70,407
Face value per share ₹	<b>10</b>	10
Earnings per share - Basic (₹)	<b>13.21</b>	10.06
<b>25.b Diluted</b>		
Net profit for the year	<b>709.65</b>	518.00
Profit attributable to equity shareholders (on dilution)	<b>709.65</b>	518.00
Weighted average number of equity shares for basic EPS	<b>5,37,23,533</b>	5,14,70,407
Weighted average number of equity shares for diluted EPS	<b>5,38,07,460</b>	5,14,70,407
Face value per share ₹	<b>10</b>	10
Earnings per share - Diluted (₹)	<b>13.19</b>	10.06

## 26 Employee benefit plans

### 26.a Defined contribution plans

The group makes Provident Fund, Employee State Insurance Corporation and Maharashtra Labour Welfare Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. The group recognised ₹ 15.56 million (31 March 2016 : ₹ 12.51 million) for Provident Fund contributions, ₹ 3.78 million (31 March 2016 : ₹ 2.24 million) for ESIC contributions and ₹ 0.09 million (31 March 2016 : ₹ 0.03 million) for Maharashtra Labour Welfare Fund contributions in the Statement of Profit and Loss during the year (Refer note 23). The contributions payable to these plans by the group are at rates specified in the rules of the schemes. The group does not expect any further liability other than the specified contributions.

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 26.b Defined benefit plans

The group offers the following employee benefit schemes to its employees:

### i. Gratuity

The following table sets out the unfunded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	31 March 2017 Gratuity	31 March 2016 Gratuity
<b>Components of</b>		
Current service cost	2.30	2.03
Interest cost	0.71	0.65
Prior period liability recognised in current year	-	0.90
Expected return on plan assets	-	-
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	(0.51)	(1.53)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>2.50</b>	<b>2.05</b>
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	-	-
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	-	-
Present value of unfunded obligation	(11.50)	(9.06)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(11.50)</b>	<b>(9.06)</b>
<b>Net asset/ (liability)</b>		
Current	(0.14)	(0.15)
Non Current	(11.36)	(8.91)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(11.50)</b>	<b>(9.06)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the period	9.06	7.29
Current service cost	2.30	2.03
Interest cost	0.71	0.65
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains) / losses	(0.51)	(1.53)
Past service cost	-	-
Prior period liability recognised in current year	-	0.90
Benefits paid	(0.06)	(0.28)
Present value of DBO at the end of the year	11.50	9.06

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Particulars	31 March 2017	31 March 2016
<b>Actuarial assumptions</b>		
Discount rate	<b>7.27%</b>	7.86%
Salary escalation	<b>10.00%</b>	10.00%

**Note:**

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

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors and the rate of attrition is assumed on the basis of the nature of business carried out and the retention policy of the group.

The mortality rates as given under Indian Assured Lives Mortality (2006-2008) Ultimate have been used to provide for liability on account of death while in service and the retirement age has been considered as 58 years except incase of directors in whose case it is 70 years.

The defined benefit obligations are unfunded.

## Experience adjustments

	31 March 2017	31 March 2016	31 March 2015
<b>Gratuity</b>			
Present value of DBO	<b>11.50</b>	9.06	7.30
Fair value of plan assets	-	-	-
Funded status [Surplus / (Deficit)]	<b>(11.50)</b>	(9.06)	0.00
Experience gain / (loss) adjustments on plan liabilities	<b>1.59</b>	1.64	0.22
Experience gain / (loss) adjustments on plan assets	-	-	-

## 26.c Employees share based payments

### Description of share-based payments arrangements

During the year the group has offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016” (ESOS2016) vide authorisation of shareholders in the annual general meeting held on 12 September 2016. The options may be exercised either fully or partially in four equal installments.

The employees were identified as those who had completed two years of service as on 31 March 2016, subject to their continuous service till the vesting period.

During the previous year the group has offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015” (ESOS2015) vide authorisation of shareholders in the annual general meeting held on 26 September 2015. The options may be exercised either fully or partially in four equal installments.

The employees were identified as those who had completed two years of service as on 31 March 2015, subject to their continuous service till the vesting period.

The group had offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2014” (ESOS2014) vide authorisation of shareholders in their extra ordinary general meeting held on September 20, 2014. The group has formed the trust under the name of ‘Thyrocare Employee Stock Option Trust’. The shares to be issued under these options to the employees

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

are allotted to the trust. The trust hold these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The options may be exercised either fully or partially in four equal installments. The employees were identified on the basis of the length of service, nature of their work, remuneration earned, etc. and are entitled to ESOS, subject to their continuous service till the vesting period. The identified employees are also entitled to purchase additional shares proportionately from the shares of employees who are not desirous to purchase the equity shares or who have left the organisation during this year.

Scheme	Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (INR) per share	Weighted Average Exercise Price (INR) per share
ESOS2016	2016	12-Sep-16	50,537	Vested after 3 years from date of grant of options	One year after the expiry of vesting period	10	10
ESOS2015	2015	26-Sep-15	40,434	Vested after 3 years from date of grant of options	One year after the expiry of vesting period	10	10
ESOS2014	2014	23-Sep-14	134,600*	Vested after 2.5 years from date of grant of options	One year after the expiry of vesting period	10	10

\* Includes 100,950 no. of bonus shares

For the above, the difference between the fair price of the shares underlying the options on the grant date and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense and is expensed over the vesting period.

## Share based payment expense

Particulars	As at 31 March 2017	As at 31 March 2016
ESOS2016	5.20	-
ESOS2015	3.68	1.96
ESOS2014	15.75	15.77
<b>Total expense recognised in employee benefits</b>	<b>24.63</b>	<b>17.73</b>

The fair value of the shares granted under ESOS2016 is ₹ 619 per share, ESOS2015 is ₹ 301 per share and ESOS2014 is ₹ 305 per share on the respective grant date.

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under employee stock option plans are as follows.

Particulars	31 March 2017		31 March 2016	
	No of Options	Weighted average exercise price	No of Options	Weighted average exercise price
<b>ESOS2016</b>				
Outstanding at 1 April	-	-	-	-
Granted during the year	50,537	10	-	-
Forfeited during the year	3,818	10	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Outstanding at 31 March</b>	<b>46,719</b>	<b>10</b>	-	-
<b>ESOS2015</b>				
Outstanding at 1 April	39,188	10	-	-
Granted during the year	-	-	40,434	10
Forfeited during the year	715	-	1,246	10
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Outstanding at 31 March</b>	<b>38,473</b>	<b>10</b>	39,188	10
<b>ESOS2014</b>				
Outstanding at 1 April	1,34,600	10	1,34,600	10
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Outstanding at 31 March</b>	<b>1,34,600</b>	<b>10</b>	1,34,600	10

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

The options outstanding at 31 March have an exercise price and a weighted average contractual life as given below :

Particulars	31 March 2017			31 March 2016		
	No of Outstanding Share options	Range of Exercise price	Weighted average remaining life	No of Outstanding Share options	Range of Exercise price	Weighted average remaining life
ESOS2016	46,719	10	2.50	-	-	-
ESOS2015	38,473	10	1.50	39,188	10	2.50
ESOS2014	1,34,600	10	.*	134,600	10	1.00

\* less than 12 months

The group has adopted the intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The group's profit for the year and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with Black Scholes model.

Particulars	31 March 2017	31 March 2016
Net Profit after tax as reported	709.65	518.00
Add : Employees stock option compensation expense as per intrinsic value method	24.63	17.73
Less : Employee stock option compensation expense as per fair value	23.38	15.98
Adjusted proforma net profit after tax	710.91	519.75
Basic Earnings per share as reported	13.21	10.06
Basic Earnings per share - proforma	13.23	10.10
Diluted Earnings per share as reported	13.19	10.06
Diluted Earnings per share - proforma	13.21	10.09

For purpose of the above proforma disclosures, the estimated grant date fair value of stock options granted under the ESOS 2014 is ₹ 278.63, under the ESOS 2015 is ₹ 274.63 and under the ESOS 2016 is ₹ 584.48. The fair values are measured based on the Black-Scholes- Merton formula. Expected volatility, an input in this formula, is estimated by considering historic average share price volatility. The inputs used in the measurement of grant date fair values are as follows :

	2016 Plan	2015 Plan	2014 Plan
Share price at grant date	619	301	305
Exercise price	10	10	10
Expected volatility	27.06%	0.01 %	0.01 %
Expected life	2.5	2.5	1
Expected dividends	10.00	10.00	10.00
Risk-free interest rate (based on government bonds)	6.89%	7.86 %	7.86 %



# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

## 27 Segment information

The Company has identified business segments as its primary segment. The Company recognizes its diagnostic testing services activity and imaging services activity as its two primary business segment. Its operations predominantly consist of providing laboratory testing services to its patients and providing imaging services to its patients and the manufacture and sale of radioactive pharmaceuticals to customers. Income from diagnostic testing services comprises the major portion of primary segmental information set out in these financial statements. Imaging services segment represent PET-CT scan and sale of radio pharmaceuticals used in imaging services. Others represents trading and other related business activities that does not qualify as a separate business segment. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst the segment are not allocated. The testing and imaging services to patients and sale of pharmaceuticals to customers are primarily in India and hence geographical segments are not applicable. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard 17 on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013.

Particulars	Business segments			Total
	Diagnostic Testing Services	Imaging Services	Others	
<b>INCOME</b>				
<b>Revenue</b>	<b>2,732.01</b>	<b>182.95</b>	<b>153.10</b>	<b>3,068.06</b>
	(2,142.86)	(155.54)	(111.25)	(2,409.65)
Inter-segment revenue	-	-	-	-
	(-)	(-)	(-)	(-)
<b>Total</b>	<b>2,732.01</b>	<b>182.95</b>	<b>153.10</b>	<b>3,068.06</b>
	(2,142.86)	(155.54)	(111.25)	(2,409.65)
<b>EXPENSES</b>	<b>1,642.47</b>	<b>197.66</b>	<b>77.84</b>	<b>1,917.97</b>
	(1,291.66)	(196.67)	(73.24)	(1,561.61)
<b>Segment result</b>	<b>1,089.54</b>	<b>(14.71)</b>	<b>75.26</b>	<b>1,150.09</b>
	(851.20)	41.13	(38.01)	(848.08)
Unallocable expenses (net)				<b>146.86</b>
				(95.48)
Other income (net)				<b>90.92</b>
				(65.43)
<b>Profit before tax</b>				<b>1,094.15</b>
				(818.03)
Tax expense				<b>384.50</b>
				(300.03)
<b>Net profit for the year</b>				<b>709.65</b>
				(518.00)
<b>Profit for the year</b>				<b>709.65</b>
				(518.00)

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Particulars	Business segments			Total
	Diagnostic Testing Services	Imaging Services	Others	
Segment assets	1,293.26	860.02	29.75	2,183.03
	(1,337.97)	(673.50)	(7.41)	(2,018.88)
Unallocable assets				2,175.02
				(2,077.86)
<b>Total assets</b>				<b>4,358.05</b>
				(4,096.74)
Segment liabilities	216.33	31.97	1.02	249.32
	(129.84)	(129.43)	(1.62)	(260.89)
Unallocable liabilities				40.90
				(179.75)
<b>Total liabilities</b>				<b>290.22</b>
				(440.64)
Other information				
Capital expenditure (allocable)	82.99	93.01	-	176.00
	(155.01)	(3.62)	(-)	(158.63)
Depreciation and amortisation (allocable)	116.89	67.76	-	184.65
	(113.50)	(68.87)	(-)	(182.37)

Note : Figures in bracket relates to the previous year 31 March 2016

## 28 Related party transactions

### 27.a Details of related parties:

Description of relationship	Names of related parties
Enterprise over which directors and their relatives exercise control or influence, where transactions have taken place during the year	Thyrocare International Holding Company Limited, Mauritius
	Thyrocare Gulf Laboratories WLL
	Sumathi Infra Project LLP (converted into LLP w.e.f 29 March 2016)
	Sumathi Construction Private Limited
	Mahima Advertising LLP (converted into LLP w.e.f 30 March 2016)
	Thyrocare Properties & Infrastructure Private Limited
	Thyrocare Publications LLP (converted into LLP w.e.f 30 March 2016)
Key Management Personnel (KMP)	Dr A Velumani, Managing Director
	A Sundararaju, Director
	Sumathi Velumani, Director (deceased on 13 February 2016)
	Amruta Velumani, Director (w.e.f. 22 February 2016)

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Relatives of KMP	Dr A Velumani HUF (HUF in which Dr A Velumani is Karta)
	Amruta Velumani, daughter of Dr A Velumani (upto 21 February 2016)
	Anand Velumani (son of Dr A Velumani)
	A Sundararaju HUF (HUF in which A Sundararaju is Karta)
	JKR Rajagopal (brother in-law of Dr A Velumani)
	Bhamini S (wife of A Sundararaju)
	A Sundararaju HUF (HUF in which A Sundararaju is Karta)
	S Susila (sister of Dr A Velumani)
	A Rathinaswamy (brother of Dr A Velumani)
	A Sayamal (mother of Dr A Velumani)
	P Arokiaswamy (father of Dr A Velumani)

## 28.b Details of related party transactions during the year ended 31 March 2017 and balances outstanding as at 31 March 2017:

Particulars	Enterprise over which directors and their relatives exercise control or influence	KMP	Relatives of KMP	Total
<b>Revenue from operations</b>				
Thyrocare Gulf Laboratories WLL	<b>26.35</b>	-	-	<b>26.35</b>
	(15.85)	(-)	(-)	(15.85)
<b>Rent Paid</b>				
Sumathi Construction Private Limited	<b>38.75</b>	-	-	<b>38.75</b>
	(40.32)	(-)	(-)	(40.32)
<b>Other Income</b>				
Thyrocare Gulf Laboratories WLL	<b>0.19</b>	-	-	<b>0.19</b>
	(-)	(-)	(-)	(-)
<b>Purchase of fixed assets</b>				
Thyrocare Gulf Laboratories WLL	-	-	-	-
	(4.52)	(-)	(-)	(4.52)
<b>Purchase of consumables</b>				
Thyrocare Gulf Laboratories WLL	-	-	-	-
	(0.23)	(-)	(-)	(0.23)
<b>Provision for other than temporary diminution in the value of long-term investments</b>				
Thyrocare International Holding Company Limited, Mauritius	<b>16.15</b>	-	-	<b>16.15</b>
	(-)	(-)	(-)	(-)

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Particulars	Enterprise over which directors and their relatives exercise control or influence	KMP	Relatives of KMP	Total
<b>Provision for doubtful trade receivables</b>				
Thyrocare Gulf Laboratories WLL	<b>6.48</b>	-	-	<b>6.48</b>
	(-)	(-)	(-)	(-)
<b>Sale of non-current investments</b>				
S Susila	-	-	<b>16.15</b>	<b>16.15</b>
	(-)	(-)	(-)	(-)
<b>Reversal of sale of non-current investments</b>				
S Susila	-	-	<b>16.15</b>	<b>16.15</b>
	(-)	(-)	(-)	(-)
<b>Royalty payment</b>				
Dr. A Velumani	-	<b>1.27</b>	-	<b>1.27</b>
	(-)	(-)	(-)	(-)
<b>Waiving of royalty payment</b>				
Dr. A Velumani (Refer note 1 below)	-	<b>1.27</b>	-	<b>1.27</b>
	(-)	(-)	(-)	(-)
<b>Balances written off</b>				
Thyrocare International Holding Company Limited, Mauritius	<b>0.03</b>	-	-	<b>0.03</b>
	(-)	(-)	(-)	(-)
<b>Expenses incurred on behalf of the company</b>				
Thyrocare Gulf Laboratories W.L.L.	<b>0.80</b>	-	-	<b>0.80</b>
	(-)	(-)	(-)	(-)
<b>Expenses incurred by</b>				
Sumathi Construction Private Limited	<b>5.15</b>	-	-	<b>5.15</b>
	(3.57)	(-)	(-)	(3.57)
<b>Technical assistance fees received / receivable</b>				
Thyrocare International Holding Company Limited, Mauritius	<b>1.47</b>	-	-	<b>1.47</b>
	(1.38)	(-)	(-)	(1.38)
<b>Loan Taken</b>				
Anand Velumani	-	-	<b>10.00</b>	<b>10.00</b>
	(-)	(-)	(-)	(-)
<b>Loan Repaid</b>				
Anand Velumani	-	-	<b>10.00</b>	<b>10.00</b>
	(-)	(-)	(-)	(-)

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Particulars	Enterprise over which directors and their relatives exercise control or influence	KMP	Relatives of KMP	Total
<b>Share swap of equity shares of Nuclear Healthcare Limited</b>				
Dr. A Velumani, CEO	-	-	-	-
	(-)	(907.22)	(-)	(907.22)
A Sundararaju, CFO	-	-	-	-
	(-)	(3.17)	(-)	(3.17)
Sumathi Velumani	-	-	-	-
	(-)	(2.12)	(-)	(2.12)
Amruta Velumani	-	-	-	-
	(-)	(-)	(1.06)	(1.06)
Anand Velumani	-	-	-	-
	(-)	(-)	(1.06)	(1.06)
Dr A Velumani HUF	-	-	-	-
	(-)	(-)	(60.60)	(60.60)
<b>Dividend paid</b>				
Dr. A Velumani	-	<b>111.07</b>	-	<b>111.07</b>
	(-)	(84.36)	(-)	(84.36)
A Sundararaju	-	<b>1.87</b>	-	<b>1.87</b>
	(-)	(1.79)	(-)	(1.79)
Sumathi Velumani	-	-	-	-
	(-)	(4.42)	(-)	(4.42)
Amruta Velumani	-	<b>5.64</b>	-	<b>5.64</b>
	(-)	(-)	(5.62)	(5.62)
Anand Velumani	-	-	<b>4.75</b>	<b>4.75</b>
	(-)	(-)	(6.05)	(6.05)
Dr A Velumani HUF	-	-	<b>6.84</b>	<b>6.84</b>
	(-)	(-)	(6.70)	(6.70)
A Sundararaju HUF	-	-	<b>18.12</b>	<b>18.12</b>
	(-)	(-)	(19.47)	(19.47)
A Sayamal	-	-	-	-
	(-)	(-)	(0.00)*	(0.00)*
P Arokiaswamy	-	-	-	-
	(-)	(-)	(0.00)*	(0.00)*
Sumathi Infra Project LLP	<b>11.82</b>	-	-	<b>11.82</b>
	(11.82)	(-)	(-)	(11.82)
Mahima Advertising LLP	<b>9.45</b>	-	-	<b>9.45</b>
	(9.45)	(-)	(-)	(9.45)
Thyrocare Properties & Infrastructure Private Limited	<b>39.13</b>	-	-	<b>39.13</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Particulars	Enterprise over which directors and their relatives exercise control or influence	KMP	Relatives of KMP	Total
	(39.13)	(-)	(-)	(39.13)
Thyrocare Publications LLP	<b>49.01</b>	-	-	<b>49.01</b>
	(49.01)	(-)	(-)	(49.01)
<b>Remuneration paid</b>				
Dr. A Velumani	-	<b>16.00</b>	-	<b>16.00</b>
	(-)	(10.80)	(-)	(10.80)
A Sundararaju	-	<b>8.00</b>	-	<b>8.00</b>
	(-)	(5.16)	(-)	(5.16)
<b>Balances outstanding at the end of the period</b>				
<b>Amount recoverable from related parties</b>				
Thyrocare International Holding Company Limited, Mauritius	-	-	-	<b>0.00</b>
	(0.03)	(-)	(-)	(0.03)
<b>Amount payable to related parties</b>				
Sumathi Construction Private Limited	-	-	-	<b>0.00</b>
	(4.29)	(-)	(-)	(4.29)
Thyrocare Gulf Laboratories WLL	-	-	-	<b>0.00</b>
	(4.75)	(-)	(-)	(4.75)
S Susila	-	-	<b>16.15</b>	<b>16.15</b>
	(-)	(-)	(-)	(-)
<b>Remuneration payable</b>				
Dr. A Velumani	-	<b>0.65</b>	-	<b>0.65</b>
	(-)	(1.40)	(-)	(1.40)
A Sundararaju	-	<b>0.36</b>	-	<b>0.36</b>
	(-)	(0.65)	(-)	(0.65)
<b>Investment in equity instruments</b>				
Thyrocare International Holding Company Limited, Mauritius	<b>16.15</b>	-	-	<b>16.15</b>
	(16.15)	(-)	(-)	(16.15)
<b>Provision for other than temporary diminution in the value of investments</b>				
Thyrocare International Holding Company Limited, Mauritius	<b>16.15</b>	-	-	<b>16.15</b>
	(-)	(-)	(-)	(-)

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

Particulars	Enterprise over which directors and their relatives exercise control or influence	KMP	Relatives of KMP	Total
<b>Security deposits for leased premises</b>				
Sumathi Construction Private Limited	33.70	-	-	33.70
	(33.70)	(-)	(-)	(33.70)
<b>Receivable towards revenue from operations</b>				
Thyrocare Gulf Laboratories WLL	9.63	-	-	9.63
	(24.63)	(-)	(-)	(24.63)
<b>Receivable towards technical assistance fees</b>				
Thyrocare Gulf Laboratories WLL	6.48	-	-	6.48
	(6.98)	(-)	(-)	(6.98)
<b>Provision for doubtful receivables</b>				
Thyrocare Gulf Laboratories WLL	6.48	-	-	6.48
	(-)	(-)	(-)	(-)

\* Amount less than ₹ 0.01 million

## Notes :

- The Company was providing for royalty based on the terms of the agreement for using the trademark. During the year, as Dr. A. Velumani has decided to transfer the assigned trademark to the Company, he has offered to waive the royalty payable to him for use of the trademark until the transfer takes effect.
- Figures in bracket relates to the previous year ended 31 March 2016

## 29 Additional information to the consolidated financial statements

### 29.1 Contingent liabilities and commitments

#### A) Contingent liabilities

	31 March 2017	31 March 2016
<b>Claims against the group not acknowledged as debt</b>		
i) Property tax demand (See note (a) below)	82.90	67.59
ii) Income tax demands - TDS matter (See note (b) below)	368.52	368.52
iii) Other Income tax assessment (See note (c) below)	17.34	5.26
iv) Employees Provident funds & Miscellaneous Provisions Act, 1952 (See note (d) below)	5.23	5.23
v) Other matter (See (e) below)	10.07	8.67

- Navi Mumbai Municipal Corporation (NMMC) raised a claim on the original owner of the corporate office premises at D/37 -3 located at Turbhe on account of arrears arising from retrospective amendment in the property tax rates. The group has not received any reply to the letters filed from time to time with NMMC for the said matter. A writ petition has been filed before the H'ble High Court seeking intervention against the arbitrary assessment of the property tax with retrospective effect for the stated premises. The total amount of dues payable to NMMC is ₹ 93.24 million (31 March 2016: ₹ 71.04 million). Of the total amount of dues payable, the group has provided for property tax dues of ₹ 10.34 million (31 March 2016: ₹ 3.45 million) for the said premises on the basis of the constructed area and the rates charged for the adjacent plot towards property tax. The balance outstanding amount of ₹ 82.90 million (31 March 2016: ₹ 67.59 million) as per NMMC for the corporate office premises has not been acknowledged as debts in the books of the group.

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

- b) The group had received income tax demand of ₹ 368.52 million (31 March 2016 : ₹ 368.52 million) on account of TDS survey proceedings initiated by the Income tax department for the FY 2008-09 to 2011-12. The group has already filed an appeal before the H'ble High Court and the same is pending for hearing. In view of the management no provision is considered necessary as at 31 March 2017.
- c) The CIT (Appeals) vide its order dated 22 March, 2017 dismissed an appeal filed by the group for the Assessment year 2012-13 challenging the Income Tax demand of ₹ 0.39 million (included under contingent liability for the year ended 31 March, 2016). The group has not preferred further appeal against the stated order and accordingly, the group has allowed the department to adjust the unpaid demand for the said appeal against the refund due to the group for AY 2014-15.
- d) The group received an order for Provident Fund demand of ₹ 5.23 million (31 March 2016: ₹ 5.23 million) on account of an inquiry u/s 7A of the Employees Provident Fund and Miscellaneous Provisions Act, 1952, the group has already filed an appeal before the Tribunal and requested for condonation of delay and stay of the demand raised by the Regional Provident Fund Commissioner. The tribunal has passed an order dismissing the appeal in default to which the group has filed an application for restoring the appeal. The appeal is restored back and is currently pending for hearing. As per the direction of the Provident Fund Appellate Tribunal, the group has paid 40% of disputed amount aggregating ₹ 2.09 million (31 March 2016: ₹ 2.09 million) to the Provident Fund organisation. Meanwhile, the Regional Provident Fund Commissioner has proceeded to recover the balance amount in dispute. The group has filed an application before the Tribunal for refunding the recovery amount, inspite of the stay granted by the Tribunal. The matter is pending for hearing and in view of the management no provision is considered necessary as at 31 March 2017.
- e) The group had received a claim towards statutory dues for purchase of capital assets from one of its vendor. Vendor had filed a suit before Civil Court, Thane for the said claim. The Civil Court, Thane has passed an order on 12 August 2016 directing the group to settle the claim along with interest @ 24% p.a. The total amount due towards settlement of the claim is ₹ 34.63 million (31 March 2016 : ₹ 32.40 million) inclusive of interest of ₹ 16.11 million (31 March 2016 : ₹ 13.88 million) calculated @ 24% p.a from the date of filing of suit till the date of passing an order. Of the total statutory dues of ₹ 18.52 million, the group had in earlier years made provision of ₹ 18.52 million of which ₹ 7.71 million was provided during the previous year. Of the interest amount of ₹ 16.11 million, the group had made additional provision of ₹ 0.84 million in the current year (31 March 2016 : ₹ 5.20 million). During the current year, an amount of ₹ 18.00 million was paid to the vendor, pursuant to the order passed by the Civil Court, Thane and the management has carried a provision of ₹ 6.56 million. The balance outstanding of ₹ 10.07 million (31 March 2016: ₹ 8.67 million) has not been acknowledged as debt in the books of the group.

## B) Commitments

- (i) The Group has entered into Reagent Rental Arrangements for a period ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers / diagnostic equipments at no cost in the processing laboratory of the group. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads.

The value of purchase commitments for the remaining number of years are ₹ 2,631.38 million (31 March 2016: ₹ 3,117.77 million) of which annual commitment for next year is ₹ 593.26 million (31 March 2016 : ₹ 467.09 million) as per the terms of these arrangements.

The estimated amount of contracts remaining to be executed on capital account and not provided for towards tangible assets aggregates to ₹ 449.40 million (31 March 2016 : ₹ 11.83 million).



# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

- (ii) The group has entered into an arrangements for purchase of cyclotron and PET CT from vendor over a period of 7 years. The commitments as per these arrangements are the operational commitment and supply of certain quantities of FDG at no cost to the vendor over the period of the arrangement.

The value of purchase commitments as per the terms of arrangement is ₹ 12 million (31 March 2016: ₹ 12 million) per annum for 7 years against supply of all essential consumables, replaceables and repairables.

In furtherance to the above arrangements, the group has entered into an arrangement for purchase of two cyclotron and upgradation of existing cyclotron from vendor over a period of 7 years. The commitments as per these arrangements are the operational commitment and the commitments as per the earlier arrangements shall also to get amended upon the upgradation of existing cyclotron.

The value of purchase commitments as per the terms of arrangement for new cyclotron is USD 0.28 million per annum, as minimum assured revenue, for 7 years against supply of all essential consumables, replaceables and repairables. Apart from the minimum assured revenue as per the terms, the group is obliged to pay on the basis of number of runs and production per run. The existing commitments as per the earlier arrangement shall also be amended upon the upgradation of existing cyclotron in the same line.

## 29.2 The group has entered into operating leases for building, office and storage spaces. Lease payments incase of buildings are increased after three years to reflect market rentals.

Total lease payments recognised in books for the year is ₹ 57.42 million (31 March 2016 : 54.05 million)

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2017 are as follows :

Particulars	31 March 2017	31 March 2016
Payable within one year	31.68	45.72
Payable between one and five years	49.56	63.98
Payable after five years	16.53	18.03
<b>Total</b>	<b>97.77</b>	127.73

- 29.3 During the year ended 31 March, 2016, as approved in the meeting of Audit Committee and Board of Directors dated 16 September 2014, the group has issued 3,187,562 shares of the group as fully paid equity shares at a premium of ₹ 295.95 per share for 4,611,000 shares of Nueclear Healthcare Limited (in the ratio of 1 : 1.44656) to the shareholders of Nueclear Healthcare Limited. Accordingly Nueclear Healthcare Limited has become a wholly owned subsidiary on 16 December 2015. As on 31 March 2016 the Company holds all the equity shares of the subsidiary and is the only shareholder and member as per the shareholder and member register of the subsidiary. As at 31 March 2017 the Company has transfered six equity shares to six persons (one each), assigned to hold these shares with beneficial ownership being vested with the Company, to comply with the requirement of the Companies Act, 2013.

## 29.4 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the group. The funds were primarily allocated and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

- A. Gross amount required to be spent by the group during the year ₹ 15.16 million (31 March 2016 : ₹ 14.45 million)  
B. Amounts spent during the year on :

Particulars	31 March 2017		31 March 2016	
	Paid in Cash	Yet to be Paid in Cash	Paid in Cash	Yet to be Paid in Cash
i) Construction/acquisition of any asset	5.57	-	0.04	-
ii) On purposes other than (i) above	6.38	-	-	-
	<b>11.95</b>	<b>-</b>	<b>0.04</b>	<b>-</b>

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

29.5 The group completed Initial Public Offer through an offer for sale of 10,744,708 equity shares of ₹ 10/- each at a price of ₹ 446/- by the Selling shareholders. Accordingly, the group has did not raised money by way of initial public offer, and hence no funds received by the Company. The equity shares of the group got listed on NSE and BSE on 9 May 2016.

29.6 The group's international transactions and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2016. The group will undertake a study for transactions upto 31 March 2017 and an independent opinion will be obtained for the same. Management believes that the group's international transactions and domestic transactions with related parties post 31 March 2016 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

29.7 Goodwill on consolidation comprises of

Name of the entity	31 March 2017	31 March 2016
Nuclear Healthcare Limited	1,068.58	1,068.58

29.8 Additional information as required under para 2 of General Instruction for the preparation of Consolidation Financial Statements of Schedule III to the Companies Act, 2013.

	Net assets i.e total assets minus total liabilities		Share in profit or loss	
	As (%) of consolidated net assets	Amount (₹ in millions)	As (%) of consolidated profit and loss	Amount (₹ in millions)
<b>Parent group</b>				
Thyrocare Technologies Limited	103.65%	3,881.08	105.47%	748.46
<b>Subsidiary</b>				
Nuclear Healthcare Limited	20.14%	754.02	-6.05%	(42.93)
Eliminations	-23.78%	(890.57)	0.58%	4.12
	100.00%	3,744.53	100.00%	709.65

29.9 Unhedged foreign currency exposures

Foreign currency exposures on account of trade receivables/ trade payables not hedged by derivative instruments are as follows:

	31 March 2017		31 March 2016	
	Amount in USD	Amount in ₹	Amount in USD	Amount in ₹
Trade receivables	0.25	16.11	0.48	31.63
Trade payables	0.01	0.92	0.15	9.95

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

29.10 The Ministry of Corporate Affairs vide notification GSR 308(E) dated 30 March, 2017, directed to disclose the details of specified bank notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016. Accordingly, the details, in prescribed format are mentioned herein below:

	SBN	Other	Total
Closing cash in hand as on 8 November 2016	3,01,500	2,51,290	<b>5,52,790</b>
Transaction between 9 November 2016 to 30 December 2016			
Add: Withdrawal from bank accounts	-	4,39,543	<b>4,39,543</b>
Add: Receipts from permitted transactions (Refer Note 1)	-	-	-
Add : Receipts for non-permitted transactions			
- TSP related receipts (Refer Note 2)	1,36,18,000	3,09,29,536	<b>4,45,47,536</b>
- Others (Refer Note 1)	14,84,000	88,49,736	<b>1,03,33,736</b>
Less : Paid for permitted transactions (Refer Note 3)	-	(3,77,800)	<b>(3,77,800)</b>
Less : Paid for non-permitted transactions(Refer Note 3)	-	-	-
Less: Deposited in bank accounts	(17,85,500)	(83,92,172)	<b>(1,01,77,672)</b>
Less: TSP related direct deposits (Refer Note 2)	(1,36,18,000)	(3,09,29,536)	<b>(4,45,47,536)</b>
Closing cash in hand as on 30 December 2016	-	7,70,597	<b>7,70,597</b>

Note:

1. The group is into healthcare related services. The consideration towards diagnostic services and cancer tests was received in SBN. The group has deposited the same, without incurring any expenditure out of these received SBN into KYC complied current bank account of the group. The group has collected appropriate details including PAN no etc of the patients.
2. The receipts from authorised service providers towards diagnostic services availed from us and as deposited directly by the service providers in our KYC complied current banking account is disclosed/prepared to the extent of information available and details as provided by the bank.
3. The group has not made any direct payment, out of the SBN received, towards either permitted/non-permitted transactions. The payment towards permitted transactions have been incurred out of withdrawal of non SBN currency.

29.11 Pursuant to the IPO, Agalia Private Limited ('APL' or the selling shareholder) has divested part of its share-holding in the Company. At the instance of APL, the Company has entered into contracts for advertisements in various media with the intention to promote the 'Thyrocare' brand. Since these contracts aggregating ₹ 304.85 million were entered into at the specific instance of APL, APL has fully reimbursed the Company in respect of the payments made towards these contracts. During year ended 31 March 2017, the Company has incurred advertising costs aggregating to ₹ 283.08 million in this respect. Considering the nature and size of the transactions, both the expenses incurred as well as the amount reimbursed by APL have been disclosed as an exceptional item with net impact of ₹ Nil.

Particulars	31 March 2017	31 March 2016
Advertisement expenses	<b>283.08</b>	-
Less : Reimbursement received towards the above from selling shareholders	<b>(283.08)</b>	-
	-	-

# Notes to the consolidated financial statements

for the year ended 31 March 2017

(Currency: ₹ in million)

29.12 On 9 May 2017, the Board of directors has recommended a final dividend of ₹ 5 per equity share for the financial year ended 31 March 2017. As per the provisions of Companies (Accounting Standards) Amendment Rules, 2016 proposed dividend is not recognised as a liability as at 31 March 2017. Post approval of proposed dividend by shareholders in Annual General Meeting, there will be cash outflow of ₹ 323.30 million including dividend distribution tax.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Sreeja Marar**

Partner

Membership No: 111410

Mumbai

9 May 2017

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

**Thyrocare Technologies Limited**

CIN - U85110MH2000PLC123882

**Dr. A Velumani**

Managing Director

DIN - 00002804

**A Sundararaju**

Director and Chief Financial Officer

DIN - 00003260

**Ramjee D**

company Secretary

Membership No - F2966

# NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Company will be held at 10.30 A.M. on Saturday, August 12, 2017, at Hotel Yogi Midtown, Plot No. DX-12, TTC Industrial Area, Mumbai-Pune Road, Turbhe, Navi Mumbai-400 705, to transact the following business:

## Ordinary Business:

1. To receive, consider and adopt the Stand-alone Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Board's Report and Auditors' Report thereon.
2. To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Auditors' Report thereon.
3. To confirm the Interim Dividend of ₹ 5/- already paid and declare a Final Dividend of ₹ 5/- per equity share, totaling to ₹ 10/- (Rupees Ten only) as total dividend, for the Financial Year 2016-17.
4. To appoint a Director in the place of Mr. Sohil Chand (DIN No. 02170052) who retires by rotation, and being eligible, offers himself for re-appointment.
5. To ratify the appointment of Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration, and in this regard, to consider and if deemed fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

**RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, and pursuant to the recommendation made by the Audit Committee and the Board of Directors and in accordance with the resolution passed by the Members of the Company at 16th Annual General Meeting held on September 12, 2016, the reappointment of M/s. B S R & Co. LLP, Chartered Accountants, Mumbai, having Firm Registration No. 101248W/W-100022, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to fix up their remuneration in consultation with the

Auditors in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company, as already recommended by the Audit Committee."

## Special Business:

### 6. Reappointment of Dr. A. Velumani (DIN No. 0002804) as Managing Director & Chief Executive Officer.

To consider and, if deemed fit, to pass, with or without modification(s) the following resolution, as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V thereto, and the Rules framed thereunder, as amended from time to time, Dr. A. Velumani, Chairman, be and is hereby reappointed as the Managing Director and Chief Executive Officer of the Company for a period of three years from 01-04-2017, and shall be paid monthly remuneration and perquisites as follows:

1. Salary:  
Re. 1/- (Rupee One Only).
2. Perquisites: Perquisites will be in addition to salary.
  - A. (i) Accommodation: He will be provided with rent-free accommodation including provision of gas, electricity, water and furnishing valued as per the Income Tax Rules, 1962.
  - (ii) Club Fees – Fees of clubs subject to a maximum of two clubs, except admission and life membership fees.
  - (iii) Personal Accident Insurance – As per rules of the Company.
  - B. (i) Company's contribution to Provident Fund and Gratuity, as per the rules of the Company.
  - C. (i) Free use of Car with Driver, the monetary value of which may be evaluated as per the Income tax Rules, 1962.
  - (ii) Free Telephone facility at residence and mobile phone.

Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director & CEO.

(iii) Reimbursement of Expenses – The Managing Director & CEO would be entitled to reimbursement of entertainment, travelling and all other expenses actually and properly incurred for the business of the Company.

(iv) Privilege leave, sick leave and all other facilities according to the rules of the Company. Unavailed leave can be encashed at the end of the tenure.

Where, in any financial year during the currency of tenure of the Managing Director & CEO, the Company has not made profits or its profits are inadequate, the above token remuneration shall be paid to the Managing Director & CEO as minimum remuneration.

## 7. Reappointment of Mr. A. Sundararaju (DIN No. 00003260) as Executive Director & Chief Financial Officer.

To consider and, if deemed fit, to pass, with or without modification(s) the following resolution, as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 188, 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V thereto, and the Rules framed thereunder, as amended from time to time, Mr. A. Sundararaju be and is hereby reappointed as the Executive Director and Chief Financial Officer of the Company for a period of three years from 01-04-2017, and shall be paid monthly remuneration and perquisites as follows:

### 1. Salary:

₹5,00,000/- (Rupees Five Lakhs only)

### 2. Perquisites: Perquisites will be in addition to salary.

A. (i) Accommodation: He will be provided with rent-free accommodation including provision of gas, electricity, water and furnishing valued as per the Income Tax Rules, 1962.

(ii) Medical Reimbursement – Reimbursement of Medical Expenses (including premium for medical and hospitalization insurance policy) incurred for self and family, subject to a ceiling of one month's salary per year or three months' salary in a period of three years.

(iii) Leave Travel Concession – for self and family once in a year incurred in accordance with the rules of the Company, but not exceeding one-month salary per year.

(iv) Club Fees – Fees of clubs subject to a maximum of two clubs, except admission and life membership fees.

(v) Personal Accident Insurance – As per rules of the Company.

B. (i) Company's contribution to Provident Fund and Gratuity as per the rules of the Company.

C. (i) Free use of Car with Driver, the monetary value of which may be evaluated as per the Income tax Rules, 1962.

(ii) Free Telephone facility at residence and mobile phone.

Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director & CFO.

(iii) Reimbursement of Expenses – The Executive Director & CFO would be entitled to reimbursement of entertainment, travelling and all other expenses actually and properly incurred for the business of the Company.

(iv) Privilege leave, sick leave and all other facilities according to the rules of the Company. Unavailed leave can be encashed at the end of the tenure.

Where, in any financial year during the currency of tenure of the Executive Director & CFO, the Company has not made profits or its profits are inadequate, the above remuneration or such remuneration as may be statutorily fixed as minimum remuneration, whichever is lower, shall be paid to the Executive Director & CFO.

## 8. Ratification of Remuneration to the Cost Auditor for the Financial Year 2016-17:

To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) remuneration of ₹ 1,00,000/- (Rupees One Lakh only) fixed for Mr. S. Thangavelu, Cost and Management Accountant, appointed as the Cost Auditor of the Company by the Board of Directors, for conducting the audit of the cost records of the Company for the financial year 2016-17, excluding service tax, and reimbursement of travelling and other out-of-pocket expenses incurred by him in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

## 9. Approval of Employees Stock Option Scheme 2016-17:

To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

**“RESOLVED AS SPECIAL RESOLUTION THAT** pursuant to the provisions of Section 62 (1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, and the provisions of SEBI (Share Based Employee Benefits) Regulations 2014, as amended from time to time, consent of the Members be and is hereby given for granting Stock Options equivalent to a total number of 50,529 equity shares of the Company, to the eligible employees of the Company as Employees Stock Option for the financial year 2016-17, to be exercised as per the rules of the scheme.

**THAT** the Board of Directors of the Company be and is hereby authorised and empowered:

- i) to formulate such policies, rules, regulations and guidelines as may be required to be formulated to govern the introduction, implementation, management and administration of the Scheme, and amend them from time to time, subject to the applicable statutory rules for the time being in force.
- ii) to make necessary disclosures in the Annual Report and to comply with all applicable rules & regulations.
- iii) to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation, introduction, implementation, amendment, management and administration of the ESOP Scheme without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By order of the Board,  
For **Thyrocare Technologies Limited**

**Ramjee Dorai**

Head (L & S) and Company Secretary

Navi Mumbai,  
May 09, 2017

**Registered office:**

D-37/1, TTC Industrial Area, MIDC, Turbhe,  
Navi Mumbai-400 703

**NOTES:**

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business to be transacted at the meeting, as mentioned in the Notice is annexed hereto and forms part of this Notice.

2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member. Members may please note that the Proxy does not have the right to speak at the Meeting and can only vote on poll.
4. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. Form of Proxy is attached.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the venue of the meeting.
6. The Members / Proxies / Authorised Representatives are requested to bring their copy of the Annual Report along with the Attendance Slip, duly filled in, for attending the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 06-08-2017 to 12-08-2017 (both days inclusive).
8. Subject to the provisions of the Companies Act, 2013, and other applicable statutory provisions, the final dividend, if approved by the Members, will be paid to those Members whose names appear on the Register of Members as on August 05, 2017, within 30 days from the date of declaration.
9. The Company’s equity shares are Listed at (i) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai – 400051 and (ii) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2016 -17.
10. Members are requested to send all communication, including change of address, updates of bank account details, etc., relating to the shares held by them (either in Physical or Electronic mode) to the Company’s Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited (Unit: Thyrocare Technologies Limited), C-101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai- 400 083.



11. Pursuant to Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for 2016-17 is being sent through electronic mode to all the Members whose E-mail IDs are registered with the Company's Registrar, Link Intime India Private Limited / Depository Participants for communication purposes, unless any member has requested for physical copy of the same. For Members who have not so registered their E-mail IDs, a physical copy of the Annual Report for 2016-17 is being sent by the permitted mode.
12. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with Link Intime India Private Limited, the Company's Registrar & Share Transfer Agents / their respective Depository Participants.
13. In terms of Section 72 of the Act read with the applicable rules thereto, the facility of making nomination is available to all the Members in respect of the shares held by them. Those who have not registered their nomination may do so by submitting Form No. SH-13 to their Depository Participants. The said Form can be downloaded from the Company's website, "www.thyrocare.com." The said Form can also be obtained from the Company's Registrar & Share Transfer Agents.
14. In terms of the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing e-voting facility to all the Members of the Company, whose names are on the Register of Members as on August 05, 2017 (End of the Day) being the cut-off date fixed for determining the eligibility of Members to participate in the e-voting process, through the e-voting platform provided by M/s. Link Intime India Private Limited through CDSL, to enable them to cast their vote electronically on all the resolutions set forth in the notice convening the 17th Annual General Meeting of the Company.
- Voting through polling paper shall be made available to those Members who attend the Annual General Meeting and have not already cast their vote by remote e-voting.
- Those Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- The Company has appointed S. Anantha & Ved LLP, Practising Company Secretaries, Mulund (W), Mumbai-400080, as Scrutinizers to scrutinize the e-voting and polling process in a fair and transparent manner.
- The Scrutiniser shall, within a period not exceeding three (3) days from the conclusion of the e-voting period, unblock the votes in the presence of at least 2 witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The results shall be declared by the Chairman or any other person authorised by him, within two days of passing the Resolutions at the Annual General Meeting. The results declared along with the scrutinizer's report shall be available at the Registered Office of the Company for inspection by any member of the Company up to two (2) days of passing of the resolutions at the Annual General Meeting of the Company. The results will also be placed on the website of the Company, [www.thyrocare.com](http://www.thyrocare.com).

By order of the Board,  
For **Thyrocare Technologies Limited**

**Ramjee Dorai**  
Head (L & S) and Company Secretary

Navi Mumbai,  
May 09, 2017

**Registered office:**

D-37/1, TTC Industrial Area, MIDC, Turbhe,  
Navi Mumbai-400 703

**Note on Item No. 4:**

Details of Mr. Sohil Chand, Director Seeking Re-appointment at the 17th Annual General Meeting

Date of Birth	13-04-1978
---------------	------------

Date of Appointment on the Company's Board as nominee director of Norwest Venture Partners.	29-09-2012
---	------------

**Brief Resume**

Mr. Sohil Chand holds Master's Degree from London School of Economics & Political Science and MBA from The College, University of Chicago. He joined NVP India as Managing Director in 2008. Previously, he was with Goldman Sach's Asian Special Situations Group, as Executive Director.

**Expertise in specific functional areas**

He has nearly 20 years experience of financial, investment banking and private equity investment.

Disclosure of inter-se relationship between directors and key managerial personnel

Nil. However, he is the nominee of Norwest Venture Partners VII-A, Mauritius, who are holding 50,64,880 equity shares in the Company.



## EXPLANATORY STATEMENT

### (Pursuant to the Section 102 of the Companies Act, 2013)

#### Item No. 5:

At the last Annual General Meeting, M/s. B S R & Co. LLP were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of 16th Annual General Meeting till the conclusion of 21st Annual General Meeting, subject to ratification by the Members at every Annual General Meeting. At this AGM, the proposal to reappoint M/s. B S R & Co. LLP, as the Statutory Auditors from the conclusion of the 17th AGM till the conclusion of the 18th AGM, is being placed before the Members for ratification.

Written consent of the proposed auditors, together with a certificate that their appointment, if made, will be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

The Audit Committee has considered the matter at its meeting held on 09-05-2017 and has recommended reappointment of M/s. B S R & Co. LLP. The Board of Directors have also, at their meeting held on 09-05-2017, considered the matter and decided to accept the recommendation of the Audit Committee and accordingly, recommend passing the Ordinary Resolution given under item No. 5 of the Notice for ratification of reappointment of M/s. B S R & Co. LLP as Auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

#### Disclosure of Interest

None of the Directors / Key Managerial Personnel of the Company or their relatives is concerned or interested in the passing of the Ordinary Resolution set out at item No. 5 of the Notice.

#### Item No. 6:

As the previous term of appointment of Dr. A. Velumani as Managing Director & CEO, approved by the Members would expire on 31-03-2017, the Board of Directors at their meeting held on 24-03-2017, reappointed him as the Managing Director & Chief Executive Officer of the Company for a further period of three years from 01-04-2017 subject to the approval of Members. Dr. A. Velumani, who was receiving a remuneration of ₹ 10,00,000/- at the time of reappointment, as fixed in 2014, opted to receive a token remuneration of Re. 1/- (Rupee One only) per month. Accordingly, the Board has reappointed him with the above token remuneration and on the perquisites and other terms & conditions as mentioned in the resolution. Dr. A. Velumani has been the Managing Director from inception and is responsible for the phenomenal growth of the Company and it is under his stewardship that the Company came out with IPO last year, which was over-subscribed more than 75 times, and received applications from more than 7.15 lakh retail investors. The Board of Directors recommends to the Members to approve the Resolution. He is related to Mr. A. Sundararaju, Executive

Director & CFO, and Miss. Amruta Velumani, Non-Executive Director. The information as required in accordance with Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014, as well as pursuant to Sec. 102 of the Act is as follows:

- (a) Name of the related party: Dr. A. Velumani.
- (b) Name of the Director or Key Managerial Personnel who is related: Mr. A. Sundararaju, Executive Director & Chief Financial Officer and Miss. Amruta Velumani, Non-Executive Director.
- (c) Nature of relationship: Dr. A. Velumani is the brother of Mr. A. Sundararaju, Executive Director & Chief Financial Officer, and father of Miss. Amruta Velumani, Non-Executive Director.
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement: Dr. A. Velumani is reappointed as the Managing Director & Chief Executive Officer for a period of three years from 01-04-2017 on a token remuneration of Re.1/- with such perquisites and benefits, to be effective after approvals of members.

#### Disclosure of Interest:

Mr. A. Sundararaju, Executive Director & Chief Financial Officer, and Miss. Amruta Velumani, Non-Executive Director, being Brother and Daughter respectively of Dr. A. Velumani, should be deemed to be interested in passing of this Resolution to the extent of remuneration and other benefits payable to him. None of the other Directors / Key Managerial Personnel of the Company or their relatives is concerned or interested in the passing of the Resolution set out at Item No. 6 of the Notice.

#### Item No. 7:

As the previous term of appointment of Mr. A. Sundararaju as Executive Director & Chief Financial Officer, approved by the Members would expire on 31-03-2017, the Board of Directors at their meeting held on 24-03-2017, reappointed him as Executive Director & Chief Financial Officer of the Company, as recommended by the Audit Committee, for a further period of three years from 01-04-2017, Subject to the approval of Members. Mr. A. Sundararaju, who was receiving remuneration of ₹5,00,000/- at the time of reappointment, as fixed in 2014, opted to receive the same remuneration of ₹5,00,000/- (Rupees Five Lakhs only) per month. Accordingly, the Board reappointed him with the above remuneration and on the perquisites and other terms & conditions as mentioned in the resolution. Mr. A. Sundararaju has been the Executive Director from inception and is responsible for the financial management and it is under his financial management that the Company remains a debt-free company. The Board of Directors recommends to the Members to approve the Resolution. He is related to Dr. A. Velumani, Chairman & Managing Director. The information as required in accordance with Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014, as well as pursuant to Sec. 102 of the Act is as follows:

- (a) Name of the related party: Mr. A. Sundararaju.
- (b) Name of the Director or Key Managerial Personnel who is related: Dr. A. Velumani, Chairman & Managing Director.
- (c) Nature of relationship: Mr. A. Sundararaju is the brother of Dr. A. Velumani, Chairman & Managing Director.
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement: Mr. A. Sundararaju is reappointed as the Executive Director & Chief Financial Officer for a period of three years from 01-04-2017 on the same salary of ₹5 lakhs, to be effective after approval of Members.

#### Disclosure of Interest:

Dr. A. Velumani, Chairman & Managing Director, being Brother of Mr. A. Sundararaju, should be deemed to be interested in passing of this Resolution to the extent of remuneration and other benefits payable to him. None of the other Directors / Key Managerial Personnel of the Company or their relatives is concerned or interested in the passing of the Resolution set out at Item No. 7 of the Notice.

#### Item No. 8:

In accordance with the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to conduct an audit of the cost records of Company for Financial Year 2016-17 and the remuneration payable to him has to be ratified / approved by the members of the Company.

Accordingly, as recommended by the Audit Committee, the Board has appointed Mr. S. Thangavelu, Cost and Management Accountant, Coimbatore, having Membership No. 11315 as the Cost Auditor of the Company, at their meeting held on July 22, 2016 for the financial year 2016-2017 on a remuneration of ₹ 1,00,000/-, plus reimbursement of service tax and all out of pocket expenses incurred, if any, in connection with the cost audit. Remuneration fixed for the cost auditor is required to be ratified by the Members in accordance with the above provisions. The Board of Directors recommends the above resolution to the Members for their approval.

#### Disclosure of Interest:

None of the Directors / Key Managerial Personnel of the Company or their relatives is concerned or interested in the passing of the Resolution set out at Item No. 8 of the Notice.

#### Item No. 9:

The Company had allotted 33,650 Nos. of equity shares of the Company in the year 2014 to such of those employees of the Company who had contributed for the growth of the Company and who were on the rolls of the Company as on the date of sanction of the Scheme. These shares were allotted in the name of Thyrocare Employees Stock Option Trust, specially formed for this purpose. Subsequent to the issue of Bonus Shares last year, the total number of shares registered in the name of the Trust had gone up to 1,34,600. These shares vested on the eligible employees on April 01, 2017 and the process of transferring the shares to the employees concerned has been initiated.

The Company had also decided in addition to grant them Stock Options equivalent to 1% (one per cent) of the paid up capital of the Company as on date of sanction of the Scheme, to be distributed every year over a period of ten years, commencing from the Financial Year 2014-15, which would work out to 0.1% every year. It was decided that this ratio would be fine-tuned in correlation with the growth of the Company each year as follows:

< 20% Growth	0.08%
> 20% Growth	0.10%
> 30% Growth	0.12%

On this basis, the Company had issued stock options aggregating to 40,434 shares for the year 2014-15 and 50,537 shares for the year 2015-16 to the eligible employees.

The Growth during the year under review has been more than 20% and hence, it is proposed to distribute Stock Options equivalent to 0.10% of the paid-up capital of the Company, aggregating to 50,529 equity shares, (with individual entitlements rounded off) as Employees Stock Options for the Financial Year 2016-17.

The Scheme will be subject to the applicable provisions of the Companies Act, 2013, as amended and the rules framed thereunder, SEBI (Share Based Employee Benefits) Regulations 2014, and such other rules & regulations of Employees Stock Option Schemes as are already applicable or as may become applicable during the subsistence of the Scheme.

The brief details of the Thyrocare Employees Stock Option Scheme 2017 are as follows:

a	Brief description of the scheme(s);	<p>This is part of the Employees Stock Option Scheme approved by the Members, which envisages issue of 1% of the then paid-up capital of the Company consisting of 505,35,971 equity shares of Rs.10/- each, aggregating to 5,05,360 equity shares to be distributed over a period of ten years, commencing from Financial Year 2014-15, at the rate of 0.1% each year which would be fine-tuned in correlation with the growth of the Company each year as follows:</p> <table><tr><td>&lt; 20% Growth</td><td>0.08%</td></tr><tr><td>&gt; 20% Growth</td><td>0.10%</td></tr><tr><td>&gt; 30% Growth</td><td>0.12%</td></tr></table> <p>Within this limit, the number of Options to be issued to individual employees will be decided based on the norms fixed by the Board of Directors for each year.</p> <p>The Company has already issued Stock Options equivalent to 40,434 Equity Shares for FY 2014-15 and Stock Options equivalent to 50,537 Equity Shares for FY 2015-16. For the FY 2016-17, the Company has proposed to issue Stock Options equivalent to 50,529 Equity Shares.</p>	< 20% Growth	0.08%	> 20% Growth	0.10%	> 30% Growth	0.12%
< 20% Growth	0.08%							
> 20% Growth	0.10%							
> 30% Growth	0.12%							
b	The total number of options, SARs, shares or benefits, as the case may be, to be granted;	Stock Options equivalent to 50,529 Equity Shares.						
c	Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s);	Those employees who have completed specified period of service as on the date of sanction of the Scheme by the Board for the each year would be entitled to participate and be beneficiaries in the Scheme.						
d	Requirements of vesting and period of vesting;	The employees should continue to be in the service for a specified minimum period from the date of granting the Option, which is presently fixed as three years.						
e	Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options / SARs / benefit shall be vested;	Three years from the date of granting of Options for the year under review.						
f	Exercise price, SAR price, purchase price or pricing formula;	Exercise price will be Rs. 10/- per share.						
g	Exercise period and process of exercise;	The grantees can exercise their option within one year from the date of vesting.						
h	The appraisal process for determining the eligibility of employees for the scheme(s);	All those permanent employees who have completed the specified period of continuous service will be eligible to participate. Individual eligibility will be determined based on their contribution, seniority, etc.						
i	Maximum number of options, SARs, shares, as the case may be, to be issued per employee and in aggregate;	Stock Options equivalent to 50,529 equity shares were granted to the eligible employees of the Company.						
j	Maximum quantum of benefits to be provided per employee under a scheme(s);	Maximum quantum of benefit is equivalent to the difference between the market price and the issue price in respect of the number of shares allotted for each employee.						
k	Whether the scheme(s) is to be implemented and administered directly by the company or through a trust;	The scheme is administered through a trust.						
l	Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both;	The scheme envisages new issue of shares.						
m	The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;	The Company will provide interest-free loan, if necessary, which the Trust will repay on receipt of the amount from the employees who exercise the option.						
n	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);	The Company does not envisage any secondary acquisition for this purpose.						

o A statement to the effect that the company shall conform to the accounting policies specified in regulation 15;	The Company will conform to the accounting policies specified in regulation 15.
p The method which the company shall use to value its options or SARs;	Intrinsic value method would be used for valuation of the Options granted.
q The following statement, if applicable:  In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'	It is confirmed that the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the Options shall be disclosed in the Board's Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Board's Report.

The Stock Options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner, until expiry of specified period from the date of granting. .

In order to administer the Scheme, the Board of Directors has formed a Trust, viz. Thyrocare Employees Stock Option Trust. The Options will be under the control of the Trust. The shares to be issued to the employees on their exercising the Option would be by way of fresh allotment, and not sourced from secondary market.

#### Disclosure of Interest:

None of the Directors, Key Managerial Personnel of the Company or their relatives, is concerned or interested in the passing of the Resolution set out at Item No. 9 of the Notice.

By order of the Board,  
For **Thyrocare Technologies Limited**

**Ramjee Dorai**  
Head (L & S) and Company Secretary

Navi Mumbai,  
May 09, 2017

#### Registered office:

D-37/1, TTC Industrial Area, MIDC, Turbhe,  
Navi Mumbai-400 703



## FORM NO. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: **U85110MH2000PLC123882**

Name of the Company: **THYROCARE TECHNOLOGIES LIMITED**

Registered Office: **D-37/1, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai 400703**

Name of Members: \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio no./Client ID No. : \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ equity shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him
2. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him
3. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company for Financial Year 2016-17 to be held on Saturday, August 12, 2017, at 10.30 A.M., at Hotel Yogi Midtown, Plot No. DX-12, TTC Industrial Area, Mumbai-Pune Road, Turbhe, Navi Mumbai-400705 and/or at any adjournment thereof in respect of resolutions as are indicated below:

Resolution No.:

#### Ordinary Business:

1. To adopt the audited Standalone Financial Statements of the Company for FY 2016-17.
2. To adopt the audited Consolidated Financial Statements of the Company for FY 2016-17.
3. To declare Dividend for the Financial Year 2016-17.
4. To appoint a Director in the place of retiring Director, Mr. Sohil Chand (DIN: 02170052) who offers himself for reappointment.
5. To ratify reappointment of M/s. B S R & Co. LLP as Statutory Auditors of the Company to hold office from the conclusion of 17th Annual General Meeting till the conclusion of the 18th Annual General Meeting

#### Special Business:

6. To approve reappointment of Dr. A. Velumani (DIN: 00002804) as Managing Director and CEO of the Company.
7. To approve reappointment of Mr. A. Sundararaju (DIN: 0003260) as Executive Director & CFO of the Company
8. To ratify remuneration fixed for the Cost Auditor for FY 2016-17
9. To approve Employees Stock Option Scheme for the year 2016-17.

Signed this \_\_\_\_\_

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Please  
affix Revenue  
Stamp

#### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For corporate members of the Company, duly certified copy of Board Resolution passed at the meeting of their Board of Directors shall be required to appoint a representative to attend and vote at the General Meeting.

## MEETING VENUE

**Thyrocare®**

Think Thyroid. Think Thyrocare.

### Rail Route

#### Train From Thane to Vashi

Catch the train from thane for vashi and get down at either in **turbhe** or **Sanpada** station

#### Train From Thane to Panvel

Catch the train from thane for Panvel and get down at either in **Sanpada** or **Juinagar** station

#### Train From Kurla to Panvel/Belapur

Catch the train from Kurla for Panvel or Belapur and get down at either in **Sanpada** or **Juinagar** station

#### Train From Dadar (2 route to change)

Catch the train from **Dadar** for **Kurla** get down at **Kurla**, then from **Kurla** Catch the train for **Panvel** or **Belapur** and get down at either in **Sanpada** or **Juinagar** station

#### Train From CST

Catch the train from **CST** for **Panvel/Juinagar** /**Nerul** and get down at either in **Sanpada** or **Juinagar** station

### Road Route

#### Bus From Thane Route

Catch the bus from Mulund West (Bus No. 511 / 512) or From Mulund East - Bus No.523. Get down at Bus Stop @ **Sanpada Police Station** (opp. Hyundai Motors)

#### Bus From Thane to Panvel

Catch the Bus - **Thane to Panvel** (ST) from Thane Cidco stop and get down at Bus Stop @ **Sanpada Police Station** (opp. Hyundai Motors)

#### Bus From Kurla Depo to Sanpada

Catch the Bus from kurla Depo. (Bus No. 507) get down at Bus Stop @ **Sanpada Police Station** (opp. Hyundai Motors) Direct route.

#### Bus From Dadar to Panvel

Catch Bus from **Dadar** for **Panvel** (ST) and get down at Bus Stop @ **Sanpada Police Station** (opp. Hyundai Motors) Direct route.

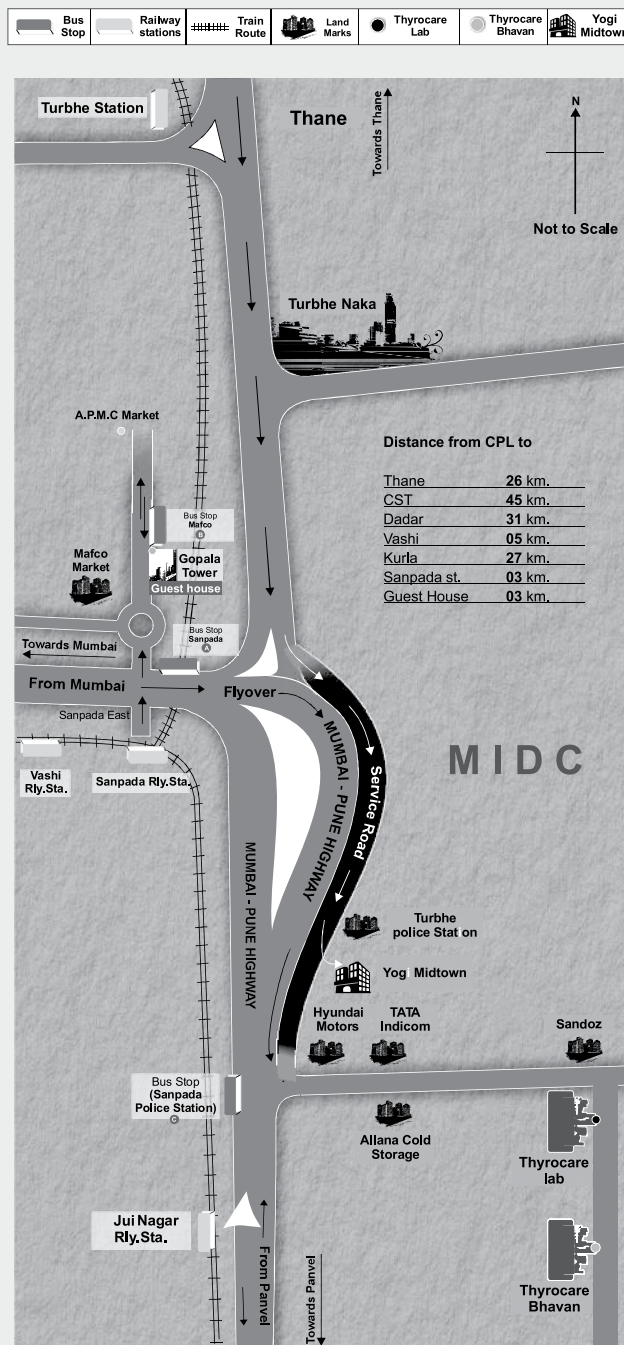
### AGM Venue

Hotel Yogi Midtown,  
Plot No. DX-12,  
TTC Industrial Area,  
Mumbai - Pune Road,  
Turbhe, Navi Mumbai - 400 705

**Date :** August 12, 2017

**Day :** Saturday

**Time :** 10:30. a.m.







Thyrocare®

Think Thyroid. Think Thyrocare.

---

[www.thyrocare.com](http://www.thyrocare.com)