



Dr Lal PathLabs

July 11, 2019

The National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (E)
Mumbai - 400051

The Bombay Stock Exchange Limited
15th Floor, Phiroze Jeejeeboy Towers
Dalal Street,
Mumbai – 400001

Subject: Notice convening the 25th Annual General Meeting and Annual Report for the Financial Year 2018 -19.

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 and 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, please find enclosed herewith:

1. Notice convening the 25th Annual General Meeting (AGM) of the Company, scheduled to be held on Monday, August 12, 2019 at the Air Force Auditorium, Subroto Park, New Delhi – 110010.
2. Annual Report of the Company for the Financial Year 2018-19.

We request you to please take the same on record.

Thanking You,

Yours Faithfully,

For **Dr. Lal PathLabs Limited**

Rajat Kalra
Company Secretary and Legal Head



INSPIRING A HEALTHY TOMORROW

ANNUAL REPORT 2018-19



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Facts About Us

Dr Lal PathLabs continues to build upon its robust infrastructure, which spans across India. We have a vast network that comprises a National Reference Lab in New Delhi, Kolkata Reference Lab in Kolkata and 198 other clinical laboratories.

Further, we continue to build our Patient Service Network with 2569 Patient Service Centers and 6426 Pick-up Points, which are backed by a 4190 strong manpower, that enables greater efficiency as well as prompt services & reach to our customers.



We possess:

- An exhaustive range of Pathology, Radiology and Cardiology tests
- Close to 7 decades of experience in the world of diagnostics
- A strong, well-respected brand, trusted by over 17.6 million customers
- A specialized and super specialized menu of tests, which are mainly from high-end Molecular Diagnostics and Biochemistry departments

We are constantly looking to bring new tests to the market especially in the field of Neurology and Oncology to help clinicians provide an accurate diagnosis to their patients. In the past year, notable initiatives have been as follows.

- In Oncology segment we have launched 9 new tests & panels for diagnosis of both solid tumors and hematological malignancies
- Thalassemia mutational analysis was the major test launched along with BRCA tests for preventive screening of breast cancer
- In Neurogenetics segment, we have launched 23 tests targeting diagnosis of rare diseases as well as specific diseases like myotonic dystrophy, cerebral ataxia and many more
- We have also launched clinical exome and whole exomes to cater to the needs of identifying exact variants leading to neurological and related disorders
- For the physicians, 3 major tests like prostate health index, metanephrines and thyroid panel were launched.
- Overall, we have launched 35 new tests in the high-end segment.



From the Chairman's Desk



Dear Shareholders,

Dr. Lal PathLabs (LPL) is the largest and oldest listed diagnostics lab company in the fragmented Indian diagnostics sector. Our hub and spoke model, in combination with our franchisee system, fits well in the industry which is shifting gradually but surely from the unorganised to the organized sector. Our strategies, led by our unflinching motto of delivering high quality testing, are well in place to take full advantage of the evolving landscape of the industry. The Financial Year 2019 was one such transformational year for your Company where LPL continued to leverage its expertise to demonstrate sustainable and profitable growth.

The market trends have seen a shift in the sector. While the industry still comprises mostly of unorganized players, the scales have started to slowly shift towards organized players. The implementation of GST proved to be one such advantage for the bigger players while smaller businesses faced challenges in its implementation. Moreover, unorganized players struggled to keep their prices in check, whereas organized players could maintain competitive prices. It was also much easier for an organized national player like us to keep building scale in business given our vast brand loyalty and offering quality services. All these factors have contributed to a positive shift in favour of the organised players.

It is widely believed that there will be greater public spending on healthcare by the Government of India, which approved the continuation of National Health Mission with a budget of ₹ 31,745 crore (~US\$ 4.40 billion) as announced in the Union Budget 2019-20. Furthermore, the Ayushman Bharat - Pradhan

Mantri Jan Arogya Yojana (AB - PMJAY), the largest Government funded healthcare program targeting more than 500 million beneficiaries, was also allocated ₹ 6,400 crore (~US\$ 887.04 million), under the Budget. All these steps indicate the positive intention of the Government of India towards providing quality healthcare facilities to the masses with the help of the private sector.

Given the leadership position in the pathology space, LPL will continue to focus on expanding volumes as that remains a driving force behind our business. To that effect, we are adding newer collection centers that include franchisee centers to our network. I am happy to inform you that our Kolkata Reference Laboratory has been performing as per our expectations and continues to add scale in Eastern and North Eastern India. Rather than aggressively expanding into newer markets, we believe that we can drive volumes, and thereby, grow by penetrating deeper into the regions where we are already strong, like North, Central and Eastern India. Having said that, we will continue to explore selectively in the Western and Southern markets to further leverage our brand proposition.

I would like to take this opportunity to extend my sincere thanks to all our well-wishers, associates, vendors, customers and employees who are with us for several years and have contributed to the success of your Company. Lastly, I would also like to thank all the stakeholders for their loyalty and continuous support in helping us achieve our vision of bringing quality health care to India's underserved masses.

Warm Regards

(Hony) Brig. Dr. Arvind Lal
Chairman & Managing Director

A word from CEO & Whole-Time Director



Financial Year 2019 has proven to be a momentous year for Dr. Lal PathLabs. We crossed a milestone of ₹ 1,200 crore in revenues with robust volume growth and profitability. The patient and sample volumes also went up during the year. Our product mix, geographical mix as well as and channel mix are undergoing significant changes and our dependence on the Delhi-NCR region has reduced as other regions like rest of North, Central, East and North-East stepped up during the year. The contribution from rest of India is now higher at 57%, with growth rate of upwards 16%. This is coherent with our long term plans of reducing dependence on the Delhi-NCR region. We have managed to sustain our EBITDA levels for the full year as the mix change was unfolding.

'Dr. Lal PathLabs', as a brand, stands for providing good value to all our patients at reasonable prices without any compromise on quality, accuracy and a quick turnaround time. Our endeavor is to keep expanding our network and brand strength throughout the nation to provide affordable healthcare services to as many patients as possible with the support of technology. Towards this end, we are pleased to have touched millions of lives through accurate diagnostics.

The Kolkata Reference Lab has been performing to our contentment and we definitely see room for the lab to grow and build further scale from here. We have already doubled our test menu at Kolkata RL and the same will further increase in the times ahead. I am glad to share that the East India operation is now growing at a higher rate than the company average growth rate. We believe that this will sustain given our focus on driving penetration.

Moving to our financial performance for the fiscal year 2018-19, we demonstrated positive growth reflected

by 14% increase in our revenues, with a growth of 17% in post-tax profit led by our initiatives to drive volumes through extensive network reach and higher penetration. On the operations front, we ended the fiscal year with 17.6 million patients tested and 41.8 million of samples processed.

Our strategy revolves around delivering sustained growth through improving volumes and test-mix. Volumes have been bolstered by our bundled tests packages such as 'SwasthFit' and 'Sugar and Me'. These packages are gaining momentum as they provide better value to our patients, leading to higher samples per patient.

Our pan India presence is marked by our hub and spoke model for our network. As at 31st March, 2019, we had 200 clinical laboratories (including National Reference Lab, Delhi and Regional Reference Lab, Kolkata), 2,569 patient service centres (PSCs) and 6,426 pickup points (PUPs). Your Company offered 478 test panels, 2,425 pathology tests and 1,722 tests related to radiology and cardiology amongst few as of 31st December, 2018. This growing momentum is the outcome of a cohesive drive in strengthening our existing markets along with expanding into newer ones. We expect this drive to continue going forward which will also increase the number of patient walk-ins and uptake of services.

We are consistently managing our costs and efficiencies and optimizing our productivity. We believe in building scale while keeping costs under check through our disciplined approach. We see a lot of scope for growth in this industry and are confident that our model will help us expand our scale at the desired pace and fulfill our strategic vision of being able to bring our brand uniformly to patients across the country.

On this optimistic note, I would like to conclude by thanking all our stakeholders for being a vital part of our journey. I would also like to thank our Board of Directors for their continued guidance. I also express my deep gratitude to the innumerable investors, employees, vendors and patients for their continued support and trust in our brand 'DLPL'.

Warm Regards

Dr. Om Prakash Manchanda
CEO & Whole-Time Director

Board of Directors



(Hony) Brig. Dr. Arvind Lal
Chairman & Managing Director



Dr. Om Prakash Manchanda
CEO & Whole-Time Director



Dr. Vandana Lal
Whole-Time Director



Mr. Rahul Sharma
Non-Executive Director



Dr. Saurabh Srivastava
Independent Director



Mr. Sunil Varma
Independent Director



Mr. Anoop Mahendra Singh
Independent Director



Mr. Harneet Singh Chandhoke
Independent Director



Ms. Somya Satsangi
Independent Director

Corporate Information

Company Secretary & Compliance Officer

Mr. Rajat Kalra

Auditors

Deloitte Haskins & Sells LLP,
Chartered Accountants, 7th Floor,
Building 10, Tower B. DLF Cyber City
Complex, DLF City Phase-II,
Gurugram -122002, Haryana, India

Registrar & Share Transfer Agent

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Corporate Office

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Ph: + 91 – 124 – 3016 – 500
Fax: +91 – 124 – 4234 – 468

Registered Office

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Ph: + 91 – 11 – 3024 – 4149
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Board's Report

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report on the business and operations of your Company along with the audited statement of accounts for the year ended March 31, 2019.

FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2019 is summarized below:

Particulars	Year ended March 31, 2019 (in ₹ million)	Year ended March 31, 2018 (in ₹ million)	Year ended March 31, 2019 (in ₹ million)	Year ended March 31, 2018 (in ₹ million)
	Consolidated	Consolidated	Standalone	Standalone
Total Income	12,493.67	10,881.38	12,113.93	10,555.56
Total Expenses	9,488.19	8,268.23	9,190.26	7,997.98
Profit/(Loss) before Tax (PBT)	3,005.48	2,613.15	2,923.67	2,557.58
Profit/(Loss) after Tax (PAT)	2,004.67	1,717.52	1,954.38	1,682.70

FINANCIAL PERFORMANCE

During the year under review, the consolidated income of the Company increased to ₹ 12,493.67 million compared to ₹ 10,881.38 million in the previous year, registering growth of 14.8%. Net profit after tax for the group increased to ₹ 2,004.67 Million from ₹ 1,717.85 million representing a growth of 16.7%.

During the year under review, the standalone income of the Company increased to ₹ 12,113.93 million compared to ₹ 10,555.56 million in the previous year, registering growth of 14.8%. The standalone profit after tax for the year increased by 16.2% to ₹ 1,954.38 million compared to ₹ 1,682.70 million in the previous year.

CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company for the Financial Year 2018-19, are prepared in compliance with applicable provisions of the Companies Act, 2013 ('the Act'), Accounting Standards and Listing Regulations as prescribed by the Securities and Exchange Board of India (SEBI). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its Subsidiary Companies, as approved by their respective Board of Directors.

DIVIDEND

During the Financial Year, your Company declared and paid an interim dividend of ₹ 2.50/- per equity share of face value of ₹ 10/- each. In addition, your Directors are pleased to recommend a dividend of ₹ 3.50/- per equity share of face value of ₹ 10/- each as final dividend for the Financial Year 2018-19, for approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

If approved by the members, the total dividend for the Financial Year shall be ₹ 6/- per equity share of face value of ₹ 10/- each.

The Dividend Distribution Policy of the Company is attached herewith as Annexure 1 and forms an integral part of the Annual Report.

The said policy is also available at the website of the Company at:

https://www.lalpathlabs.com/pdf/brochures/Dividend_Distribution_Policy_may.pdf

TRANSFER TO RESERVES

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

AMALGAMATION OF DELTA RIA AND PATHOLOGY PRIVATE LIMITED

The Board of Directors of your Company in their meeting held on May 12, 2017, approved a Scheme of Amalgamation of Delta Ria And Pathology Private Limited, a wholly owned subsidiary of the Company with the Company, subject to requisite approvals under Section 230 to 232 of the Companies Act, 2013.

The Scheme was sanctioned by the New Delhi and Ahmedabad Bench of Hon'ble National Company Law Tribunal (NCLT), on October 23, 2018 and December 11, 2018 respectively.

The NCLT orders were filed with the Registrar of Companies, NCT of Delhi & Haryana on January 01, 2019. (Being the effective date).

Pursuant thereto, in accordance with the terms of the scheme, Delta Ria And Pathology Private Limited was amalgamated with Dr. Lal PathLabs Limited w.e.f. April 1, 2017 (being the appointed date) and consequently stands dissolved without winding up.

The necessary accounting entries giving effect to the Scheme were passed in the books of accounts of the Company.

CHANGES IN SHARE CAPITAL

Paid-up Share Capital

During the Financial Year 2018-19, the paid-up equity share capital of the Company has been increased from ₹ 83,33,27,440/- to ₹ 83,34,16,100/- pursuant to allotment of 8,866 Equity Shares of ₹ 10/- each under the Employee Stock Option Plan 2010 of the Company.

Authorized Share Capital

During the Financial Year 2018-19, the Authorized Share Capital got increased from ₹ 1,07,90,00,000/- to ₹ 1,07,95,00,000/- by virtue of the NCLT order passed sanctioning the Scheme of Amalgamation of Delta Ria & Pathology Private Limited with the Company.

EMPLOYEES STOCK OPTION PLAN / SCHEME

During the year under review, there has been no material change in the ESOP-2010/ RSU-2016 Scheme(s) of the Company and these Schemes continue to be in compliance with relevant/applicable ESOP Regulations/clauses.

Further the details required to be provided under the SEBI (Share Based Employee Benefits) Regulations, 2014 are disclosed on the website of the Company and can be accessed at [https://www.lalpathlabs.com/pdf/Information-as-per-SEBI-\(SBEB\)-Regulations-FY-19.pdf](https://www.lalpathlabs.com/pdf/Information-as-per-SEBI-(SBEB)-Regulations-FY-19.pdf)

SUBSIDIARIES

A report on the performance and financial position of each of the subsidiaries for the financial year ended March 31, 2019 as per the Companies Act, 2013 is set out in Annexure 2 and forms an integral part of this Annual Report.

The annual accounts of the subsidiaries shall also be made available to the Members of the Company/Subsidiary Companies seeking such information at any point of time. The annual accounts of the subsidiaries are also available for inspection for any Member during business hours at the Registered Office of the Company and Subsidiary Companies and have also been uploaded on the website of the Company (www.lalpathlabs.com).

The Company has formulated a policy for determining material subsidiaries. The said policy is also available on the website of the Company at <https://www.lalpathlabs.com/pdf/Policy-for-determining-Material-Subsidiaries.pdf>.

During the year under review, Dr. Lal Ventures Private Limited and PathLabs Unifiers Private Limited were incorporated on December 10 and December 12, 2018, respectively, as wholly owned subsidiaries of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms an integral part of this Annual Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's business and other material developments during the Financial Year.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report ('BRR') forms an integral part of this Annual Report. The BRR provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

Material changes and commitments, other than disclosed as part of this report, affecting the financial position of the Company are set out in Note 49 and Note 44 to the Standalone and Console Financial Statements respectively.

PUBLIC DEPOSITS

During the Financial Year 2018-19, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the

Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE GOVERNANCE REPORT

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance along with a certificate from the Practicing Company Secretary on its compliance, forms an integral part of this Annual Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and annexed herewith as Annexure 3 to this Report.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the Report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company during the business hours till the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof may write to the Company Secretary of the Company.

AUDIT COMMITTEE

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

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

DIRECTORS

I. Retirement by rotation and subsequent re-appointment:

Mr. Rahul Sharma (DIN: 00956625), Non-Executive Director of the Company is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers himself for re-appointment. Appropriate resolution for his re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM. A Brief profile of Mr. Rahul Sharma and other related information has been detailed in the Notice convening the 25th AGM of your Company.

II. Appointment(s)

- (1) Ms. Somya Satsangi (DIN: 07275574) was appointed as an Additional Director (Independent) for a period of 3 Years w.e.f February 8, 2019.
- (2) Dr. Archana Lal Erdmann (DIN: 08432506) was appointed as an Additional Director (Non-Executive), liable to retire by rotation w.e.f. May 17, 2019.

According to the provisions of Section 161 of the Companies Act,

2013 additional directors shall hold office upto the date of the ensuing Annual General Meeting.

The Board considers their appointment in the interest of the Company and hence recommended the same to the shareholders for approval.

Brief resume/details regarding Director proposed to be re-appointed as above are furnished in the Notice of the AGM.

III. Resignation:

Mr. Arun Duggal, resigned as an Independent Director with effect from March 1, 2019.

The Board places on record its appreciation for the services rendered by him during his association with the Company.

Declaration of Independence from Independent Directors

Your Company has received declarations from all the Independent Directors (Including Ms. Somya Satsangi) confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Independent Directors fulfill the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent from Management.

KEY MANAGERIAL PERSONNEL

During the year under review Mr. Dilip Bidani resigned as the Chief Financial Officer of the Company and in his position Mr. Ved Prakash Goel was appointed as the Chief Financial Officer w.e.f August 10, 2018.

In accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company as on March 31, 2019

1. (Hony) Brig. Dr. Arvind Lal - Chairman and Managing Director
2. Dr. Om Prakash Manchanda - CEO and Whole Time Director
3. Dr. Vandana Lal - Whole Time Director
4. Mr. Ved Prakash Goel - Chief Financial Officer; and
5. Mr. Rajat Kalra - Company Secretary and Legal Head

ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual evaluation of (i) its own performance; (ii) Individual Directors Performance; and (iii) Performance of all committees of Board for the Financial Year 2018-19.

A structured questionnaire was prepared after taking into consideration the inputs received from Nomination and Remuneration Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board

and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non - Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

REMUNERATION POLICY

In compliance with the provision of Section 178 of the Companies Act, 2019, the Board has, on the recommendation of the Nomination & Remuneration Committee of the Company, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

The Nomination and Remuneration Policy is set out as Annexure 4 and forms an integral part of this Annual Report and can also be accessed at the website of the Company at the following web link:

https://www.lalpathlabs.com/pdf/brochures/Nomination_and_Remuneration_Policy_may.pdf

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES & DETAILS OF ATTENDANCE

The details of the meetings of the Board of Directors and its Committees and attendance by Directors/Members, convened during the Financial Year 2018-19 are given in the Corporate Governance Report, which forms an integral part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the Financial Year ended March 31, 2019, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2019 and of the profit and loss of the Company for the Financial Year ended March 31, 2019;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and

- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

I. Statutory Auditors

The shareholders at the 23rd AGM, approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W - 100018), as the Statutory Auditors, for a period of five (5) years i.e. from the conclusion of the 23rd AGM till the conclusion of 28th AGM of the Company subject to ratification of appointment by the shareholders at every Annual General Meeting.

However, pursuant to the notification dated May 07, 2018, issued by the Ministry of Corporate Affairs, the requirement for ratification of Statutory Auditors at every Annual General Meeting has been done away with.

Accordingly, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants shall continue as the Statutory Auditors of the Company till the conclusion of 28th AGM in terms of the shareholders resolution dated July 20, 2017 passed at the 23rd AGM.

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

The Auditors' Report for the Financial Year ended March 31, 2019, does not contain any qualification, reservation or adverse remark.

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

II. Maintenance of cost Records and Cost Auditors

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

The Board of Directors on the basis of recommendations from Audit Committee has appointed M/s A.G. Agarwal & Associates, Cost Accountants, as cost auditors of the Company for the Financial Year 2019-20 at a fee of ₹ 60,000 (Rupees Sixty Thousand only) plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the shareholders at the ensuing AGM.

III. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s PDS & Co., Company Secretaries ("Secretarial Auditors") to conduct the Secretarial Audit of your Company for the Financial Year 2018-19.

The Secretarial Audit Report for the Financial Year ended March 31, 2019 is annexed herewith as Annexure 5 and forms

an integral part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on March 31, 2019 in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at https://www.lalpathlabs.com/pdf/Extract of Annual Return-MGT-9-FY%202018-19_7july2019.pdf and is set out herewith as Annexure 6 and forms an integral part of this Annual Report.

RELATED PARTY TRANSACTIONS

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

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

All related party transaction entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

LOANS AND INVESTMENTS

Details of Loans, Guarantees given and Investments made by the Company during Financial Year 2018-19 within the meaning of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Schedule V of the SEBI Listing Regulation, are set out in Note 48 to the Standalone Financial Statements of the Company.

RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risk elements in the internal and external environment, along with the cost of treating such risk elements and incorporates risk treatment plans in its strategy, business and operational plans. As on the date of this report, the Company does not foresee any critical risk, which threatens its existence.

Your Company, through its risk management policy, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors. The Company has a Risk Management Committee to identify elements of risk in different areas of operations; the details of the Risk Management Committee are included in the Corporate Governance Report.

VIGIL MECHANISM

Your Company has a Vigil Mechanism in place as required under Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. No matter was reported during the year under review. More details in this regard have been outlined in the Corporate Governance Report annexed to this report and are also available under Investor Section on the Company's web-site (www.lalpathlabs.com).

CORPORATE SOCIAL RESPONSIBILITY

For your Company, Corporate Social Responsibility (CSR) means the integration of social, environmental and economic concerns in its business operations. CSR involves operating Company's business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of businesses. In alignment with vision of the Company, through its CSR initiative, your Company will enhance value creation in the society through its services, conduct and initiatives, so as to promote sustained growth for the society.

The Board of Directors of your Company has further formulated and adopted a policy on Corporate Social Responsibility which can be accessed at our website at <https://www.lalpathlabs.com/pdf/brochures/CSR-Policy.pdf>.

The CSR Policy of your Company outlines the Company's philosophy for undertaking socially useful programs through the creation of a CSR Trust for welfare and sustainable development of the community at large as part of its duties as a responsible corporate citizen. During the year under review, there has been no change in the policy.

The composition of CSR committee and disclosure as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure 7 and forms an integral part of this Annual Report.

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

The Company has in place an Anti-Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

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

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

During the period under review, 6 (Six) complaints were received by the ICC and the same were disposed off.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

I. Conservation of energy and Technology Absorption

- Maintaining power factor (PF) up to .99 (unity). Maintaining up to- 0.9994.
- Recycling of RO waste water and treated lab waste as part of water conservation.
- Post reports of energy Audit of Lab, chiller load is directed to two of the more efficient chillers.
- Descaling done of chillers to improve efficiency and retuned the evaporator pressure drop and condenser water flow to maximize efficiency of chillers.
- Replaced cooling tower fills and eliminator to improve efficiency of cooling tower.
- Reduction in number of chillers operational during off peak hours, and switching on only cooling water pump to maintain set temperature.
- Installing split AC in areas which are operating extended hours to avoid the running of entire floor AHU.
- All utilities functions are operated during off peak hours, this gives advantage of off peak hours Tariff rebate extended by NDPL.
- Optimizing operations of two elevators during peak and off time.
- During winters when the load demand is reduced, we proactively shut down one of the transformer alternately to save transformer loss.
- LED lights change from conventional lights for energy saving exercise.
- Installed 50KW Solar Rooftop power plant system for generation of natural energy saving.
- Additional 50KW Solar Rooftop power plant system for generation of natural energy saving planned for installation this year for both the reference labs at Rohini (NRL) and Kolkata (KRL).
- Replaced the existing cold room unit by energy efficient units.
- Kolkata reference laboratory(KRL) received the "LEED 2009 GOLD certification" for Leadership in Energy and Environmental Design (LEED). LEED is a third party verification system for green buildings developed by the U.S. Green Building Council (USGBC). The certification covers all phases of development from design and construction, operations and maintenance to significant retrofits.

II. Foreign exchange earnings and outgo

S. No.	Particulars	Amount (In ₹ Million)
1	Foreign Exchange Earnings	155.10
2	Foreign Exchange Outgo	88.30

INTERNAL FINANCIAL CONTROLS

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

During Financial Year 2018-19, such controls were tested and no reportable material weakness in the design or operation was observed.

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

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

COMPLIANCE OF SECRETARIAL STANDARDS

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

APPRECIATION

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of Board of Directors

(Hony) Brig. Dr. Arvind Lal
Chairman & Managing Director
DIN: 00576638

Place: New Delhi
Date: May 17, 2019

Policy on Dividend Distribution

1. Introduction

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") notified on July 08, 2016 provides for top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy.

Considering that the Company is amongst the top 500 listed entities based on Market Capitalization as on 31st March 2016, the Board of Directors of Dr. Lal PathLabs Limited ("Company") have adopted this policy on Dividend Distribution.

2. Objectives & Scope

This Policy lays down the broad framework which will act as a guiding principle for the purpose of declaring or recommending dividend during or for any financial year, by the Company.

Through this policy, the Company shall endeavour to bring a transparent and consistent approach to its dividend pay-out plans.

The Policy, however, is not an alternative to the decision making process of the Board for recommending Dividend and the Board may take into consideration other factors as well in addition to the ones enumerated in this policy.

3. Definitions

- 3.1. **"Act"** shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.
- 3.2. **"Applicable Laws"** shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of dividend.
- 3.3. **"Company"** shall mean Dr. Lal PathLabs Limited.
- 3.4. **"Board"** or **"Board of Directors"** shall mean Board of Directors of the Company.
- 3.5. **"Dividend"** shall mean Dividend as defined under Companies Act, 2013.
- 3.6. **"Policy or this Policy"** shall mean the Policy on Dividend Distribution.
- 3.7. **"SEBI Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4. Parameters for declaration of Dividend

In line with the philosophy stated above, the Board of Directors shall consider the following parameters for declaration of dividend:

4.1 Financial Parameters

- Consolidated Net operating profit after tax;
- Working Capital requirements;

- Capital expenditure requirements;
- Likelihood of crystallization of contingent liabilities, if any;
- Resources required to fund acquisition of brands/business(es);
- Cash flow required to meet contingencies;
- Outstanding borrowings;

4.2 Internal Factors

- Potential opportunities available for growth/expansion
- Past Dividend Trends;
- Expectation of major shareholders;
- Prudential requirements for cash conservation

4.3 External Factors

- Prevailing legal requirements, regulatory conditions or restrictions laid down under applicable laws including tax laws;
- Dividend Pay-out ratios of companies in similar industries
- Economic Environment

Post consideration of the above factors, the Board shall take an informed decision about the dividend pay-out ratio and shall strive to maintain the same in the range of 10%-50% of the Profit after Tax (PAT) on Standalone Financials for the concerned Financial Year.

5. Circumstances under which the shareholders may or may not expect dividend:

The Shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all expenses, depreciation, other non-cash charges etc. and complying all other statutory requirements of the Applicable Law.

The Board shall consider the factors mentioned under Clause 4 above and before determination of any dividend payout, analyze the prospective opportunities and threats, viability of the option of dividend payout or retention etc. The Board shall not recommend dividend if they are of the opinion that it is financially not prudent to do so.

6. Utilization of retained earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Product/Service expansion plan;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital assets;

- Where the cost of debt is expensive;
- Such other criteria as the Board may deem fit from time to time.

7. **Provision with regard to various classes of shares**

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company shall be entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issuance of any new class of shares depending upon the nature and guidelines prevailing thereon.

8. **Amendment(s):**

- The Board of Directors may review or amend this policy, in whole or in part, from time to time, as it may deem fit.

- In case of any amendment(s) issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s) shall be treated as part of this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s).

- In case of any clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then this Policy shall be read along with such clarification(s), circular(s) so issued, from the effective date as laid down under such clarification(s), circular(s) etc.

9. **Disclosures**

The Company shall disclose this policy in its Annual Report & website.

FORM AOC-1

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

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

S. No.	Name of Subsidiary	Date on which subsidiary was acquired	Country of Incorporation	Reporting Currency	Closing exchange rate against Indian Rupee as on Mar 31, 2019	% of Holding	Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	(All amounts in ₹ Million.)			
													Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(16)
1	Paliwal Diagnostics Private Limited	14/08/2008	India	₹	1	80%	0.16	157.52	180.83	23.15	-	282.60	94.00	28.55	65.45	-
2	Paliwal Medicare Private Limited	14/08/2008	India	₹	1	80%	0.10	53.48	57.35	3.77	-	44.38	8.00	2.02	5.98	-
3	APL Institute of Clinical Laboratory & Research Private Limited	27/02/2014	India	₹	1	100%	0.10	11.99	17.15	5.06	-	35.50	0.30	(0.10)	0.40	-
4	Dr. Lal PathLabs International B.V.	20/03/2014	Netherlands	₹*	-	-	-	-	-	-	-	-	-	-	-	-
5	Dr. Lal PathLabs Nepal Private Limited	23/08/2016	Nepal	₹**	0.620572	100%	25.05	(8.31)	23.02	6.28	-	41.25	1.59	0.54	1.05	-
6	Dr. Lal PathLabs Bangladesh Pvt Ltd.	16/10/2017	Bangladesh	₹***	0.825351	71.83%	31.90	12.73	65.35	20.72	-	34.25	(4.43)	0.57	(5.00)	-
7	Dr. Lal Ventures Private Limited	10/12/2018	India	₹	1	100%	1.00	(0.28)	0.78	0.06	-	-	(0.31)	(0.03)	(0.28)	-
8	Pathlabs Unifilers Private Limited	12/12/2018	India	₹	1	100%	1.00	(0.75)	0.31	0.06	-	-	(0.78)	(0.03)	(0.75)	-

* Functional Currency is EUR

** Functional Currency is NPR

*** Functional Currency is BDT

Notes:

- Dr. Lal PathLabs International B.V., incorporated on March 20, 2014, is yet to commence its operations. No Investments have been made by the Company.
- The Board of Directors in their meeting, held on 12 May, 2017, approved the "Scheme of Amalgamation" of Delta Ria and Pathology Private Limited (Transferor Company), a wholly owned subsidiary, with the Company (Transferee Company) w.e.f. 1 April, 2017 (the appointed date). As per the said scheme the undertaking of the transferor company shall stand transferred to and vested in the transferee Company on a going concern basis without any further act, deed or matter.
The Scheme envisages transfer of all properties, rights, assets, interests and claims of the Transferor Company to the Transferee Company. Pursuant to the scheme coming into effect w.e.f. January 1, 2019, all the equity shares held by the Transferee Company in Transferor Company stand automatically cancelled.
The amalgamation has been accounted for under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The difference between the carrying value of investments in the books of the Transferee Company and the amount of the net assets of Transferor Company has been adjusted in Capital Reserve as per the scheme. The impact of the amalgamation has been given from the date on which the Transferee Company obtained the control of the Transferor Company i.e. 21 December, 2016 in accordance with the pooling of interests method prescribed under Ind AS 103 Business Combinations.
- The reporting period for all the subsidiaries is March 31, 2019.

For and on behalf of the Board of Directors

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Ved Prakash Goel
[Chief Financial Officer]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Rajat Kalra
[Company Secretary]

Place: New Delhi
Date: 17 May, 2019

Annexure - 3

Disclosures pertaining to remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2019.

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

S. No.	Name of the Director	Category	Ratio of Remuneration to the median remuneration of the employees
1.	(Hony) Brig. Dr. Arvind Lal	Executive Director	80:1
2.	Dr. Vandana Lal	Executive Director	64:1
3.	Dr. Om Prakash Manchanda*	Executive Director & Chief Executive Officer	127:1
4.	Mr. Rahul Sharma	Non-Executive Director	4:1
5.	Mr. Arun Duggal**	Independent Non-Executive Director	6:1
6.	Dr. Saurabh Srivastava	Independent Non-Executive Director	7:1
7.	Mr. Sunil Varma	Independent Non-Executive Director	6:1
8.	Mr. Anoop Mahendra Singh	Independent Non-Executive Director	5:1
9.	Mr. Harneet Singh Chandhoke	Independent Non-Executive Director	5:1
10.	Ms. Somya Satsangi***	Independent Non-Executive Director	0.79:1

*Does not include a non-cash (stock related) perk of ₹ 1,74,60,700/- on exercise of Stock options.

**Mr. Arun Duggal resigned from the Board w.e.f. March 1, 2019

*** Ms. Somya Satsangi was appointed on the Board w.e.f. February 8, 2019

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

S. No.	Name of the Director	Category	% Increase in Remuneration in the Financial Year
1.	(Hony) Brig. Dr. Arvind Lal	Executive Director	5
2.	Dr. Vandana Lal	Executive Director	5
3.	Dr. Om Prakash Manchanda	Executive Director & Chief Executive Officer	5
4.	Mr. Rahul Sharma*	Non-Executive Director	N.A.
5.	Mr. Arun Duggal	Independent Non-Executive Director	NIL
6.	Dr. Saurabh Srivastava	Independent Non-Executive Director	NIL
7.	Mr. Sunil Varma	Independent Non-Executive Director	NIL
8.	Mr. Anoop Mahendra Singh	Independent Non-Executive Director	NIL
9.	Mr. Harneet Singh Chandhoke	Independent Non-Executive Director	NIL
10.	Ms. Somya Satsangi**	Independent Non-Executive Director	N.A.
11.	Mr. Dilip Bidani***	Chief Financial Officer	7.51
12.	Mr. Ved Prakash Goel****	Chief Financial Officer	7.89
13.	Mr. Rajat Kalra	Company Secretary	7.24

*Mr. Rahul Sharma was not entitled to any remuneration for the Financial Year 2017-18.

**Ms. Somya Satsangi was appointed on the Board w.e.f. February 8, 2019.

***Mr. Dilip Bidani resigned as the Chief Financial Officer on August 10, 2018.

****Mr. Ved Prakash Goel was appointed as Chief Financial Officer w.e.f. August 10, 2018.

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

The average percentage increase in the median remuneration of employees in the Financial Year is 18.03.

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

The number of permanent employees on the rolls of the Company as of March 31, 2019 is 3,941.

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

Average percentile increase in the salaries of employees other than the managerial personnel is 10.41%	Average percentile increase in managerial personnel is 5.49%	Not Applicable as Managerial Remuneration increase % is lower
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- F. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

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

Nomination And Remuneration Policy

1. Introduction

In terms of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

2. Policy Objective

- a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Key Managerial and Senior Management positions and to recommend to the Board their appointment and removal.
- b. To lay down criteria to carry out evaluation of every Director's /KMP/Senior Management Personnel and other employees performance.
- c. To formulate criteria for determining qualification, positive attributes and Independence of a Director.
- d. To recommend to the Board a policy, relating to remuneration of directors, key managerial personnel and other employees. While recommending such policy the Nomination and Remuneration Committee shall ensure:
 - i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
 - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - iii. Remuneration of Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- e. To formulate a Board Diversity Policy.
- f. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management

3. Definitions

- a. **"Board of Directors"** means the "Board of Directors" of Dr. Lal PathLabs Limited, as constituted from time to time.
- b. **"Company"** means Dr. Lal PathLabs Limited.
- c. **"Independent Director"** means a Director of the Company, not being a Managing or Whole-Time Director or a Nominee Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies the criteria of independence as prescribed under the provisions of the Companies Act 2013 (including the rules prescribed thereunder) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

- d. **"Key Managerial Personnel"** or KMP means key managerial personnel as defined under the Companies Act, 2013 & in relation to the Company means:-
 - I. Chief Executive Officer or the Managing Director or the Manager;
 - II. Company Secretary;
 - III. Whole Time Director;
 - IV. Chief Financial Officer; and
 - V. Such other officer as may be prescribed

- e. **"Nomination & Remuneration Committee"** means "Nomination & Remuneration Committee" constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 (including the rules prescribed thereunder) and the Listing Obligations and Disclosure Requirements with the Stock Exchanges.
- f. **"Other employees"** means, all the employees other than Directors, KMPs and the Senior Management Personnel.
- g. **"Policy"** means the Nomination & Remuneration Policy.

"Senior Management Personnel" means, the personnel of the Company who are members of its core management team excluding Board of Directors, comprising of all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director (including chief executive office, in case he is not part of the board) and shall specifically include company secretary and chief financial officer).

4. Constitution

- a. The Board shall determine the membership of the Nomination & Remuneration Committee.
- b. The Committee shall comprise of at least three non-executive directors, of which not less than one-half shall be independent directors.
- c. Chairman of the committee shall be an Independent Director.
- d. The Company Secretary shall act as Secretary to the committee.

5. Policy

This policy is divided into three parts:

5.1 Appointment & Removal

- a. **Criteria for identifying persons who are qualified to be appointed as a Director / KMP / Senior Management Personnel / Other Employees of the Company:**
 - i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
 - ii. The Committee should ensure that the person so appointed as Director/ Independent Director/ KMP/

Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other applicable enactment for the time being in force.

iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other applicable enactment for the time being in force.

iv. The other employees shall be appointed and removed as per the policy and procedure of the Company.

b. Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder and Listing agreement as amended from time to time.

The Term/Tenure of the KMP's/Senior Management Personnel and other employees shall be as per the companies prevailing policy.

c. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or a Senior Management Personnel.

The removal of other employees shall be as per the Company's prevailing policy.

d. Retirement:

The director, KMP, senior management personnel & other employees shall retire as per the relevant provisions of the Companies Act, 2013 along with the rules made thereunder and the prevailing policy of the Company, as may be applicable.

The BOD, however, will have the discretion to retain, subject to regulatory approval, if applicable, the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

5.2 Remuneration

The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance

objectives appropriate to the working of the company and its goals.

1. Whole Time Director(s)/ Managing Director

The Whole Time Director(s)/ Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to Whole Time Director(s)/ Managing Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- Financial and operating performance of the Company
- Relationship between remuneration and performance
- Industry/ sector trends for the remuneration paid to executive directorate

Annual Increments to the Whole Time Director(s)/ Managing Director shall be within the slabs approved by the Shareholders. Increments shall be recommended by the Nomination and Remuneration Committee to the Board of Directors at times it desires to do so but preferably on an annual basis.

2. Non-Executive / Independent Directors

i) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

ii) Sitting Fee:

The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

iii) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

iv) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

3. Senior Management Personnel / KMPs

The Remuneration to be paid to Senior Management Personnel / KMP's shall be based on the experience, qualification,

expertise of the related personnel as well as the prevailing market conditions and shall be decided by the Board on the recommendation of Nomination and Remuneration Committee and consonance with the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other applicable enactment for the time being in force.

4. Other Employees

The power to decide structure of remuneration for other employees has been delegated to the CEO & Whole Time Director of the Company who shall decide the same in consultation with the Chief Human Resource Officer of the Company.

5.3 Evaluation

1. Criteria for evaluation of Directors:

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

In developing the methodology to be used for evaluation, on the basis of best standards and methods meeting

international parameters, the Board may consider taking the advice of an Independent Professional Consultant.

2. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:

The performance evaluation of KMP's and Senior Management Personnel shall be done by their respective reporting heads based on the KRA's given to them at the beginning of the year.

3. Criteria for evaluating performance of Other Employees:

The performance evaluation of other employees shall be done as per Company's Policy.

6. Disclosures

This Policy shall be disclosed on the website of the Company.

7. Amendment(s)

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Dr. Lal PathLabs Limited
Block E, Sector-18, Rohini,
New Delhi-110085

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dr. Lal PathLabs Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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') to the extent applicable during audit period:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
- (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 to the extent of securities issued;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable to the Company during the Audit Period**)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not applicable to the Company during the Audit Period**)
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry are:
 1. The Clinical Establishments (Registration and Regulation) Act, 2010 and rules made thereunder;
 2. The Preconception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and rules made thereunder;
 3. The Atomic Energy Act 1962 and rules made there under;
 4. Bio Medical Waste (Management and Handling) Rules, 1988, as amended up to date.

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

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

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

We further report that:

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

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

Board's Report

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that:

The New Delhi Bench and Ahmedabad Bench of Hon'ble National Company Law Tribunal (NCLT), sanctioned the scheme of Amalgamation between Dr. Lal PathLabs Limited ("Transferee Company") and Delta Ria and Pathology Private Limited

("Transferor Company"), a wholly owned subsidiary of the Transferee Company, on October 23, 2018 and December 11, 2018 respectively.

The NCLT orders were filed with the Registrar of Companies, NCT of Delhi & Haryana on January 01, 2019. Accordingly, the effective date of the Amalgamation is January 01, 2019.

**For PDS & CO.
Company Secretaries**

**Prashant Kumar Balodia
(Partner)**

**Membership No. 6047
Certificate of Practice No. 6153**

**Date: May 17, 2019
Place: Delhi**

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

Annexure A

To
The Members
Dr. Lal PathLabs Limited
Block E, Sector-18, Rohini,
New Delhi-110085

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PDS & CO.
Company Secretaries**

**Prashant Kumar Balodia
(Partner)**

**Membership No. 6047
Certificate of Practice No. 6153**

**Date: May 17, 2019
Place: Delhi**

Annexure - 6

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L74899DL1995PTC065388
Registration Date	14 th February, 1995
Name of the Company	Dr. Lal PathLabs Limited
Category / Sub-Category of the Company	Public Company Limited by Shares
Address of the Registered office and contact details	Block E, Sector - 18, Rohini, New Delhi - 110085 Tel.: +91 -11-3024-4149; Fax: +91-11-2788-2134; Website - www.lalpathlabs.com Email: cs@lalpathlabs.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime (India) Private Limited Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Website - www.linkintime.co.in Email: delhi@linkintime.co.in Phone: 011-49411000 Fax: 011-41410591

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All business activities contributing 10% or more of 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.	Provider of Diagnostic and related healthcare tests and services	869	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name & address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Paliwal Diagnostics Private Limited 117/H-1/02, Pandu Nagar, Kanpur, Uttar Pradesh - 208025	U26914UP1997PTC022257	Subsidiary	80%	2(87)
2.	Paliwal Medicare Private Limited 117/H-1/02, Pandu Nagar, Kanpur, Uttar Pradesh - 208025	U85110U2006PTC031606	Subsidiary	80%	2(87)
3.	APL Institute of Clinical Laboratory & Research Private Limited A-103-104, Aasthan Complex, Ahmedabad, Gujarat - 380015	U73100GJ2011PTC065333	Subsidiary	100%	2(87)
4.	Dr. Lal Ventures Private Limited Block E, Sector-18, Rohini, New Delhi-110085	U85100DL2018PTC342828	Subsidiary	100%	2(87)
5.	PathLabs Unifiers Private Limited Block E, Sector 18, Rohini, New Delhi-110085	U85320DL2018PTC342981	Subsidiary	100%	2(87)
6.	Dr. Lal PathLabs Nepal Private Limited K.M.C. No. 4, Chandol, Kathmandu, Nepal	-	Subsidiary	100%	2(87)
7.	Dr. Lal Path Labs Bangladesh Private Limited Haque Tower, 5th Floor, 44/9 West Panthapath, Dhakha-1205, Bangladesh	-	Subsidiary	71.83%	2(87)
8.	Dr. Lal PathLabs International B.V. Strawinskylaan 937, 1077 XX Amsterdam The Netherlands	-	Subsidiary	-	2(87)

IV. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total equity)

i. Category Wise Share Holding

S. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual/HUF	4,78,48,562	-	4,78,48,562	57.42	4,74,31,898	-	4,74,31,898	56.91	(0.51)
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1)	4,78,48,562	-	4,78,48,562	57.42	4,74,31,898	-	4,74,31,898	56.91	(0.51)
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2)	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	4,78,48,562	-	4,78,48,562	57.42	4,74,31,898	-	4,74,31,898	56.91	(0.51)
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	84,25,504	-	84,25,504	10.11	55,21,029	-	55,21,029	6.62	(3.49)
(b)	Financial Institutions / Banks	1,81,434	-	1,81,434	0.22	7,042	-	7,042	0.01	(0.21)
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	1,58,605	-	1,58,605	0.19	2,61,834	-	2,61,834	0.31	0.12
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Others									
	Foreign Portfolio Investor	1,09,09,666	-	1,09,09,666	13.09	1,45,27,534	-	1,45,27,534	17.43	4.34
	Alternative Investment Funds	11,26,534	-	11,26,534	1.35	14,92,728	-	14,92,728	1.79	0.44
	Sub-Total B(1)	2,08,01,743	-	2,08,01,743	24.96	2,18,10,167	-	2,18,10,167	26.17	1.21

S. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	7,50,731	-	7,50,731	0.90	10,83,363	-	10,83,363	1.30	0.4
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	28,89,801	1	28,89,802	3.47	23,66,706	1	23,66,707	2.84	(0.63)
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	13,03,888	-	13,03,888	1.56	16,26,757	-	16,26,757	1.95	0.39
(c)	Others									
	NBFCs registered with RBI	-	-	-	-	51,815	-	51,815	0.06	0.06
	Trust Employee	-	-	-	-	47,763	-	47,763	0.06	0.06
	Foreign Company	83,16,772	-	83,16,772	9.98	76,39,459	-	76,39,459	9.17	(0.81)
	Dr. Lal Employee Welfare Trust	10,54,452	-	10,54,452	1.27	10,00,822	-	10,00,822	1.20	(0.07)
	Trust	989	-	989	0.00	1096	-	1096	0.00	0.00
	Hindu Undivided Family	84,139	-	84,139	0.10	66,686	-	66,686	0.08	(0.02)
	Non Resident Indians (Non Repat)	76,638	-	76,638	0.09	66,589	-	66,589	0.08	(0.01)
	Non Resident Indians (Repat)	1,65,870	-	1,65,870	0.20	1,29,326	-	1,29,326	0.16	(0.04)
	Foreign Nationals	6	-	6	0.00	0	-	0	0.00	0.00
	Foreign Portfolio Investors (Individual)	50	-	50	0.00	1060	-	1060	0.00	0.00
	Clearing Member	39,102	-	39,102	0.05	18,102	-	18,102	0.02	(0.03)
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2)	1,46,82,438	-	1,46,82,439	17.62	1,40,99,544	1	1,40,99,545	16.92	(0.7)
	Total B=B(1)+B(2)	3,54,84,181	1	3,54,84,182	42.58	3,59,09,711	1	3,59,09,712	43.09	0.51
	Total (A+B)	8,33,32,743	1	8,33,32,744	100	8,33,41,609	1	8,33,41,610	100.00	-
(C)	SHARES CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED, HELD BY									
(1)	PROMOTER AND PROMOTER GROUP	-	-	-	-	-	-	-	-	-
(2)	PUBLIC	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	8,33,32,743	1	8,33,32,744	100	8,33,41,609	1	8,33,41,610	100	-

ii. Shareholding of Promoter and Promoter Group:

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	(Hony) Brig. Dr. Arvind Lal	2,65,56,220	31.87	0	2,61,39,556	31.36	0	(0.51)
2	Dr. Vandana Lal	1,59,31,893	19.12	0	1,59,31,893	19.12	0	0.00
3	Eskay House (HUF)	16,81,774	2.02	0	16,81,774	2.02	0	0.00
4	Dr. Archana Lal	19,89,061	2.39	0	19,89,061	2.39	0	0.00
5	Mr. Anjaneya Lal	16,89,614	2.03	0	16,89,614	2.03	0	0.00
Total		4,78,48,562	57.42	0	4,74,31,898	56.91	0	(0.51)

iii. Change in Promoter and Promoter Group Shareholding

S. No.	Shareholders Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	(Hony) Brig. Dr. Arvind Lal	01-04-2018	2,65,56,220	31.87	2,65,56,220	31.87
	Decrease in shareholding during the year	12-11-2018	(4,16,664)	(0.51)	2,61,39,556	31.36
	At the end of the year	31-03-2019	-	-	2,61,39,556	31.36
2.	Dr. Vandana Lal	01-04-2018	1,59,31,893	19.12	1,59,31,893	19.12
	At the end of the year	31-03-2019	-	-	1,59,31,893	19.12
3.	Eskay House (HUF)	01-04-2018	16,81,774	2.02	16,81,774	2.02
	At the end of the year	31-03-2019	-	-	16,81,774	2.02
4.	Dr. Archana Lal	01-04-2018	19,89,061	2.39	19,89,061	2.39
	At the end of Year	31-03-2019	-	-	19,89,061	2.39
5.	Mr. Anjaneya Lal	01-04-2018	16,89,614	2.03	16,89,614	2.03
	At the end of the year	31-03-2019	-	-	16,89,614	2.03

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Shareholders Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Westbridge, Crossover Fund LLC	01-04-2018	76,87,394	9.22	76,87,394	9.22
	Transfer Sell	01-03-2019	(47,935)	(0.06)	76,39,459	9.17
	At the end of the year	31-03-2019	-	-	76,39,459	9.17
2.	UTI - Equity Fund	01.04.2018	17,82,184	2.14	17,82,184	2.14
	Transfer Buy	13-04-2018	10,000	0.01	17,92,184	2.15
	Transfer Buy	20-04-2018	20,000	0.02	18,12,184	2.17
	Transfer Buy	18-05-2018	55,000	0.07	18,67,184	2.24
	Transfer Buy	25-05-2018	40,000	0.05	19,07,184	2.29
	Transfer Buy	01-06-2018	28,000	0.03	19,35,184	2.32
	Transfer Buy	08-06-2018	22,000	0.03	19,57,184	2.35
	Transfer Buy	15-06-2018	13,000	0.02	19,70,184	2.36

Shareholders Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Transfer Buy	30-06-2018	10,199	0.01	19,80,383	2.38
Transfer Buy	06-07-2018	10,000	0.01	19,90,383	2.39
Transfer Buy	10-08-2018	7,208	0.01	19,97,591	2.40
Transfer Buy	17-08-2018	23,298	0.03	20,20,889	2.42
Transfer Buy	24-08-2018	5,000	0.01	20,25,889	2.43
Transfer Buy	31-08-2018	7,079	0.01	20,32,968	2.44
Transfer Buy	14-09-2018	23,000	0.03	20,55,968	2.47
Transfer Buy	21-09-2018	10,000	0.01	20,65,968	2.48
Transfer Buy	29-09-2018	21,223	0.03	20,87,191	2.50
Transfer Buy	05-10-2018	10,000	0.01	20,97,191	2.52
Transfer Buy	26-10-2018	41,000	0.05	21,38,191	2.57
Transfer Buy	02-11-2018	39,410	0.05	21,77,601	2.61
Transfer Buy	30-11-2018	15,000	0.02	21,92,601	2.63
Transfer Buy	07-12-2018	76,000	0.09	22,68,601	2.72
Transfer Buy	14-12-2018	25,857	0.03	22,94,458	2.75
Transfer Buy	21-12-2018	15,000	0.02	23,09,458	2.77
Transfer Buy	04-01-2019	57,427	0.07	23,66,885	2.84
Transfer Sell	18-01-2019	(15,000)	(0.02)	23,51,885	2.82
Transfer Buy	25-01-2019	5,000	0.01	23,56,885	2.83
Transfer Buy	08-02-2019	7,000	0.01	23,63,885	2.84
At the end of the year	31.03.2019	-	-	23,63,885	2.84
3. Mirae Asset Emerging Bluechip Fund	01-04-2018	-	-	-	-
Transfer Buy	15-06-2018	3,72,340	0.45	3,72,340	0.45
Transfer Buy	22-06-2018	1,14,710	0.14	4,87,050	0.58
Transfer Buy	30-06-2018	630	0.00	4,87,680	0.59
Transfer Buy	06-07-2018	465	0.00	4,88,145	0.59
Transfer Buy	13-07-2018	39,586	0.05	5,27,731	0.63
Transfer Buy	20-07-2018	1,70,249	0.20	6,97,980	0.84
Transfer Buy	27-07-2018	40,127	0.05	7,38,107	0.89
Transfer Buy	03-08-2018	4,993	0.01	7,43,100	0.89
Transfer Buy	10-08-2018	8,393	0.01	7,51,493	0.90
Transfer Buy	17-08-2018	52,443	0.06	8,03,936	0.96
Transfer Buy	24-08-2018	25,804	0.03	8,29,740	1.00
Transfer Buy	31-08-2018	2,064	0.00	8,31,804	1.00
Transfer Buy	07-09-2018	18,842	0.02	8,50,646	1.02
Transfer Buy	14-09-2018	16,700	0.02	8,67,346	1.04
Transfer Buy	29-09-2018	7,022	0.01	8,74,368	1.05
Transfer Buy	05-10-2018	54,600	0.07	9,28,968	1.11
Transfer Buy	12-10-2018	318	0.00	9,29,286	1.12
Transfer Buy	26-10-2018	23,250	0.03	9,52,536	1.14
Transfer Buy	02-11-2018	1,17,465	0.14	10,70,001	1.28
Transfer Buy	09-11-2018	5,100	0.01	10,75,101	1.29
Transfer Buy	23-11-2018	6,454	0.01	10,81,555	1.30

S. No.	Shareholders Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer Buy	07-12-2018	37,000	0.04	11,18,555	1.34
	Transfer Buy	28-12-2018	4,261	0.01	11,22,816	1.35
	Transfer Buy	04-01-2019	3,11,600	0.37	14,34,416	1.72
	Transfer Buy	11-01-2019	60,000	0.07	14,94,416	1.79
	Transfer Sell	25-01-2019	(1,626)	(0.00)	14,92,790	1.79
	Transfer Buy	01-02-2019	1,340	0.00	14,94,130	1.79
	Transfer Sell	08-02-2019	(1,22,343)	(0.15)	13,71,787	1.65
	Transfer Sell	22-03-2019	(600)	(0.00)	13,71,187	1.65
	At the end of the year	31-03-2019	-	-	13,71,187	1.65
4.	Franklin Templeton Investment Funds	01-04-2018	29,75,571	3.57	29,75,571	3.57
	Transfer Sell	30-06-2018	(2,00,000)	(0.24)	27,75,571	3.33
	Transfer Sell	20-07-2018	(8,62,931)	(1.04)	19,12,640	2.29
	Transfer Sell	27-07-2018	(37,069)	(0.04)	18,75,571	2.25
	Transfer Sell	03-08-2018	(1,00,000)	(0.12)	17,75,571	2.13
	Transfer Sell	17-08-2018	(3,00,000)	(0.36)	14,75,571	1.77
	Transfer Sell	24-08-2018	(25,000)	(0.03)	14,50,571	1.74
	Transfer Sell	08-02-2019	(68,483)	(0.08)	13,82,088	1.66
	Transfer Sell	15-02-2019	(51,517)	(0.06)	13,30,571	1.60
	At the end of the year	31-03-2019	-	-	13,30,571	1.60
5.	LO Funds - Emerging High Conviction	01-04-2018	12,50,000	1.50	12,50,000	1.50
	Transfer Sell	18-01-2019	(13,000)	(0.02)	12,37,000	1.48
	Transfer Sell	25-01-2019	(7,000)	(0.01)	12,30,000	1.48
	At the end of the year	31-03-2019	-	-	12,30,000	1.48
6.	Dr Lal PathLabs Employee Welfare Trust	01-04-2018	10,54,452	1.27	10,54,452	1.27
	Transfer Sell	06-04-2018	(354)	(0.00)	10,54,098	1.26
	Transfer Sell	27-04-2018	(20,152)	(0.02)	10,33,946	1.24
	Transfer Sell	11-05-2018	(430)	(0.00)	10,33,516	1.24
	Transfer Sell	01-06-2018	(829)	(0.00)	10,32,687	1.24
	Transfer Sell	08-06-2018	(390)	(0.00)	10,32,297	1.24
	Transfer Sell	06-07-2018	(122)	(0.00)	10,32,175	1.24
	Transfer Sell	17-08-2018	(5,238)	(0.01)	10,26,937	1.23
	Transfer Sell	24-08-2018	(1,352)	(0.00)	10,25,585	1.23
	Transfer Sell	31-08-2018	(3,455)	(0.00)	10,22,130	1.23
	Transfer Sell	07-09-2018	(1,227)	(0.00)	10,20,903	1.23
	Transfer Sell	14-09-2018	(259)	(0.00)	10,20,644	1.22
	Transfer Sell	21-09-2018	(1,656)	(0.00)	10,18,988	1.22
	Transfer Sell	29-09-2018	(2,502)	(0.00)	10,16,486	1.22
	Transfer Sell	19-10-2018	(4,197)	(0.01)	10,12,289	1.21
	Transfer Sell	26-10-2018	(1,299)	(0.00)	10,10,990	1.21
	Transfer Sell	02-11-2018	(4,536)	(0.01)	10,06,454	1.21
	Transfer Sell	16-11-2018	(2,101)	(0.00)	10,04,353	1.21
	Transfer Sell	30-11-2018	(336)	(0.00)	10,04,017	1.20
	Transfer Sell	14-12-2018	(172)	(0.00)	10,03,845	1.20

S. No.	Shareholders Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer Sell	18-01-2019	(260)	(0.00)	10,03,585	1.20
	Transfer Sell	01-02-2019	(275)	(0.00)	10,03,310	1.20
	Transfer Sell	08-02-2019	(150)	(0.00)	10,03,160	1.20
	Transfer Sell	22-02-2019	(225)	(0.00)	10,02,935	1.20
	Transfer Sell	01-03-2019	(2,000)	(0.00)	10,00,935	1.20
	Transfer Sell	29-03-2019	(113)	(0.00)	10,00,822	1.20
	AT THE END OF THE YEAR	31-03-2019	-	-	10,00,822	1.20
7.	Wasatch Emerging India Fund	01-04-2018	6,87,029	-	6,87,029	0.82
	Transfer Buy	27-04-2018	7,806	0.01	6,94,835	0.83
	Transfer Buy	18-05-2018	84,509	0.10	7,79,344	0.94
	Transfer Sell	08-06-2018	(21,850)	(0.03)	7,57,494	0.91
	Transfer Sell	24-08-2018	(14,054)	(0.02)	7,43,440	0.89
	Transfer Sell	21-09-2018	(5,045)	(0.01)	7,38,395	0.89
	Transfer Sell	12-10-2018	(23,663)	(0.03)	7,14,732	0.86
	Transfer Sell	23-11-2018	(4,215)	(0.01)	7,10,517	0.85
	Transfer Sell	30-11-2018	(6,094)	(0.01)	7,04,423	0.85
	Transfer Buy	18-01-2019	45,907	0.06	7,50,330	0.90
	AT THE END OF THE YEAR	31-03-2019	-	-	7,50,330	0.90
8.	India Whizdom Fund	01-04-2018	7,19,826	0.86	7,19,826	0.86
	Transfer Sell	29-03-2019	(6,213)	(0.01)	7,13,613	0.86
	AT THE END OF THE YEAR	31-03-2019	-	-	7,13,613	0.86
9.	First State Investments ICVC- Stewart Investors Indian Subcontinent Fund	01-04-2018	1,95,688	0.23	1,95,688	0.23
	Transfer Buy	20-04-2018	81,633	0.10	2,77,321	0.33
	Transfer Buy	18-05-2018	91,026	0.11	3,68,347	0.44
	Transfer Buy	08-06-2018	1,29,383	0.16	4,97,730	0.60
	Transfer Buy	29-09-2018	63,073	0.08	5,60,803	0.67
	Transfer Buy	26-10-2018	69,649	0.08	6,30,452	0.76
	Transfer Buy	16-11-2018	46,918	0.06	6,77,370	0.81
	At the end of the year	31-03-2019	-	-	6,77,370	0.81
10.	Fidelity Investment Funds ICVC - Fidelity Global Focus Fund	01-04-2018	-	-	-	-
	Transfer Buy	22-06-2018	2,299	0.00	2,299	0.00
	Transfer Buy	30-06-2018	5,24,301	0.63	5,26,600	0.63
	Transfer Buy	06-07-2018	41,815	0.05	5,68,415	0.68
	Transfer Buy	27-07-2018	28,341	0.03	5,96,756	0.72
	Transfer Buy	03-08-2018	60,772	0.07	6,57,528	0.79
	Transfer Sell	19-10-2018	(1,034)	(0.00)	6,56,494	0.79
	Transfer Sell	26-10-2018	(18,800)	(0.02)	6,37,694	0.77
	Transfer Buy	16-11-2018	36,343	0.04	6,74,037	0.81
	Transfer Sell	01-02-2019	(14,552)	(0.02)	6,59,485	0.79
	At the end of the year	31-03-2019	-	-	6,59,485	0.79

Board's Report

v. Shareholding of Director's & KMP's

S. No.	Shareholders Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	(Hony) Brig. Dr. Arvind Lal	01.04.2018	2,65,56,220	31.86	2,65,56,220	31.86
	Decrease in shareholding during the year	12.11.2018	(4,16,664)	(0.51)	2,61,39,556	31.36
	At the end of the year	31.03.2019	-	-	2,61,39,556	31.36
2.	Dr. Vandana Lal	01.04.2018	1,59,31,893	19.12	1,59,31,893	19.12
	At the end of the year	31.03.2019	-	-	1,59,31,893	19.12
3.	Dr. Om Prakash Manchanda	01.04.2018	11,33,464	1.36	11,33,464	1.36
	Increase in shareholding during the year	27.04.2018	20,152	0.02	11,53,616	1.38
	Decrease in shareholding during the year	01.06.2018	(28,070)	(0.03)	11,25,546	1.35
	Decrease in shareholding during the year	22.06.2018	(1,00,000)	(0.12)	10,25,546	1.23
	Increase in shareholding during the year	12.11.2018	4,16,664	0.50	14,42,210	1.73
	At the end of the Year	31.03.2019	-	-	14,42,210	1.73
4.	Mr. Rahul Sharma	01.04.2018	20,197	0.02	20,197	0.02
	At the end of the year	31.03.2019	-	-	20,197	0.02
5.	Mr. Arun Duggal*	01.04.2018	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2019	-	-	Nil	Nil
6.	Mr. Anoop Mahendra Singh	01.04.2018	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2019	-	-	Nil	Nil
7.	Mr. Harneet Singh Chandhoke	01.04.2018	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2019	-	-	Nil	Nil
8.	Mr. Sunil Varma	01.04.2018	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2019	-	-	Nil	Nil
9.	Dr. Saurabh Srivastava	01.04.2018	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2019	-	-	Nil	Nil
10.	Ms. Somya Satsangi**	01.04.2018	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2019	-	-	Nil	Nil
11.	Mr. Ved Prakash Goel***	01.04.2018	6,910	0.01	6,910	0.01
	Increase in shareholding during the year	14.05.2018	8,866	0.01	15,776	0.02
	At the end of the year	31.03.2019	-	-	15,776	0.02
12.	Mr. Rajat Kalra	01.04.2018	-	-	-	-
	Increase in shareholding during the year	28.05.2018	439	0.00	439	0.00
	Decrease in shareholding during the year	28.06.2018	(439)	(0.00)	-	-
	At the end of the year	31.03.2019	-	-	-	-
12.	Mr. Dilip Bidani****	01.04.2018	9,810	0.01	9,810	0.01
	Decrease in shareholding during the year	21.05.2018	(1,000)	(0.00)	8,810	0.01
	Decrease in shareholding during the year	22.06.2018	(2,000)	(0.00)	6,810	0.01
	Decrease in shareholding during the year	29.06.2018	(250)	(0.00)	6,560	0.01
	As on 10.08.2018	10.08.2018	-	-	6,560	0.01

* Mr. Arun Duggal resigned from the Board w.e.f. March 1, 2019.

** Ms. Somya Satsangi was appointed on the Board as an Independent Director w.e.f. February 8, 2019.

***Mr. Ved Prakash Goel was appointed as Chief Financial Officer w.e.f. August 10, 2018

**** Mr. Dilip Bidani resigned as Chief Financial Officer w.e.f. August 10, 2018

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the Financial Year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total
		(Hony) Brig. Dr. Arvind Lal (Chairman & MD)	Dr. Vandana Lal (WTD)	Dr. Om Prakash Manchanda (CEO & WTD)	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,24,00,616	1,78,32,559	2,99,81,016	7,02,14,191
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	*39,600	*39,600
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option (No of options granted)	-	-	83,332	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
-	As a % of profit	-	-	-	-
-	others, specify...	-	-	-	-
5.	Others, please specify (Performance Linked Incentive)	-	-	51,95,000	51,95,000
	Total	2,24,00,616	1,78,32,559	3,52,15,616	7,54,48,791
	Ceiling as per the Act	10% of net profits of the Company			

*Does not include a non-cash (stock related) perk of ₹ 1,74,60,700/- on exercise of Stock options.

B. Remuneration to other Directors:**1. Independent Directors**

(Amount in ₹)

Particulars of Remuneration	Name of Directors						Total
	*Mr. Arun Duggal	Mr. Anoop Mahendra Singh	Mr. Harneet Singh Chandhoke	Mr. Sunil Varma	Dr. Saurabh Srivastava	**Ms. Somya Satsangi	
Fee for attending Board & Committee Meetings	6,50,000	4,50,000	4,50,000	4,50,000	8,50,000	50,000	29,00,000
Commission	11,43,836	10,17,808	10,00,000	12,50,000	12,50,000	1,78,082	58,39,726
Others, please specify	-	-	-	-	-	-	-
Total (1)	17,93,836	14,67,808	14,50,000	17,00,000	21,00,000	2,28,082	87,39,726

*Mr. Arun Duggal resigned from the Board w.e.f. March 1, 2019.

**Ms. Somya Satsangi was appointed on the Board w.e.f. February 8, 2019

2. Non - Executive Directors

(Amount in ₹)

Particulars of Remuneration	Name of Directors	Total
	Mr. Rahul Sharma	
Fee for attending Board & Committee Meetings	4,50,000	4,50,000
Commission	6,10,959	6,10,959
Others, please specify	-	-
Total (2)	10,60,959	10,60,959
Total Managerial Remuneration(1+2)		98,00,685
Ceiling as per the Act		1% of net profits of the Company

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		*Mr. Ved Prakash Goel Chief Financial Officer	Mr. Rajat Kalra Company Secretary	**Mr. Dilip Bidani Chief Financial Officer	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26,61,519	26,35,743	70,01,365	1,22,98,627
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1,68,525	3,54,493	19,800	5,42,818
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option (No. of options granted during the year)	8,500	2,500	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
-	As a % of profit	-	-	-	-
-	others, specify...	-	-	-	-
5.	Others, please specify (Performance Linked Incentive)	-	-	-	-
	Total	28,30,044	29,90,236	70,21,165	1,28,41,445

*Mr. Ved Prakash Goel was appointed as Chief Financial Officer of the Company w.e.f. August 10, 2018

**Mr. Dilip Bidani resigned as the Chief Financial Officer w.e.f. August 10, 2018.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act/ SEBI (LODR) Regulations, 2015	Brief Description	Details of Penalty / Punishment / Compounding fee imposed	Authority (RD/ NCLT/Court/ Stock Exchange)	Appeal made if any (give details)
A. Company					
Penalty	Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Observation relating to delayed disclosure of Postal Ballot Voting Results to National Stock Exchange	₹ 10,000	Stock Exchange	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure - 7

Report on CSR Activities

[Pursuant to Section 135 of the Act & Rules made thereunder]

S. No.	Particulars	Remarks			
1.	Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs.	Lal PathLabs Foundation is CSR arm of Dr Lal PathLabs Ltd. At Lal PathLabs Foundation, we envision to build a Healthy Nation and Improve lives of the community through high quality and preventive healthcare initiatives. Under our CSR initiatives, we largely worked in two areas – 1. Skill development for paramedics and 2. Public Health (Non Communicable Disease and Geriatric care). Two major project were implemented directly by Lal Pathlabs Foundation while rest of the projects were implemented by Not for Profit Implementing Agency partners in close collaboration with Government Health System. The complete CSR information of the company, including CSR policy, vision, mission and projects undertaken, is available on the website of the company - https://www.lalpathlabs.com/csr.aspx			
2.	The Composition of the CSR Committee	S. No.	Name	Position	Status
		1.	(Hony.) Brig. Dr. Arvind Lal	Chairman and Managing Director	Chairman
		2.	Dr. Om Prakash Manchanda	CEO and Whole Time Director	Member
		3.	Mr. Harneet Singh Chandhoke	Independent Director	Member
3.	Average net profit of the Company for last three Financial Years (In ₹ Million)	2251.18			
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above, in ₹ million)	45.02			
5.	Details of CSR spent during the Financial Year 2018-19	a.	Total amount to be spent for the Financial Year 2018-19 (in ₹ Million): 45.02		
		b.	Amount unspent if any (in ₹ Million): Nil		
		c.	Manner in which the amount spent during the Financial Year: As per Annexure Provided		
6.	In case the Company has failed to spend the two percent 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	Not Applicable			
7.	A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company	The implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and policy of the Company.			

For and on Behalf of the Board

Date: May 17, 2019
Place: New Delhi

(Hony) Brig. Dr. Arvind Lal
Chairman of CSR Committee
DIN: 00576638

Dr. Om Prakash Manchanda
CEO & Whole Time Director
DIN: 02099404

ANNEXURE - DETAILS OF EXPENDITURE

Report on CSR Activities of FY 2018-19						
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) State and District where projects or programs was undertaken	Amount Outlay (budget project or programs wise)	Amount Spent on projects or programs	(in ₹ Million, unless otherwise stated) Cumulative expenditure upto the reporting period Direct Expenditure Overheads Amount spent Direct or through the Implementing Agency
1	Support to Foundation for CSR projects*	Promoting Preventive Healthcare, Employment Enhancing Skill Development, Women Empowerment, Children health Awareness Program	Delhi, Haryana, Uttar Pradesh, Assam, Maharashtra, Kerala, Tamil Nadu & Himachal Pradesh.	45.02	45.02**	45.02
Total				45.02	45.02	45.02

** Unutilised amount of ₹ 26.00 million is lying with Implementation Agency which will be spent over upcoming periods.

<i>*Projects completed by Foundation is as follows:</i>			
S. No.	CSR Project	Sector	State
1	Skill development project for unemployed youths in the area of Healthcare	Employment Enhancing Skill Development	Uttar Pradesh
2	Awareness Generation and prevention on Non Communicable Diseases	Promoting Preventive Healthcare	Assam
3	Promoting healthcare and Tuberculosis Eradication Project	Promoting Preventive Healthcare	Delhi
4	Public Health Awareness Project	Promoting Healthcare	Maharashtra
5	Flood Relief Support Project	Flood Relief	Kerala
6	Public Health and Support for Dengue Project	Promoting Preventive Healthcare	Himachal Pradesh
7	Public Health and Sanitation under Swachh Bharat Abhiyan	Sanitation	Delhi
8	Project to support children with disability	Promoting Healthcare	Delhi
9	Project for animal welfare, treatment and rehabilitation of stray dogs	Animal welfare	Uttar Pradesh
10	Project for promoting healthcare and treatment of children suffering from thalassemia	Promoting Preventive Healthcare	Haryana
11	Project for promoting healthcare and Pathology testing for the athletes	Promoting Preventive Healthcare	Maharashtra & Tamil Nadu
12	Promoting healthcare and sanitation through awareness and distribution of hygiene products	Promoting Healthcare and Sanitation	Delhi
13	Installation of clean drinking water plant in school	Making available safe drinking water	Haryana
14	Awareness generation on Non Communicable Diseases, screening and testing in association with Government	Promoting Preventive Healthcare	Uttar Pradesh
15	Project for promoting overall health of children	Promoting Healthcare	Delhi
16	Skill development programme for unemployed youths in the area of Healthcare	Employment Enhancing Skill Development	Haryana
Total			19.02

Management Discussion and Analysis

Industry structure and developments

The Indian healthcare sector is expected to reach US\$ 280 billion¹ by 2020 on the back of rising income levels, greater health awareness, increased precedence of lifestyle diseases and improved access to insurance. The sector is expected to generate 40 million¹ jobs in India by 2030. The private sector has emerged as a vibrant force in India's healthcare industry, lending it to both national and international repute. It accounts for almost 74% of the country's total healthcare expenditure.

In a significant development, the Government of India approved the continuation of National Health Mission with a budget of ₹ 31,745 crore¹ (~US\$ 4.40 billion) as announced in the Union Budget 2019-20. The Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY), the largest Government funded healthcare program targeting more than 500 million beneficiaries, was allocated ₹ 6,400 crore¹ (~US\$ 887.04 million), under the Union Budget 2019-20.

The Indian diagnostic industry is highly fragmented and dominated by un-organized players. Standalone labs constitute 48% of the market and hospital-based labs make up for 37%, thereby amounting to a combined cover of 85% of the entire diagnostic market. Diagnostic chains cover close to 15% of the overall diagnostic market, of which, pan-India chains cover 35-40%, with the balance 60-65% managed by regional chains. This low regional penetration in the Indian market provides ample scope for growth for large organized players such as Dr. Lal PathLabs.

As per a study, diagnostics influence about 70% of healthcare decisions but only 3 to 5 % of healthcare spending goes towards diagnostics tests, highlighting the significance of reliable and accurate diagnostics for the healthcare industry.

The Indian Diagnostic Lab Chains segment is well positioned to grow market share as the industry offers mid to high teen earnings growth potential over the next few years as penetration further improves. Big chains are also expected to benefit from scale advantage supported by the industry's natural inclination towards building scale and its process intensive nature.

Following key trends are expected to drive sector growth in the ensuing years:

- **Ageing Population:** The population cohort above 65 years old is growing at 4%-4.5% p.a. in India
- **Rising Income:** It is estimated that close to 3%-3.5% of private healthcare revenue growth will come from the rural population moving up to the US\$1,500-\$2,000 income bracket every year
- **Preventive Testing:** Rising awareness and government's recent steps to incentivise preventive testing via tax breaks to be a tailwind for volume growth

To summarise, the addressable market for diagnostics services is expected to grow at a healthy 10% CAGR² until FY23, while the market share growth for top pan-India chains is expected to grow at 10%- 14% revenue CAGR.

Opportunities and Threats

Given the scope of requirement for diagnostics services in an underserved country, the natural opportunity for business growth is encouraging. However, the industry being largely fragmented has potential for aggregation of smaller, uneconomical outlets under national brands. Regional brands are also graduating to national scale and will be competing with the Company. Also, like in many other consumer facing industries, e-commerce based offerings are also getting established. These aggregators primarily focus on building a digital platform and engaging with patients. These developments could impact the Company in terms of the pricing flexibility and could potentially impact margins in the short term.

Outlook

With the rapid technological advancements in the healthcare industry, doctors increasingly prefer evidence based treatment. This creates a sustained driver for the growth of diagnostics industry. The branded players are driving higher marketing and engagement with patients and healthcare service providers thereby creating higher awareness for consumption of diagnostic services. With an emphasis on quality and compliance the larger, organized players are bound to benefit from these trends. The switch from multiple, standalone laboratories in the unorganized space to a more formal arrangement is also positive. At the rural end of the spectrum, there is an acute need to provide reliable and trustworthy diagnostics at competitive prices. Metro cities, towns and urban regions which typically see several brands at play also have pockets that will be served better. Concurrently, the widespread awareness of wellbeing and health in the population is fostering greater awareness for preventive testing for lifestyle and chronic diseases segment.

Risk and concerns

Competition and pricing

The intensity of competition in the diagnostics industry has abated in the past years however structurally the sector lends itself to regular outreach initiatives from the established players both in the unorganized and organized space. The barriers to entry being low there is also a constant influx of new outfits. When this happens in a market where the pricing already operates at the lower band, the established diagnostic chains have to fight for market share at the cost of margins. Trust and connect that the patient enjoys towards the brand is an effective antidote and the Company is continuously working towards enhancing the same.

From time to time, both the Central and State Governments mandate capped pricing for specified test/panels. This is primarily done at times of epidemics when the intention is to improve access to testing. In the recent past, pricing caps have been imposed during instances of Swine Flu, Dengue and Chikungunya which have been subsequently eased.

In keeping with the WHO's list of essential diagnostics and priority areas for non-communicable diseases and diseases prone to outbreaks, ICMR (Indian Council of Medical Research) has put out a national essential diagnostics list.

¹ IBEF Healthcare Study, March 2019

² Indian Healthcare Report by Goldman Sachs, June 2018

Online aggregators known to aggressively attract customers are also expected to drive greater patient participation in using diagnostic offerings. The caveat however being that established chains offer a dedicated back-end testing infrastructure that cannot be replicated and matched at scale by the online aggregators. Established national brands have the advantage of robust compliances, better service levels which will serve as distinguishing factors favouring the Company.

Slow network expansion

As a growing enterprise, the Company continually adds new laboratories to its network. Last year, a regional reference laboratory was commissioned at Kolkata. Although the operating model of the Company is primarily asset-light, the aggregate expenses for establishing a new laboratory/ regional reference laboratory and the associated post opening period expenses are usually front ended and the speed of scaling up these new units cannot be guaranteed.

In the interim, therefore there is a risk of slower scale up resulting in margin pressure. The Company continually strives to optimize costs in order to create sufficient room to meet such exigencies.

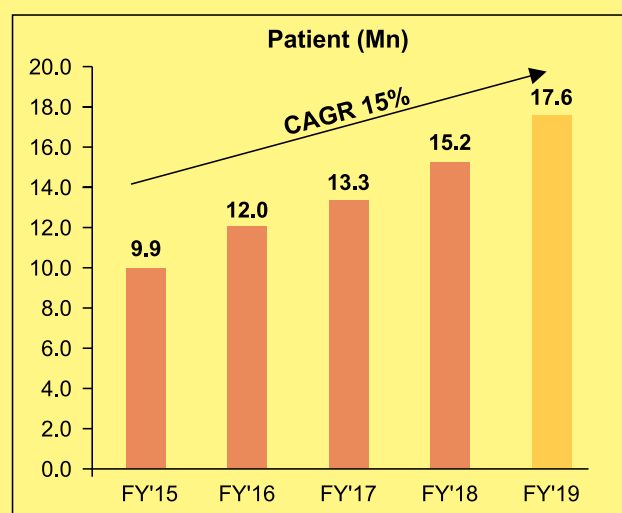
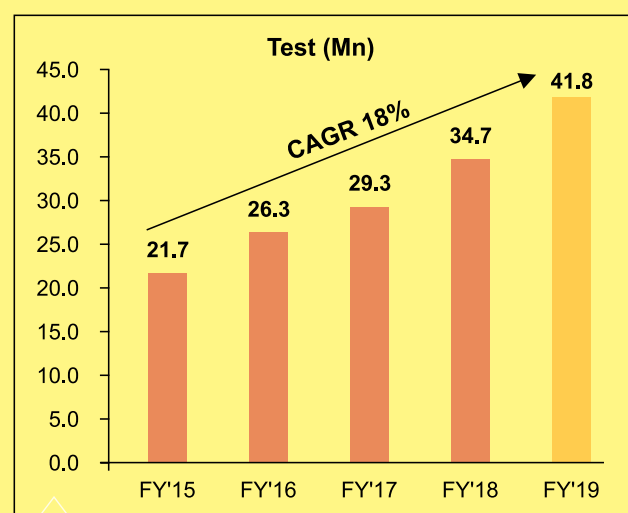
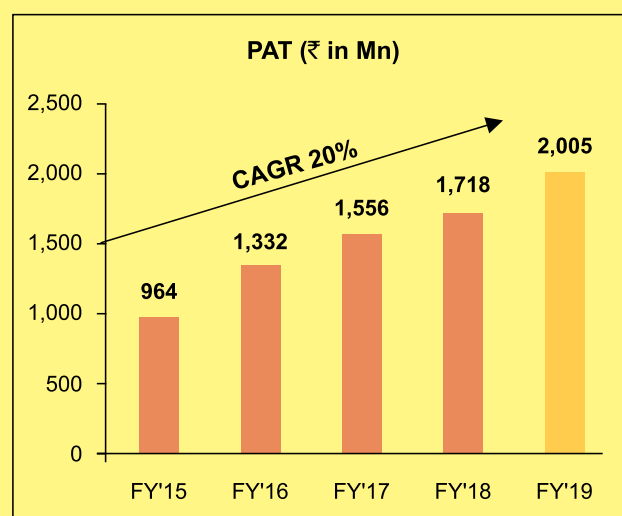
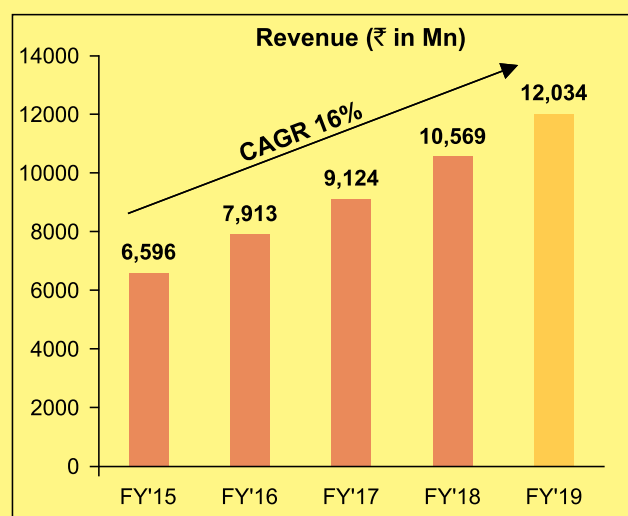
New Technologies

The Company has a dedicated team that evaluates and introduces new technologies in customer acquisition and test delivery with the key objective of enhancing the customer experience. With the pace of innovation, the Company needs to be cognizant and adept at commercializing such new technologies with a firm view on recouping investments made towards it.

Other risk factors

There are additionally other risk factors as enlisted in the IPO prospectus issued in December 2015. Many of the risks mentioned therein hold true and the Company continually reviews them in order to formulate strategies to stay ahead.

Financial and Operational highlights



Revenue

The year ended March 31, 2019 saw the Company's consolidated revenues post 13.9% growth to ₹ 12,034 mn. driven by 15.3 % increase in patient volumes. This was a result of higher number of tests per patient given higher focus on bundled testing.

Costs

The Company very consistently has focused on optimizing its cost matrix in order to create headroom to absorb changing operating dynamics. The key drivers of cost during the year were growth expenses pertaining to strengthening network capacity and diagnostic infrastructure. Costs stood higher by 14.7% YoY.

The prominent articles of cost for the Company include cost of reagents and chemicals, people costs, fees to collection centers, costs associated with logistics, information technology and infrastructure. These items have primarily remained in line with the growth of the operation.

EBITDA

Consolidated EBITDA (post elimination of impact of stock based compensation and CSR cost) showed a growth of 12.5% in FY'19. The EBITDA margins (post elimination of impact of stock based compensation and CSR cost) stood at 26%.

PBT and PAT

In line with overall operating growth, the PBT showed 15% increase. The PAT during the year showed 16.7% growth at ₹ 2,005 mn, after excluding other comprehensive income. Diluted EPS therefore improved 16.0% to ₹ 24.15 per equity share of ₹ 10 each. The PAT margins stood at 16.7%

Cash and Bank

The Company's consolidated Cash and Cash Equivalents increased from ₹ 5,506 mn as at FY18 end to ₹ 7,077 mn at the end of FY19. This was the result of robust operating cash flow of ₹ 2,185 mn together with working capital changes. Capital expenditure during the year was at ₹ 418 mn as compared to ₹ 624 mn the year ago.

Other Income which includes interest and dividend on mutual funds was higher at ₹ 459 mn from ₹ 312 mn last year.

Key Financial Ratios

In accordance with the SEBI (Listing Obligation and Disclosure Requirements (Amendment) Regulations), 2018, the Company is required to give details of significant changes (Change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

The company has identified the following ratios as key financial Ratios:

Particulars	FY 2019	FY 2018
Revenue growth (%)	13.9%	15.8%
EBITDA Margin before ESOP & CSR charge (%)	26.0%	26.3%
PAT Margin (%)	16.7%	16.3%
Basic EPS (₹)	24.19	20.85
Diluted EPS (₹)	24.15	20.82
Fixed Assets Turnover (times)	7.5	6.6
Debtors Turnover Ratio (times)	11.8	9.7
Inventory Turnover Ratio (times)	9.4	10
Current Ratio	5.9	5.4

Based on consolidated results

The details of Return on Net worth are given below:

Particulars	FY 2019	FY 2018
*Return on Net Worth (%)	23%	24.7%

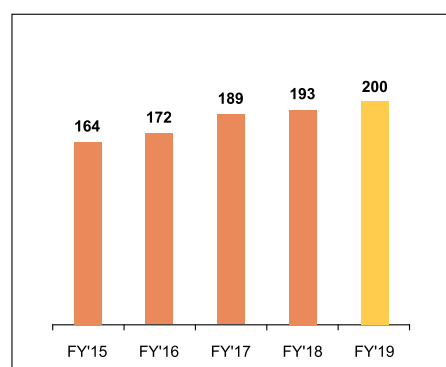
Based on consolidated results

*Before elimination of cash and equivalent

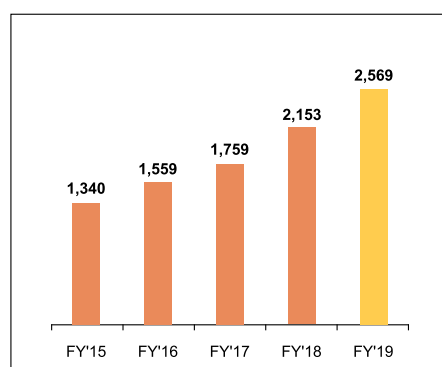
Return on net worth is computed by dividing the net profit after tax for the year by average net worth. Net profit after tax has increased from ₹ 1,718 Mn in FY 2018 to ₹ 2,005 Mn in FY 2019. However, there is a decline in return on net worth in FY 2019 as compared to FY 2018 due to a higher net worth base.

Operational performance

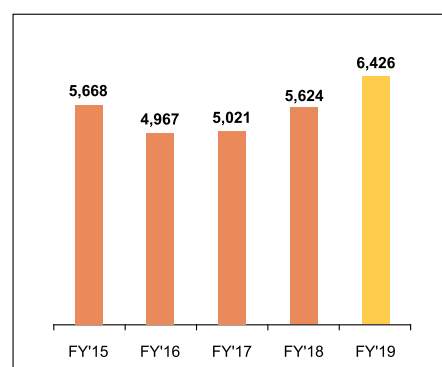
Nos of Labs, PSCs and PUPs



No. of Clinical Laboratories



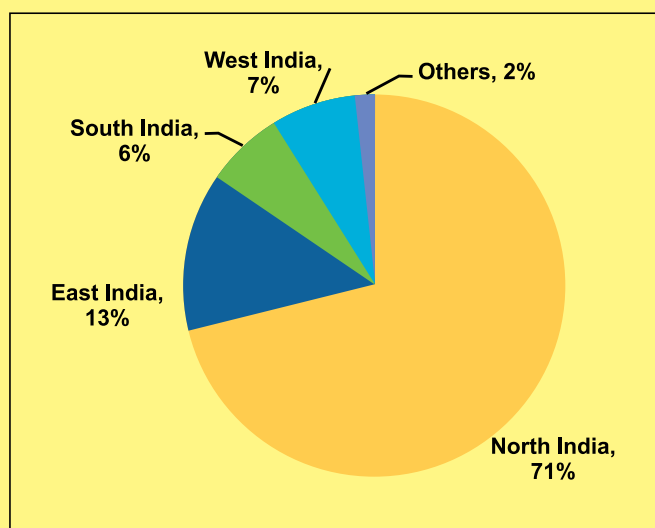
No. of PSCs



No. of PUPs

The year under review saw the net count of laboratories at 200, a net addition of 7 laboratories. The number of Patient Service Centres (PSCs) also increased by 416 to 2,569 as at end of FY'19. The Pick Up Points also showed enhancement by 802 to 6,426. The Company continues to work towards strengthening its network infrastructure in this manner.

Geography wise break up of business



Strategy for growth

The Company continues to move forward with the following strategy at play:

- Enhance the focus on superior customer experience, in order to strongly differentiate the brand
- Strengthen network presence through hub and spoke approach
- Develop underserved pockets in existing markets, e.g. smaller towns
- Encourage standalone labs to partner with the Company thereby lending momentum to conversion of unorganized players to branded
- Further, build up presence in identified focused geographies i.e. Uttar Pradesh, Bihar, Jharkhand, Orissa, Madhya Pradesh, Chhattisgarh, West Bengal, North East, Bengaluru and Pune
- Explore strategic partnerships and/or acquisitions in order to complement the core operations
- Broaden testing menu and services platform
- Greater focus on Preventive Health checkup package under "Swasthfit"
- Pursue opportunities in managing hospital based laboratories

The Company commissioned the Kolkata Regional Reference Laboratory, reaching out to physicians and consultants in the medical fraternity in order to educate and highlight the profile and variety of testing being made available. Progress in terms of greater patient engagement and sample volumes will follow as the corresponding Patient Service Centre and Pick Up Point network develops.

Focused initiatives have also been taken to drive specialized testing in order to build the Company's profile and presence further. Backed by a specialized field force, the offering is scaling up well.

The emphasis will remain on pursuing growth through building volumes and further enhancing the test mix. Operationally, there is focus on building productivity in the system and rationalize cost wherever possible.

Internal Control systems and their adequacy

The Company has a robust internal control system in place with systems for segregation of duties, access controls and other relevant control practices.

We have conducted an annual review of our Internal Financial Controls and evaluated the risk matrices for identified processes and taken appropriate actions to further improve the control systems. Company has developed a framework for Enterprise Risk Management which align risk appetite and strategy that strengthens our overall risk management environment through continuous monitoring. Our internal control system is supported by our Internal Auditors M/s Grant Thornton LLP, regional audit firms and additionally our internal Control Assurance team. We recognize that internal controls need to be improved and strengthened on an ongoing basis and to this end our endeavor is to introduce best practices to keep pace with changing business needs and growth of the business. We have also been supported by our Audit Committee members who have made valuable inputs for improvement of control systems.

Human Resources

Dr Lal PathLabs is a leading player in the diagnostics sector. The diagnostics business is a healthcare service delivery business, and thus the role of human resources is pivotal in providing excellent quality service to the customers.

The Company and the business have been growing rapidly over last few years, and so has the human resources strength. As of March 31, 2019, the company has 4,190 employees on its payrolls and on the payrolls of its subsidiaries. The focus during the year has been around enhancing the productivity of the workforce. The growth in business was achieved with marginal increase in workforce strength. This was achieved by active redeployment of resources, introducing multi-taskers and job enlargements. The Company has also invested in information technology solution for sales force automation and logistics automation thus aiding employee productivity.

Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors presents the Business Responsibility Report of the Company for the Financial Year ended on March 31, 2019.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L74899DL1995PLC065388
Name of the Company	DR. LAL PATHLABS LIMITED ("the Company/we/our")
Registered address	Block E, Sector-18, Rohini, New Delhi - 110085
Website	www.lalpathlabs.com
E-mail id	cs@lalpathlabs.com
Financial Year reported	April 01, 2018 - March 31, 2019
Sector(s) that the Company is engaged in (industrial activity code-wise)	Health Activities Section: Q Division: 86 Group: 869 Class: 8690 Sub-Class: 86905
List three key products/services that the Company manufactures/ provides (as mentioned in balance sheet)	The Company provides Diagnostic Services in the area of Pathology and Radiology.
Total number of locations where business activity is undertaken by the Company:	
Number of International Locations	The Company has operations in Nepal and Bangladesh.
Number of National Locations	The Company has 200 Laboratories across India.
Markets served by the Company - Local/State/National/International	India, Nepal and Bangladesh. Besides the above, the Company also receives samples from International locations like Bhutan, Sri Lanka, Myanmar, Malaysia, Tanzania, Nigeria, Saudi Arabia, Maldives, Ethiopia, Kenya, Ghana, Uganda, Qatar, Kuwait, UAE, Malawi, Zambia, Sierra Leone for testing in India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (₹ Million)	833.42
Total Income (₹ Million)	12,113.93
Total profit after taxes (₹ Million)	1,954.38
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR for the Financial Year 2018-19 is ₹ 45.02 million which is 2.30% of PAT.
List of activities in which expenditure as stated above has been incurred	Please refer to the "Report on CSR Activities" attached as annexure to the Board's Report forming part of the Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, as on March 31, 2019, the Company has Eight (8) subsidiary companies, the details of the same have been provided in another section of the Annual Report.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

There is no direct participation.

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%]

No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a)	Details of the Director/Director responsible for implementation of the BR policy/policies
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The CSR Committee consisting of the following Directors is responsible for the implementation of the BR Policy:

S. No.	Name of the Director	DIN Number	Designation
1.	(Hony) Brig. Dr. Arvind Lal	00576638	Chairman & Managing Director
2.	Dr. Om Prakash Manchanda	02099404	CEO & Whole Time Director
3.	Mr. Harneet Singh Chandhoke	02758084	Independent Director

b)	Details of the BR Head
DIN	Not Applicable
Name	Mr. Manoj Garg
Designation	Chief Human Resource Officer
Telephone number	+ 91-124-3016-500
e-mail id	manoj.garg@lalpathlabs.com

2. Principle-wise(as per National Voluntary Guidelines [NVGs]) BR Policy/policies

The NVGs on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Business should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?* (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.lalpathlabs.com/investor/policies-and-programs.aspx								

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

**The policies formulated by the Company are materially in compliance with all mandatory/applicable laws, rules, regulations, guidelines and standards.*

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

Corporate Social Responsibility Committee of the Company oversees the Business Responsibility Performance on an Annual basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Business Responsibility Report is published annually as part of the Company's Annual Report. The Annual Report of the Company for the Financial Year 2018-19 can be viewed at: <https://www.lalpathlabs.com/investor/annual-reports.aspx>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The Policy covers only the Company. However the Company shall impress upon other entities in the value chain and its subsidiaries to follow such policy. –

The Company has a comprehensive code of conduct (CoC) which is applicable to the employees of Dr Lal PathLabs at all locations. The Code of Conduct outlines the Company's expected standards of ethical conduct and behaviour for its employees and all those acting on behalf of the Company (such as vendors, suppliers, consultants, agents, etc. and their employees). It enables them to work in a manner which is consistent with the organization's values and to ensure that the reputation of the Company is as per the standards meant

for it. The CoC covers anti-bribery and anti-corruption laws of various jurisdictions in which it operates. The CoC is reviewed periodically to update any change in law, any change in the organisation structure and any other reason which may have an impact on the contents of the CoC, viz. any prevailing trend, social or political factors etc.

The Company has also adopted a Whistle Blower Policy to provide an amiable environment to all employees and give them the confidence to complain without fear of retaliation. The Company is committed to developing a culture where it is safe for all employees, the Board of Directors and all those acting on behalf of the Company (such as vendors, suppliers, consultants, agents, etc. and their employees) to raise concerns about any unacceptable practice, any event of misconduct or any violation of its CoC/other policies or laws governing it by anyone.

2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?

During the year under review 5 (five) complaints were received from the stakeholders under the Whistle Blower Policy of the Company, all of which were attended to and resolved before the year end.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company provides Diagnostic Services, which has no social or environmental concerns/risks/opportunities. The Company as a good corporate citizen, however, is conscious about its moral responsibilities and has installed Effluent Treatment Plants (ETP's) / Autoclaves at its Laboratories for treatment and proper disposal of Bio-Medical Wastes. The Company is also in the process of reducing its dependence on non-biodegradable plastic waste to pledge its support toward the Clean India Mission.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Not Applicable, since the Company is a service provider.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company maintains a healthy relationship with its vendors/suppliers. The Company has in place a system of vendor selection which, besides a host of other factors, also lays emphasis on technical, financial, infrastructural capability and ethical practices of the vendor.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company strives to procure goods and services from local supply chain partners which may include large, midsize or small scale industries who meets our quality, cost and technological expectations. Further while hiring manpower for its laboratories, preference is given to eligible local candidates.

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.

Not Applicable, since the Company is a service provider.

However, the Company has entered into agreements with authorized vendors for disposal of bio medical wastes, generated during sample collection and testing of bio-medical samples.

Principle 3

Total number of employees	3941
Total number of employees hired on temporary/contractual/casual basis	1733
Number of permanent women employees	847
Number of permanent employees with disabilities	8
Do you have an employee association that is recognized by management	Yes
What percentage of your permanent employees is members of this recognized employee association?	2.72%

Details of the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, are as follows:

No.	Category	No of complaints filed during the Financial Year 2018-19	No of complaints pending as on end of the Financial Year 2018-19
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	6	0
3.	Discriminatory employment	0	0

What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

Category	Percentage (%)
(a) Permanent Employees	53.6%
(b) Permanent Women Employees	57.9%
(c) Casual/Temporary/Contractual Employees	23.7%
(d) Employees with Disabilities	Nil

Principle 4

1. Has the company mapped its internal and external stakeholders?

Dr Lal PathLabs approach towards responsible and sustainable business practices involves regular engagement with its internal and external stakeholders. This practice helps the

Company measure its performance based on the value it brings to its stakeholders and to prioritize key sustainability issues in terms of relevance to its business and stakeholders, including society and environment. It is the prime responsibility of the organization to engage stakeholders (internal and external) in an efficient and an effective manner. This not only helps in identifying opportunities but also in assessing emerging risks which may increase in magnitude at a later stage in future. The Company's major stakeholders that affect or are affected by its business include -

- a) Employees
- b) Customers
- c) Investors & Shareholders
- d) Contractors, vendors and suppliers
- e) Government and regulating authorities
- f) Local communities etc.

The Company has defined specific roles and responsibilities of key departments to engage and address the concerns, monitor and ensure that they are addressed in a timely and efficient manner. All engagement must be conducted in a transparent manner with honesty, integrity and openness; in compliance with local and international laws and in accordance with the Company values.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

At Dr. Lal PathLabs, we believe that as a responsible organisation, we must focus on integrating in the business model a program for serving the community where we operate as well as extend our support, wherever possible, to other underserved, vulnerable and marginalized communities in the country. As we grow in our operations and in the country, it is essential that we achieve such growth in a responsible manner which incorporates the needs of our community and specially those who are disadvantaged, vulnerable, underserved and marginalised. Lal PathLabs Foundation is the CSR arm of Dr. Lal PathLabs, where we envision to build a Healthy Nation and improve lives of community through high quality and preventive healthcare initiatives. In order to identify the disadvantaged, vulnerable and marginalised stakeholders, we decided to focus our CSR initiatives in the area of Public Health and Skill Development with specific focus on non-communicable disease, adolescence healthcare, geriatric care, water and sanitation and creating employment opportunities in healthcare and skilling unemployed youths, especially unemployed youths from rural and remote areas.

In order to carry out an impactful and focussed CSR activities, we also developed Vision and Mission statement for Lal PathLabs Foundation which is as below:

Vision: We envision to build a healthy nation and improve lives of the community through high quality and preventive health care initiatives.

Mission: Our mission is to ensure improved health and well-being of communities by promoting preventing healthcare and

investing in programs, partnerships and ideas that spreads awareness, take preventive action and diagnostic measures for community we serve. We work in the areas of:

- a. Non- communicable diseases
- b. Adolescent healthcare
- c. Geriatric care
- d. Public healthcare initiatives
- e. Water and sanitation
- f. Creating employment opportunities in healthcare

Additionally, Lal PathLabs Foundation shall endeavor to work closely with different stakeholder like NGOs, likeminded Organizations and the Government to achieve the outlaid intents for the communities we serve.

Our company's CSR policy, vision and mission is aligned with the United Nations (UN) sustainable development goal (SDG).

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so?

The Company believes businesses must strengthen capabilities to fulfill stakeholder aspirations through greater engagement. At Dr. Lal PathLabs, we build lasting bonds with all our stakeholders, internal and external, through meaningful deliberations. This process helps us review our actions, rethink our roadmap, redress grievances and recognize new avenues of growth. The Company has identified stakeholders who are directly and indirectly affected by its operations and have developed targeted engagement mechanisms for each of them. The Company from time to time has implemented various initiatives for socio-economically disadvantaged sections of the society.

Under our CSR initiatives, we have moved from random and spontaneous projects to well designed, defined, structured and focused projects to optimize the impact. We have initiated projects, with sustainable approach, in the area of non-communicable disease, geriatric care, creating employment in healthcare and many others, as described below under Principle 8, point no. 1.

The Company in every endeavour strives to undertake initiatives to engage and ensure sustainable development of the marginalized groups in the local communities around its area of operation.

Principle 5

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?

At present, our policy is applicable only to the Company. However, the Company shall strive to encourage its business partners and third parties with whom it conducts business to abide by this policy. The Company's commitment to follow the basic principles of human rights is reflected in the checks and

balances within the HR processes. The commitment to human rights is embedded in the 'Code of Conduct', adopted by the Company. All employees are sensitized to human rights as part of their orientation program.

2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

The Company did not receive any complaint during the financial year, in respect of violation of human rights. Our Company constantly seeks to understand the needs of the consumer and brings in technology to ensure that the consumer are kept informed and engaged with the services. The consumer can reach us through our National Customer Care number. Consumer can also reach us through digital medium like E Mail, Website, mobile app etc. We have enabled various social listening tools like Twitter, Facebook and LinkedIn to reach out to our external stakeholders. A Pre-Analytical Team constantly works to train staff and anticipate errors that can happen country-wide to maintain quality. To generate consumer awareness on basic health check-up various marketing campaigns and affordable packages are made available.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Policy covers only the Company. However, the Company shall support its value chain and subsidiary companies to adopt this principle.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc?

The Company doesn't have any specific program or initiatives to address such issues but during the course of business, it undertakes various steps like proper medical waste management, use of renewal sources of energy, use of LED lights and solar panels to improve operation efficiency and carbon footprint.

3. Does the company identify and assess potential environmental risks?

The Company continuously seeks to improve its environmental performance by promoting use of energy efficient environment friendly technologies, use of renewable energy, Liquid waste management via Effluent treatment plant and Hypo chloride disinfection of liquid waste and Autoclave microbial waste before disposal.

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, renewable energy etc.? If yes, please give hyperlink for web page etc.

During the year, the Company promoted green initiatives across its laboratories and centres to improve energy efficiency and eliminate negative impacts on the environment. It also actively encourages its employees to create a clean, green and safe workplace by using LED lights, solar panel, Effluent treatment plant and Autoclave.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

Principle 7

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:

1. Federation of Indian Chamber of Commerce and Industry ('FICCI')
2. Confederation of Indian Industry ('CII')
3. Healthcare Federation of India ('NATHEALTH').

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)

The Company does not engage in influencing Regulatory Policy. However, the Company practices pro-active advocacy not for securing certain benefits for industry, but for advocating certain best practices for the benefit of society at large.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company focuses on bringing quality healthcare to all citizens regardless of geographic location or economic status. Dr. Lal PathLabs aspires to be one of the most respected companies in India and be recognized as a socially responsible corporate citizen delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities. The Company has a Corporate Social Responsibility Policy ("CSR Policy") in place which can be accessed at our website at <https://www.lalpathlabs.com/investor/policies-and-programs.aspx>

The CSR Policy spell out the Company's philosophy towards its social responsibilities and lays down the guidelines, framework and mechanism relating to the implementation, monitoring, reporting, disclosure, evaluation and assessment of projects, programs and activities forming part of the Company's CSR. The CSR Policy has been framed with the following objectives:

- i. Establishing guidelines for compliance with the provisions of laws/regulations to dedicate a percentage of Company's profits for social projects.
- ii. Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- iii. Creating opportunities for employees to participate in socially responsible initiatives.

The Company works primarily through its foundation, namely, Lal PathLabs Foundation, towards carrying out its Corporate Social Responsibility (CSR) activities as covered by the CSR Policy of the Company.

The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee to frame, monitor and execute the CSR activities of the Company as per its CSR Policy.

Some of the key initiatives taken are -

Skill Development

1. Lal PathLabs Foundation is directly running a skill development training centre namely 'Centre for Excellence' in the area of healthcare service, where we are providing quality and standard training, as per norms, laid down by the Ministry of Skill Development, to unemployed underprivileged youths towards Medical Laboratory Technologies and Phlebotomy course. Candidates with 10+2 with Science background and want to make their career in allied health services are ideal for the course. The centre is affiliated with Health Sector Skill Council and Indian Medical Association. During financial year 2018-19 we trained total 130 candidates enrolled in the course. 64 students were placed within Dr Lal PathLabs or in some other organization.
2. Lal PathLabs Foundation has partnered with an NGO 'Institute of Livelihood Research and Training' (brand name **B Able**) in Lucknow to create sustainable and dignified livelihood opportunity for the rural youths by providing training in phlebotomy and develop the candidates as successful micro-entrepreneur. This program provides business acumen training and supports the candidates to set up their collection centre to provide dignified and sustainable livelihood to rural youth. This initiative has also raised awareness about healthcare, benefits of early diagnostics. Dr Lal PathLabs has successfully been able to provide affordable quality diagnostic solution among rural community at every doorstep by linking pathology labs, diagnostic centres, hospitals and doctors.

Non-Communicable Disease

3. Dr Lal PathLabs Foundation in coordination with State Programme Management Unit (SPMU) – NHM Uttar Pradesh implemented a project in Varanasi (UP) as part of NPCDCS initiative for assessment of risk factor by generating awareness and opportunistic screening at CHC, PHC and District Hospital level for the persons above the age of 30 years and all pregnant mothers. The screening involves simple clinical examination like physical measurements

such as blood pressure, body weight, BMI and testing of venous blood sample for random blood sugar level and serum cholesterol. We achieved target of examining one lac patients in the Varanasi district (UP) by June 2018.

4. LPL Foundation in partnership with Voluntary Health and Association of India (VHAI) started a Project Arogya, focusing on Community Based Interventions on Non-communicable Diseases' Prevention & Control in Kamroop Metropolitan district of Assam. Objective of the programme was to sensitize, educate and empower target population about their health, well-being and risk factors associated with NCDs, motivate them to adopt healthy lifestyle and food habits through behaviour change communication. This program has helped to develop responsible behaviour to make them aware about common risk factors for NCDs and help them in getting proper screening and treatment at local government health facilities.

Other Initiatives

5. Ekal Vidyalaya project started under PDPL CSR, through LPL Foundation. It is an ongoing project supporting identified 50 Ekal Schools imparting Informal primary education to children in remote and tribal areas so that they can enrol in formal schools after from class fourth to sixth. Though, in many of the cases, these children, due to their family circumstances, are not able to get admission in formal government schools and in such cases Ekal Vidyalaya focuses on making these children able to live their life smoothly by learning basic alphabets, numerical and providing them opportunity to learn about some livelihood options.
6. LPL Foundation has supported Budha Education Foundation under 'Swachh Bharat Abhiyan' to Install 75 Units of dustbins in North - West Delhi in following locations like - Nilothi Gram Sabha Colony, Chandra Vihar, Prem Nagar-1, Sec A-10 Narela, Ward 29, Bajidpur, Narela Bawana Road, Kanjhawala Bawana Road, Krishan Vihar Colony, Begumpur and Krishan Colony.
7. Lal PathLabs Foundation has supported Posh Foundation, a Delhi-NCR based NGO, actively involved in Animal welfare and awareness related issues. Posh Foundation is a leader in the animal welfare movement, through compassionate, innovative rescue practices and educational programs. The goal is to give the gift of life to street animals by providing humane treatment, provide adoption opportunity, thus creating a better world.
8. LPL Foundation contributed towards Kerala Flood Relief in association with Indian Medical Association.
9. LPL Foundation has supported Paryas Society, a NGO registered in Hamirpur, Himachal Pradesh, to provide quality healthcare facilities to Asptal Sansad Mobile Swasthya (SMS) for free of cost dengue-testing for weaker section of community.
10. LPL Foundation supported Sai Ashish Society for Spastic Children, which is a not-for-profit organization engaged in serving special children. The focus is to involve a child to provide proper care.

11. LPL Foundation supported Delhi Common Wealth Women Association (DCWA) for the TB eradication programme for under-privileged community.
12. LPL Foundation supported to Rotary Service Trust, Gurgaon for treatment of children suffering from Thalassemia
13. LPL Foundation supported Rasika Ranjani Sabha for conducting Annual Medical Camp, focused on underprivileged girls at Mankhurd, Maharashtra.

14. Gagan Narang Promotion of Sports Promotion Foundation is running project LEAP, which is a unique multi phased project designed for Indian shooters to facilitate improved performance at National & International Level. The project helps the selected shooters to take a leap in various parameters of performance i.e. Technical, Physical & Mental aspects of the sport. The core objective of the program is to improve the performance of the Shooters. The players who are struggling and are stuck at a particular level especially Selection Trial level & beyond competitions, because of the inadequate/incorrect training & guidance, the program specifically delves into the details of the various performance attributes involved for a sustained high-level performance of the Shooters. LEAP is expected to inspire shooters to understand the virtue of pre-eminence and become part of a culture of striving for excellence.

LPL Foundation has supported the Gagan Narang Sports Promotion Foundation to conduct following vital tests of shooters at free of cost.

CBC - helps understand the blood distribution within body, which relates the oxygen carrying capacity of the body

Vit B12 - plays important role in entry production

Vit D - helps improving muscle contraction and muscle health

SR Cortisol - helps detect stress and Inflammation

HS Crp - helps detect any internal infection

Lipid Profile - helps understand fat metabolism

Hba1c - helps understand glucose metabolism.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

The programmes/projects are undertaken by the Company either directly or through its CSR Foundation, viz. Lal PathLabs Foundation.

3. **Have you done any impact assessment of your initiative?**

The CSR initiatives undertaken during the year are reviewed by the Corporate Social Responsibility Committee of the Company, constituted by the Board for the said purpose.

4. **What is your company's direct contribution to community development projects-Amount in ₹ and the details of the projects undertaken.**

Please refer to the "Report on CSR Activities" attached as annexure to the Board's Report, forming part of the Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

The Company undertakes its CSR activities after assessing the needs of the location and the community for which it is undertaken. The Company makes attempts to ensure that CSR initiatives undertaken by the Company are successfully implemented and needs of the Community are met at large.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of Financial Year?**

As at the end of Financial Year 0.32% of the total consumer complaints are pending. This number, though, is insignificant in comparison to the total number of complaints received during the year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information)**

Not Applicable.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year?**

No case filed by any stakeholder related to the above subject is pending at the end of Financial Year.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes. Customer satisfaction feedback is taken from the consumer on various parameters and through various mediums. This score is analysed on time to time basis. Our Company constantly seeks to understand the needs of the consumer and brings in technology to ensure that the consumer are kept informed and engaged with the services. The consumer can reach us through our National Customer Care number. Consumer can also reach us through digital medium like E Mail, Website, mobile app etc. We have enabled various social listening tools like Twitter, Facebook and LinkedIn to reach out to our external stakeholders. A Pre-Analytical Team constantly works to train staff and anticipate errors that can happen country-wide to maintain quality and ensure that the customer is served properly. To generate consumer awareness on basic health check-up various marketing campaigns and affordable packages are made available.

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an insight into the management of affairs of the Company. It implies governances with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business.

For your Company, Corporate Governance is more than a set of processes and compliances. It doesn't practice corporate governance as an act of compliance but with the spirit of governance. Your Company believes in good corporate governance practices, as they are important for meeting its obligations towards shareholders and other stakeholders.

The Company's Corporate Governance philosophy is based on the following principles:

- Appropriate size and composition of the Board with each Director bringing in expertise in a different area;
- Systematic information flow to the Directors to enable them to effectively discharge their fiduciary duties;
- Ethical business conduct by the management and employees;
- Appropriate systems and processes for internal controls on all operations; and
- Timely and accurate disclosure of all material, operational and financial information to the stakeholders.

II. BOARD OF DIRECTORS

Your Company has an optimum mix of Executive, Non-Executive and Independent Directors which is essential to effectuate the two main functions of the Board viz. Governance and Management.

As on March 31, 2019, the Board of Directors of your Company comprised of 9 directors out of which 3 were Executive, 1 Non-Executive and 5 Independent Directors.

The names and categories of Directors on the Board during the Financial Year 2018-19, their attendance at Board Meetings held during the Financial Year 2018-19 and at the last Annual General Meeting and the number of Directorship and Committees Chairmanship/ Membership held by them as on March 31, 2019 are given hereunder:

Name of Director	Category#	Attendance Particulars			No. of other Directorships and Committee Memberships/ Chairmanships			Name of the Listed Companies where Company's Director is also a Director.	
		Board Meetings	Last AGM held on 13.08.2018		Other Directorships*	Committee Memberships**	Committee Chairmanships**		
		Held	Attended					Name of Listed Company	Category of Directorship
(Hony) Brig. Dr. Arvind Lal (DIN: 00576638)	Chairman & PED	4	4	Yes	9	Nil	Nil	-	-
Dr. Vandana Lal (DIN: 00472955)	PED	4	4	Yes	3	Nil	Nil	-	-
Dr. Om Prakash Manchanda (DIN: 02099404)	ED	4	4	Yes	3	Nil	Nil	Prataap Snacks Limited	IDNE
Mr. Rahul Sharma (DIN: 00956625)	NE	4	4	Yes	Nil	Nil	Nil	-	-
Mr. Arun Duggal ¹ (DIN: 00024262)	IDNE	4	4	Yes	N.A	N.A	N.A	N.A	N.A
Mr. Anoop Mahendra Singh (DIN: 01963056)	IDNE	4	4	No	Nil	Nil	Nil	-	-
Mr. Harneet Singh Chandhoke (DIN: 02758084)	IDNE	4	3	No	Nil	Nil	Nil	-	-
Mr. Sunil Varma (DIN: 01020611)	IDNE	4	4	Yes	1	Nil	Nil	-	-
Dr. Saurabh Srivastava (DIN: 00380453)	IDNE	4	4	Yes	9	2	NIL	1. Newgen Software Technologies Limited 2. Info Edge (India) Limited	1. IDNE 2. IDNE
Ms. Somya Satsangi ² (DIN : 07275574)	IDNE	1	1	N.A	Nil	Nil	Nil	-	-

PED - Promoter Executive Director, ED - Executive Director, NE - Non-Executive Director, IDNE - Independent Non-Executive Director.

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

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

¹ Mr. Arun Duggal resigned from the Board w.e.f March 1, 2019.

² Ms. Somya Satsangi was appointed on the Board w.e.f. February 8, 2019.

Number of Board Meetings

During the Financial Year 2018-19, Four (4) meetings of the Board of Directors were held and the maximum time gap between two consecutive meetings did not exceed one hundred and twenty (120) days.

Date(s) on which meeting(s) were held

- 1 May 14, 2018
- 2 August 10, 2018
- 3 November 06, 2018
- 4 February 08, 2019

None of our Directors are related to each other, except (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal, who are husband and wife.

The number of directorships, chairmanships and committee memberships of each director is in compliance with the relevant provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The shareholding of Non-Executive Directors of the Company as on March 31, 2019 is as follows:

Name of Director	Nature of Directorship	No. of Equity Shares held
Mr. Rahul Sharma	Non-Executive Director	20,197
Ms. Somya Satsangi	Independent Director	NIL
Mr. Anoop Mahendra Singh	Independent Director	NIL
Mr. Harneet Singh Chandhoke	Independent Director	NIL
Mr. Sunil Varma	Independent Director	NIL
Dr. Saurabh Srivastava	Independent Director	NIL

Familiarisation Programme for the Independent Directors

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

The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company and can be accessed through the following link at https://www.lalpathlabs.com/pdf/Familiarization_Programme_for_Independent_Directors1.pdf

Core skills/expertise/competencies of Board of Directors

In context of your Company's business, the Board of Directors have identified the following as its core skills/expertise/competencies required to function effectively:

S. No	Skills/Expertise/Competencies	Brief Descriptions
1	Specialized Industry and Environmental Knowledge	Specialized knowledge of the industry and environment (s) in which the Company is doing business. Ability to assess and manage strategic and operational risks including but not limited to regulatory and legal risks..
2	Communication and relationship Skills	Ability to communicate expectations and concerns in a constructive manner and develop meaningful interpersonal relationships with other Board members and executive management.
3	Board and Governance skills	Experience and knowledge of Board governance practices. Clear understanding of roles and responsibilities of the Board of a Company and responsibilities as a Director of the Company.
4	Finance, Accounting and Financial Reporting and management of financial risk	In depth understanding of financial reporting and the accounting and control practices required to manage financial risks
5	Information Technology	Information Technology expertise with knowledge of current and emerging technologies.
6	Commitment and Engagement	Commitment to the Company, its culture, values and people; displaying a commitment to the Board and the role individual Directors play in ensuring overall Board effectiveness.

The Board members also affirm that the above competencies are available with the Board.

Confirmation of Independence

Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, the independent directors fulfill the conditions of independence criteria as specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent from the management.

Resignation

Mr. Arun Duggal resigned from the Board as an Independent Director with effect from March 1, 2019 due to personal reasons.

The Board places on record its appreciation for the services rendered by Mr. Duggal during his tenure with the Company.

III. AUDIT COMMITTEE

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

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

During the Financial Year 2018-19, Four (4) meetings of Audit Committee were held on May 14, August 10, November 6, 2018 and February 08, 2019.

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

Names of Members	Category	Position	No. of meetings attended
Mr. Sunil Varma	IDNE	Chairman	4
Mr. Anoop Mahendra Singh	IDNE	Member	4
Mr. Arun Duggal ¹	IDNE	Member	4
Dr. Saurabh Srivastava	IDNE	Member	4

IDNE – Independent Non-Executive Director.

¹Mr. Arun Duggal ceased to be a Member of the Audit Committee w.e.f. March 01, 2019, pursuant to his resignation as a Director from the Company

Mr. Rajat Kalra, Company Secretary of the Company is the Secretary of the Committee.

In addition to the members of Audit Committee, these meetings are also attended by Chief Financial Officer, Chief Executive Officer, Internal and Statutory Auditors and other executives considered necessary for providing inputs to the Committee.

Terms of reference

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- 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 I of sub-section 3 of Section 134 of the Companies Act, 2013;
 - 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 the management of the Company;
 - 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
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look 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;

19. To review the functioning of the whistle blower mechanism;
20. Approval of the appointment of the Chief Financial Officer of the Company (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern;
22. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
23. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

IV. NOMINATION & REMUNERATION COMMITTEE

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

During the Financial Year 2018-19, Four (4) meetings of Nomination and Remuneration Committee were held on May 14, August 10, November 06, 2018 and February 08, 2019.

The composition of the Nomination and Remuneration Committee and the attendance details of the members as on March 31, 2019 are given below:-

Names of Members	Category	Position	No. of meetings attended
Mr. Anoop Mahendra Singh ¹	IDNE	Chairman	-
Mr. Arun Duggal ²	IDNE	Chairman	4
Mr. Harneet Singh Chandhoke	IDNE	Member	4
Mr. Rahul Sharma	NE	Member	4
Dr. Saurabh Srivastava	IDNE	Member	4

IDNE - Independent Non-Executive Director; NE - Non-Executive Director

¹Mr. Anoop Mahendra Singh was inducted as Member and Chairperson of Nomination and Remuneration Committee w.e.f. March 06, 2019.

²Mr. Arun Duggal ceased to be a Chairman & Member of the Nomination and Remuneration Committee w.e.f. March 01, 2019, pursuant to his resignation as a Director from the Company.

Mr. Rajat Kalra, Company Secretary of the Company is the Secretary of the Committee.

Terms of Reference

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

- (i) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with a prescribed criteria, recommend to the Board their appointment and removal.
- (ii) Lay down the evaluation criteria for performance evaluation of Independent Directors and the Board.
- (iii) Carry out evaluation of every Director's performance and also the performance of the Board.
- (iv) Formulation of the criteria for determining the qualifications, positive attributes and independence of a Director.
- (v) Recommending to the Board a policy, relating to the remuneration of directors, key managerial personnel and other employees. While formulating the policy, the committee must ensure that:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - c. Remuneration of Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (vi) Devise a policy on Board diversity.
- (vii) Perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014.
- (viii) Framing suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its employees, as applicable.
- (ix) Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- (x) Perform such other activities as may be delegated by the Board of Directors and/or statutorily prescribed under any law to be attended to by such Committee.

Performance evaluation:-

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out the annual evaluation of (i) its own performance; (ii) Individual Directors Performance; and (iii) Performance of all committees of the Board, for the Financial Year 2018-19. A structured questionnaire was prepared after taking into consideration inputs received from the Nomination and Remuneration Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and

performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the Financial Year 2018-19, Four (4) meetings of Stakeholders Relationship Committee were held on May 14, August 10, November 06, 2018 and February 08, 2019.

The composition of the Stakeholders Relationship Committee and the attendance details of the members are given below:

Names of Members	Category	Position	No. of meetings attended
Dr. Saurabh Srivastava	IDNE	Chairman	4
Mr. Rahul Sharma	NE	Member	4
Dr. Om Prakash Manchanda	ED	Member	4

IDNE - Independent Non-Executive Director; ED - Executive Director; NE - Non-Executive Director

Mr. Rajat Kalra, Company Secretary of the Company is the Secretary of the Committee.

Terms of Reference:-

The Committee supervises the systems of redressal of Investor Grievances and ensures cordial investor relations. Its terms of reference are provided herein below:

- Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints.
- Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time.

- Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Carrying out such other functions as may be specified by the Board from time to time.

Compliance Officer

Mr. Rajat Kalra, Company Secretary & Legal Head is the Compliance Officer of the Company. His contact details are as follows:

Dr. Lal PathLabs Limited

12th Floor, Tower-B, SAS Tower, Medicity,
Sector-38, Gurugram - 122001
Ph: +91 124 3016500
Fax: +91 124 4234468
E-mail: cs@lalpathlabs.com

The details of shareholders' complaints received and resolved during the Financial Year ended March 31, 2019 are given in the table below:

Particulars	No. of Complaints
Number of Shareholders' complaints outstanding as at March 31, 2019	0
Number of shareholders' complaints received during the Financial Year	96
Number of shareholders' complaints solved to the satisfaction of shareholders during the Financial Year	96
Number of pending shareholders' complaints as at March 31, 2019	0

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the Financial Year 2018-19, One (1) meeting of Corporate Social Responsibility Committee was held on May 14, 2018.

The composition of the Corporate Social Responsibility Committee and the attendance details of the members as on March 31, 2019 are given below: -

Names of Members	Category	Position	No. of meetings attended
(Hony) Brig. Dr. Arvind Lal	Chairman & PED	Chairman	1
Mr. Harneet Singh Chandhoke	IDNE	Member	1
Dr. Om Prakash Manchanda	ED	Member	1

PED - Promoter Executive Director; IDNE - Independent Non-Executive Director; ED - Executive Director

Mr. Rajat Kalra, Company Secretary of the Company is the Secretary of the Committee.

Terms of Reference:-

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

- Formulate and Recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the CSR activities referred in Schedule VII.
- Monitor the CSR Policy of the Company from time to time.
- Such other activities as the Board of Directors may determine from time to time.

VII. RISK MANAGEMENT COMMITTEE

Your Company has constituted a Risk Management Committee in compliance of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No meeting of Risk Management Committee was held during the Financial Year 2018-19.

The composition of the Risk Management Committee as on March 31, 2019 is given below:

Names of Members	Category	Position
Ms. Somya Satsangi	IDNE	Chairperson
Mr. Anoop Mahendra Singh	IDNE	Member
Mr. Rahul Sharma	NED	Member
Mr. Bharath U	CEO (India Business)	Member
Mr. Munender Soperna	Chief Information Officer	Member

IDNE - Independent Non-Executive Director; ED - Executive Director; NE - Non-Executive Director

Mr. Rajat Kalra, Company Secretary of the Company is the Secretary of the Committee.

Terms of Reference:-

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

- Implementation of Risk Management Systems and Framework.
- Reviewing and approving the Company's financial and risk management policies.
- Risk assessment and minimization procedures.
- To promote Enterprise-wide Risk Management and obtain comfort based on adequate and appropriate evidence that the Management of the Company ensures the implementation and effective functioning of the entire risk management process.
- To review the Company's cyber security and other information technology risks, controls and procedures, including the Company's plans to mitigate cyber security risks and to respond to data breaches.
- To review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- Such other activities as the Board may determine from time to time.

VIII. REMUNERATION OF DIRECTORS

The table below gives details of Remuneration of Directors for the Financial Year ended March 31, 2019.

(Amount in ₹)

Name of Director	Salary & Perquisites	Performance Linked Incentive	Commission	Contribution towards Provident Fund	Sitting Fees	Severance Fee	Service Contract	Notice Period	Total
(Hony) Brig. Dr. Arvind Lal	2,25,20,616	-	-	6,10,860	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	2,31,31,476
Dr. Vandana Lal	1,80,58,272	-	-	4,89,816	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	1,85,48,088
Dr. Om Prakash Manchanda	3,00,20,616*	51,95,000	-	17,74,488	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	3,69,90,104
Mr. Rahul Sharma	-	-	6,10,959	-	4,50,000	-	-	-	10,60,959
Mr. Harneet Singh Chandhoke	-	-	10,00,000	-	4,50,000	-	-	-	14,50,000
Mr. Sunil Varma	-	-	12,50,000	-	4,50,000	-	-	-	17,00,000
Dr. Saurabh Srivastava	-	-	12,50,000	-	8,50,000	-	-	-	21,00,000
Mr. Arun Duggal ¹	-	-	11,43,836	-	6,50,000	-	-	-	17,93,836
Mr. Anoop Mahendra Singh	-	-	10,17,808	-	4,50,000	-	-	-	14,67,808
Ms. Somya Satsangi ²	-	-	1,78,082	-	50,000	-	-	-	2,28,082

*Does not include a non-cash (stock related) perk of ₹ 1,74,60,700/- on exercise of Stock options.

¹Mr. Arun Duggal resigned from the Board w.e.f. March 1, 2019.

²Ms. Somya Satsangi was appointed on the Board w.e.f. February 8, 2019.

Dr. Om Prakash Manchanda also holds certain stock options granted under Dr. Lal PathLabs Employees Restricted Stock Unit Plan 2016 of the Company. The details of the same as on March 31, 2019 are as under:

Grant Date	No. of options granted	Grant Price for the options (in ₹)	Vesting Details	
			No. of options vested/to be vested	Vesting Dates
29-Jul-16	82,677*	10	20,152	July 28, 2017
			20,669	July 28, 2018
			20,669	July 28, 2019
			20,670	July 28, 2020
7-Aug-17	83,066**	10	12,460	August 06, 2018
			16,613	August 06, 2019
			24,920	August 06, 2020
			29,073	August 06, 2021
10-Aug-18	83,332**	10	12,500	August 09, 2019
			16,666	August 09, 2020
			25,000	August 09, 2021
			29,166	August 09, 2022

*50% of the stock options shall vest on the date of vesting and the balance of upto 50% shall vest on the basis of Company Performance Factor to be determined by the Nomination and Remuneration Committee for every Financial Year. The vested options can be exercised over a period of 5 years from the date of vesting.

**25% of the stock options shall vest on the date of vesting and the balance upto 75% shall vest on the basis of Company Performance Factor and Individual Performance to be determined by the Nomination and Remuneration Committee for every Financial Year. The vested options can be exercised over a period of 5 years from the date of vesting.

Criteria for making payments to Non-Executive Directors

The criteria for making payments to Non-Executive Directors is defined in the Nomination and Remuneration Policy of the Company, annexed to this Annual Report.

IX. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue	No. of Special Resolutions set out at the AGM
2017-18	13-Aug-18	10:30 AM	Air Force Auditorium, Subroto Park, New Delhi - 110 010	5
2016-17	20-Jul-17	10.30 AM	Air Force Auditorium, Subroto Park, New Delhi - 110 010	3
2015-16	28-Jul-16	10.30 AM	Air Force Auditorium, Subroto Park, New Delhi - 110 010	3

POSTAL BALLOT

During the Financial Year 2018-19, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) made thereunder), your Company passed the following special resolutions through postal ballot:

1. Payment of Commission to Non-Executive Directors of the Company
2. Alteration of the Object and Liability Clause of the Memorandum of Association of the Company

Date of Postal Ballot Notice	August 10, 2018
Cut-off Date of register of members for dispatch of notice	August 24, 2018
Voting Period	September 11, 2018 at 9:00 A.M. to October 10, 2018 at 5:00 P.M.
Date of passing resolution	October 10, 2018
Date of declaration of result	October 12, 2018

The Board had appointed Mr. Prashant Kumar Balodia (Membership No. FCS 6047 & Certificate of Practice No. 6153) Partner, M/s PDS & Co., Company Secretaries, as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner

The details of voting pattern in respect of the Special Resolutions passed through postal Ballot is as under:

Resolution No. 1 - Payment of Commission to Non-Executive Directors of the Company

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes in favor (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting		4,78,48,562	100	4,78,48,562	0	100	0
	Poll	4,78,48,562	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	4,78,48,562	4,78,48,562	100	4,78,48,562	0	100	0
Public- Institutions	E-Voting		1,71,57,502	80.74	1,71,57,502	0	100	0
	Poll	2,12,50,498	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	2,12,50,498	1,71,57,502	80.74	1,71,57,502	0	100	0
Public- Non Institutions	E-Voting		12,80,746	8.99	12,80,402	344	99.97	0.03
	Poll	1,42,42,550	0	0	0	0	0	0
	Postal Ballot*		26	0	6	20	23.08	76.92
	Total	1,42,42,550	12,80,772	8.99	12,80,408	364	99.97	0.03
Total		8,33,41,610	6,62,86,836	79.54	6,62,86,472	364	99.9995	0.0005

Resolution No. 2 - Alteration of the Object and Liability Clause of the Memorandum of Association of the Company

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes in favor (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting		4,78,48,562	100	4,78,48,562	0	100	0
	Poll	4,78,48,562	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	4,78,48,562	4,78,48,562	100	4,78,48,562	0	100	0
Public- Institutions	E-Voting		1,65,34,742	77.81	1,00,42,722	64,92,020	60.74	39.26
	Poll	2,12,50,498	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	2,12,50,498	1,65,34,742	77.81	1,00,42,722	64,92,020	60.74	39.26
Public- Non Institutions	E-Voting		12,80,746	8.99	12,80,492	254	99.98	0.02
	Poll	1,42,42,550	0	0	0	0	0	0
	Postal Ballot*		26	0	21	5	80.77	19.23
	Total	1,42,42,550	12,80,772	8.99	12,80,513	259	99.98	0.02
Total		8,33,41,610	6,56,64,076	78.79	5,91,71,797	64,92,279	90.11	9.89

None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution through postal ballot.

Procedure for Postal Ballot:

During the conduct of the Postal Ballot, the Company provided e-voting facility to its shareholders to cast their votes electronically through e-voting platform by CDSL. Postal Ballot forms, notice and postage pre-paid business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules. The scrutinizer submitted the report after completion of the scrutiny and the results of voting by postal ballot were then announced. The voting results were communicated to the Stock Exchanges besides being displayed on the website of the Company, i.e. www.lalpathlabs.com and on the website of CDSL at www.evotingindia.com.

X. MEANS OF COMMUNICATION

The quarterly/half-yearly/Yearly results are intimated to the Stock Exchanges immediately after the Board Meeting at which they are approved. The results of the Company are also published in at least one prominent national newspaper (usually Financial Express) and one regional newspaper (usually Jansatta) having wide circulation.

The results along with presentations made by the Company to Analysts/Investors are also posted on the website of the Company viz. www.lalpathlabs.com. The Company's website also displays all official news releases.

The Company organizes investor conference calls to discuss its financial results every quarter, where investor queries are answered by the Executive Management of the Company. The transcripts of the conference calls are posted on our website.

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

XI. GENERAL SHAREHOLDER INFORMATION

a. Corporate Identification Number: L74899DL1995PLC065388

b. Annual General Meeting:

The 25th Annual General Meeting of the Company is scheduled to be held as under:-

Date and Time

August 12, 2019 at 10.30 AM

Venue

Air Force Auditorium, Subroto Park, New Delhi - 110010

c. Financial Year

The company follows Financial Year from April 1 to March 31. The Current Financial Year of the Company is April 1, 2019 to March 31, 2020.

d. Dividend Payment Date: On or after August 21, 2019

e. Listing on Stock Exchanges:

Name of Stock Exchange	Security Code/ Symbol	Address
BSE Limited	539524	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
National Stock Exchange of India Limited	LALPATHLAB	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

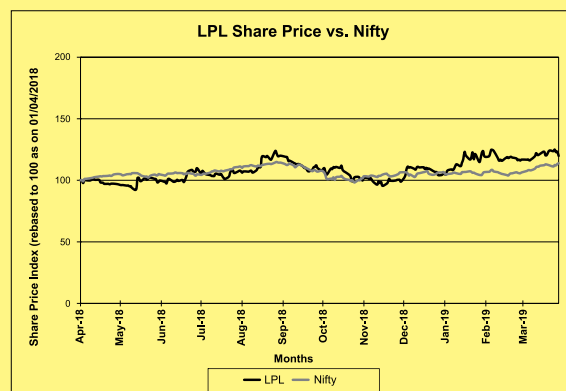
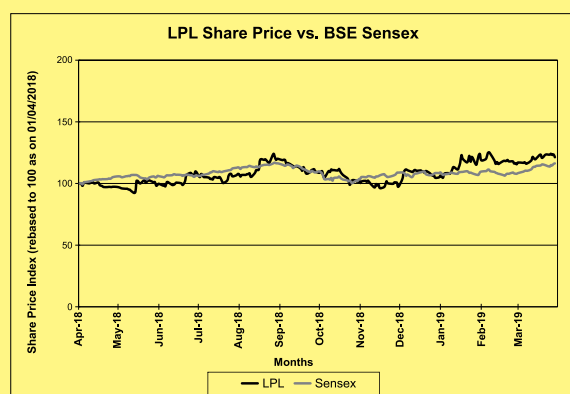
Listing fees for the Financial Year 2018-19 has been paid to both the Stock Exchanges.

f. Market Price Data & Share price performance:

The monthly High & Low Share price during each month, of the last Financial Year is as below:

Month	BSE Limited (BSE) (In ₹ Per Share)		National Stock Exchange (NSE) (In ₹ Per Share)	
	High	Low	High	Low
April 2018	905.00	800.00	907.00	840.00
May 2018	930.60	800.00	932.50	798.40
June 2018	980.85	840.30	984.65	838.05
July 2018	971.75	866.10	969.10	875.00
August 2018	1,120.00	895.30	1,122.00	903.00
September 2018	1,069.00	902.00	1,070.25	901.05
October 2018	1,049.00	849.80	1,007.00	851.30
November 2018	908.55	817.00	909.95	813.45
December 2018	997.00	830.00	1,000.00	861.90
January 2019	1,090.00	900.30	1,094.45	897.10
February 2019	1,120.00	975.00	1,125.00	984.20
March 2019	1,096.50	1,001.00	1,099.25	1,000.95

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



h. Registrar and Share Transfer Agent:

Link Intime India Private Limited
Noble Heights, 1st Floor,
Plot NH 2, C-1 Block LSC,
Near Savitri Market, Janakpuri,
New Delhi - 110058,
+91 11 49411000 | Fax: +91 11 4141 0591

i. Share Transfer System:

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to Registrar and Share Transfer Agent.

Stakeholders Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officer(s) of the Company. The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and files a copy of the same with the Stock Exchanges.

j. Distribution of shareholding as on March 31, 2019:

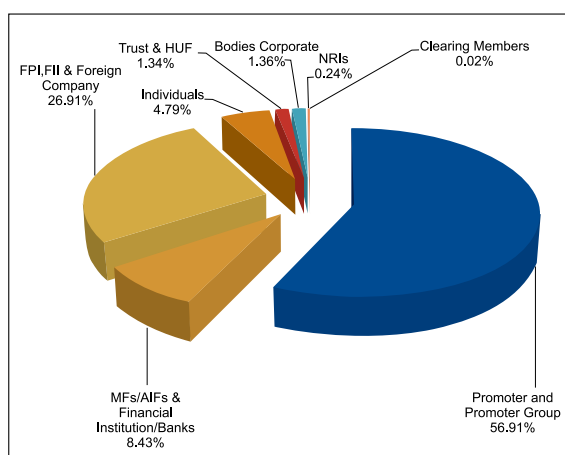
a) Distribution of Shareholding

Slab	Shareholders		No. of Shares	
	Number	% to total	Shares	% to total
1 - 500	39,528	98.23	20,95,193	2.51
501 - 1,000	317	0.79	2,30,313	0.28
1,001 - 2,000	137	0.34	1,90,244	0.23
2,001 - 3,000	47	0.12	1,16,472	0.14
3,001 - 4,000	25	0.06	85,214	0.1
4,001 - 5,000	14	0.03	63,458	0.08
5,001 - 10,000	30	0.07	2,16,987	0.26
10,001 - Above	142	0.35	8,03,43,729	96.4
Total	40,240	100	8,33,41,610	100

b) Categories of Equity Shareholders as on March 31, 2019

S. No.	Category	No of Shares held	% of Share holding
1	Promoter and Promoter Group	4,74,31,898	56.91
2	Mutual Fund/Alternate Investment Funds/ Financial Institution's/Banks	70,20,799	8.43
3	FPI, FII & Foreign Company Foreign Corporate/FIIs/AIF/ Foreign Nationals	2,24,28,827	26.91
4	Individuals	39,93,464	4.79
5	Trusts & HUF	11,16,367	1.34
6	Bodies Corporate	11,35,178	1.36
7	Non - Resident Indians	1,96,975	0.24
8	Clearing Members	18,102	0.02
Total		8,33,41,610	100

Graphic presentation of the Shareholding pattern as on March 31, 2019



k. Dematerialisation of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialized form. All equity shares except 1 (One) have been dematerialized as on March 31, 2019. The equity shares of the Company are actively traded at BSE & NSE.

l. Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments

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

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

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

n. Plant Locations

The Company does not have any manufacturing or processing plants.

o. Address for Correspondence

Registered Office	Corporate Office
Dr. Lal PathLabs Limited Block E, Sector-18, Rohini, New Delhi-110085 Ph: +91-11-30258600 Fax: + 91-11-2788134 E-mail: cs@lalpathlabs.com	Dr. Lal PathLabs Limited 12th Floor, Tower-B, SAS Tower, Medicity, Sector-38, Gurugram - 122001 Ph: +91 124 3016500 Fax: +91 124 4234468 E-mail: cs@lalpathlabs.com

Your Company has also designated cs@lalpathlabs.com as an exclusive email ID for investors for the purpose of registering their complaints and the same has been displayed on Company's website also.

p. List of Credit Ratings

Following is the list of credit ratings obtained by the Company from CRISIL during the Financial Year 2018-19.

Total Bank Loan Facilities Rated	₹ 60 Crore
Long – Term Rating	CRISIL AA-/Stable (Reaffirmed)
Short – Term Rating	CRISIL A1+ (Reaffirmed)

There was no revision in credit ratings during the Financial Year 2018-19.

XII. DISCLOSURES

a. Related Party Transactions (RPTs)

The Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. Transactions with related parties are being disclosed in the Notes to Accounts forming part of the Annual Report and are transacted after obtaining applicable approval(s), wherever required. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is disclosed on website of the Company and can be accessed through the following link: <https://www.lalpathlabs.com/pdf/Policy-on-Related-Party-Transactions.pdf>

b. Non-Compliances by the Company

During the last three years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for non-compliance of any matter related to capital markets except a notice from NSE dated November 27, 2018 regarding delayed disclosure of Postal Ballot Voting Results and thereby levying a fine of ₹ 10,000/-.

The result were to be submitted within 48 hours of closure of Postal Ballot and apparently there was inadvertent delay of few minutes by the Company in such submission.

c. Vigil Mechanism and Whistle Blower Policy

The Company is committed to conduct its business in accordance with applicable laws, rules and regulations. The

Company promotes ethical behavior in its operations and has a Vigil mechanism which is overseen through the Audit Committee. Under the Vigil Mechanism, employees are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee.

The policy on Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company www.lalpathlabs.com.

d. Details of compliance with mandatory requirements on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

e. Subsidiary Companies

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

<https://www.lalpathlabs.com/pdf/Policy-for-determining-Material-Subsidiaries.pdf>.

f. Practicing CS Certification

A certificate from a company secretary in practice that as on March 31, 2019, none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority is annexed to this Report as **Annexure - 1**.

g. Statutory Auditor Fee

The total fee paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor for all the services during the Financial Year 2018 -19 is ₹ 13.26 million.

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

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

Following is the status of Complaints received under the sexual harassment of women at Workplace (prevention, prohibition and redressal) act, 2013 during the Financial Year 2018-19.

- a. number of complaints filed during the financial year - 6
- b. number of complaints disposed of during the financial year - 6
- c. number of complaints pending as on end of the financial year. - 0

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

The Company is in compliance with the applicable corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, securities of the Company have not been suspended for trading at any point of time during the Financial year ended March 31, 2019.

j. Disclosures with respect to demat suspense account/unclaimed suspense account.

There are no shares which are lying in demat suspense account/unclaimed suspense account.

k. Insider Trading

In terms of the SEBI (Prohibition of Insider Trading) Regulations 2015 ("PIT Regulations"), the Company has a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company. Further, in terms of the PIT Regulations, the Company has in place a Code of Practices and Procedures of Fair Disclosures of Unpublished Price Sensitive Information.

Board Procedures

The Board meets at least once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company. The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the Board.

The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board has access to any information within your Company which includes the information as specified in Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of

the Independent Directors of the Company was held during the year, on May 14, 2018 without the attendance of Non-Independent Directors and members of the management.

Non- mandatory requirements:

The Company has adopted the following non-mandatory requirements on Corporate Governance:-

i. Board

Since your Company did not have a Non-Executive Chairman during the Financial Year 2018-19, hence, the requirement of maintaining a Chairman's Office was not applicable to the Company.

ii. Shareholder Rights

The quarterly and half yearly financial results of your Company are published in widely circulated newspapers and additionally are displayed on the Company's website (www.lalpathlabs.com).

The Company sends the financial statements along with the Directors' Report and Auditor's Report to shareholders every year.

iii. Audit qualifications

There was no audit qualification on your Company's financial statements, during the year under review.

iv. Reporting of Internal Auditor

The Internal Auditors of the Company i.e. M/s Grant Thornton India LLP directly reports to the Audit Committee of the Company.

XIII. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management personnel

of the Company. The Code has also been posted on the website of the Company.

All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct for the Financial Year 2019-20.

An annual declaration signed by the Chief Executive Officer & Whole-Time Director of the Company affirming compliance to the Code by the Board of Directors and the Senior Management is annexed to this Report as **Annexure - 2**. The Code of Conduct is available on website of the Company and can be accessed through the following link:

<https://www.lalpathlabs.com/investor/policies-and-programs.aspx>

XIV. CEO/ CFO CERTIFICATION

In compliance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Chief Executive Officer and Chief Financial Officer of the Company to the Board of Directors as specified in Part B of Schedule II of the said regulations is annexed to this Report as **Annexure - 3**.

XV. SHAREHOLDERS SATISFACTION SURVEY

The Company invites feedback from all Shareholders on various services areas that it continually works on.

The feedback in the form of a questionnaire is attached along with Notice of convening 25th Annual General Meeting.

Shareholders are requested to fill up the "**Shareholders Satisfaction Survey**" form and provide their valuable feedback by emailing the same at cs@lalpathlabs.com through their registered e-mail ID or sending the signed copy at the Corporate Office of the Company at 12th Floor, Tower B, SAS Tower, Medicity, Sector-38, Gurugram – 122001.

Annexures to Report on Corporate Governance for the Financial Year Ended March 31, 2019

Annexure - 1

CERTIFICATE UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members

Dr. Lal PathLabs Limited
Block E, Sector-18, Rohini,
New Delhi-110085

Based on the disclosures/declarations received from Directors appointed on the Board of Dr. Lal PathLabs Limited ("the Company"), we hereby certify that as on March 31, 2019, none of the Directors on the Board of Company have been debarred or disqualified from being appointed or continuing as director of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

**For PDS & CO.
Company Secretaries**

**Prashant Kumar Balodia
(Partner)
Membership No. 6047
Certificate of Practice No. 6153**

Date: May 17, 2019
Place: Delhi

Annexure - 2

DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Om Prakash Manchanda, Chief Executive Officer & Whole-Time Director of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2019.

**Dr. Om Prakash Manchanda
CEO & Whole-Time Director
DIN: 02099404**

Date: May 17, 2019
Place: New Delhi

Annexure - 3

CEO AND CFO CERTIFICATION

**The Board of Directors,
Dr. Lal PathLabs Limited**

We, the undersigned to the best of our knowledge and belief, certify that:

- a) We have reviewed financial statements and the cash flow statement for the Financial Year 2018-19 and that to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading.
 - II. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee :
 - 1) significant changes in the internal control over financial reporting during this year;
 - 2) significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements; and
 - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

**Dr. Om Prakash Manchanda
CEO & Whole-Time Director
DIN: 02099404**

**Ved Prakash Goel
Chief Financial Officer**

Date: May 17, 2019
Place: New Delhi

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
Dr. Lal PathLabs Limited

We have examined the compliance of conditions of Corporate Governance by Dr. Lal PathLabs Limited ("the Company"), for the Financial Year ended March 31, 2019 as stipulated under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

We further 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.

For PDS & CO.
Company Secretaries

(Prashant Kumar Balodia)

Partner

Date: May 17, 2019

Place: Delhi

Membership No. 6047

Certificate of Practice No. 6153

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report

To The Members of Dr. Lal PathLabs Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Dr. Lal PathLabs Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue recognition – Reliance on information technology and system for controls over pricing master file We identified reliance on information technology and system for controls over pricing master file as a key audit matter due to likelihood of material misstatement in revenue recognition, resulting from unauthorised alterations to the pricing master file, on account of high volume of patient transactions. Refer to note 2.3 and note 27 to the standalone financial statements.	Principal audit procedures performed: <ul style="list-style-type: none"> • Obtained an understanding of and assessed and tested the design, implementation and operating effectiveness of relevant internal controls relating to authorisation of alterations to the pricing master file. • Tested the controls around the access rights to the price masters by involving information technology specialists. • Tested the automated controls for auto pick of the prices defined in the system based on the tests selected. • Tested the reports of changes in the pricing master files for completeness and accuracy by involving information technology specialists and for the selected samples of alterations during the year, verified that the changes were authorised. • Selected samples of the invoices and verified the billed price in respect thereof, to the underlying agreements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's report, Business Responsibility Report and Report on Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error,

design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public

disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer note **37 (i)** to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. - Refer note **50** to the standalone financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer note **51** to the standalone financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Delhi
Date: 17 May, 2019

Jitendra Agarwal
Partner
(Membership No. 87104)

“Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Dr. Lal PathLabs Limited** (“the Company”) as of 31 March, 2019 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 Board of Directors 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, to the best of our information and according to the explanations given to us 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, 2019, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Place: Delhi
Date: 17 May, 2019

Jitendra Agarwal
(Partner)
(Membership No. 87104)

“Annexure B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) In respect of its property, plant and equipment:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) 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 Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 related to running of laboratories for carrying out pathological investigations. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained.

We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities, other than for some delays in the deposit of Provident Fund and Employees’ State Insurance.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income Tax, Goods and Services Tax and Customs Duty as on 31 March, 2019 on account of disputes.
- According to the information and explanations given to us, the Company’s operations did not give rise to any Sales Tax, Excise Duty and Value Added Tax.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
 - (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
 - (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
 - (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
 - (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable to the Company.
 - (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, as applicable, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-10018)

Place: Delhi
Date: 17 May, 2019

Jitendra Agarwal
Partner
(Membership No. 87104)

Standalone Balance Sheet as at 31 March, 2019

(in ₹ million, unless otherwise stated)

Particulars	Notes	As at 31 March, 2019	As at 31 March, 2018
Assets			
1. Non-current assets			
(a) Property, plant and equipment	3	1,513.12	1,516.53
(b) Capital work-in-progress	3	28.67	93.60
(c) Goodwill	4	10.80	10.80
(d) Other intangible assets	5	205.63	198.02
(e) Financial assets			
(i) Investments	6	323.73	297.15
(ii) Loans	7	0.05	0.50
(iii) Other financial assets	8	187.25	358.02
(f) Non-current tax assets (net)	9	125.59	76.73
(g) Deferred tax assets (net)	10	210.78	164.09
(h) Other non-current assets	11	97.20	112.89
Total non-current assets		2,702.82	2,828.33
2. Current assets			
(a) Inventories	12	278.08	266.53
(b) Financial assets			
(i) Investments	13	1,816.74	1,438.51
(ii) Trade receivables	14	530.96	401.81
(iii) Cash and cash equivalents	15a	1,239.48	625.21
(iv) Bank balances other than (iii) above	15b	3,541.65	2,442.57
(v) Loans	16	9.35	2.48
(vi) Other financial assets	17	450.90	790.36
(c) Other current assets	18	95.13	160.10
Total current assets		7,962.29	6,127.57
Total assets		10,665.11	8,955.90
Equity and liabilities			
1. Equity			
(a) Equity share capital	19	833.42	833.33
(b) Other equity	20	8,474.93	6,931.86
Total equity		9,308.35	7,765.19
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	21	12.17	75.88
(b) Other non-current liabilities	22	-	3.65
Total non-current liabilities		12.17	79.53
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		21.94	0.71
Total outstanding dues of creditors other than micro enterprises and small enterprises		749.78	623.49
sub-total		771.72	624.20
(ii) Other financial liabilities	24	285.32	256.47
(b) Provisions	25	131.00	84.15
(c) Current tax liabilities (net)	9	44.83	14.21
(d) Other current liabilities	26	111.72	132.15
Total current liabilities		1,344.59	1,111.18
Total liabilities		1,356.76	1,190.71
Total Equity and liabilities		10,665.11	8,955.90
See accompanying notes to the Standalone Financial Statements	1-52		

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: Delhi
Date: 17 May, 2019

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Ved Prakash Goel
[Chief Financial Officer]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Rajat Kalra
[Company Secretary]

Standalone Statement of Profit and Loss for the year ended 31 March, 2019

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2019	Year ended 31 March, 2018
1. Income			
(a) Revenue from operations	27	11,648.99	10,240.43
(b) Other income	28	464.94	315.13
Total income		12,113.93	10,555.56
2. Expenses			
(a) Cost of materials consumed	29	2,549.63	2,193.13
(b) Employee benefits expense	30	2,018.62	1,750.86
(c) Finance costs	31	7.43	8.17
(d) Depreciation and amortisation expense	32	361.80	310.46
(e) Fees to collection centers/channel partners		1,482.53	1,270.85
(f) Other expenses	33	2,770.25	2,464.51
Total expenses		9,190.26	7,997.98
3. Profit before tax		2,923.67	2,557.58
4. Tax expense			
(a) Current tax	34	1,005.44	908.67
(b) Deferred tax	10	(36.15)	(33.79)
Total tax expense		969.29	874.88
5. Profit for the period (A)		1,954.38	1,682.70
6. Other comprehensive income			
- Items that will not be reclassified to profit or loss Remeasurement of the defined benefit obligations		(30.14)	4.94
- Income tax in relation to items that will not be reclassified to profit or loss	10	10.53	(1.71)
Total other comprehensive income (B)		(19.61)	3.23
7. Total comprehensive income for the period (A+B)		1,934.77	1,685.93
8. Earnings per equity share	35		
- Basic earnings per share (Face value of ₹ 10 each)		23.74	20.54
- Diluted earnings per share (Face value of ₹ 10 each)		23.69	20.52
See accompanying notes to the Standalone Financial Statements	1-52		

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: Delhi
Date: 17 May, 2019

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Ved Prakash Goel
[Chief Financial Officer]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Rajat Kalra
[Company Secretary]

Standalone Cash Flow Statement for the period ended 31 March, 2019

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2019	Year ended 31 March, 2018
Cash flows from operating activities			
Profit for the period		1,954.38	1,682.70
Adjustments for :			
Tax expense		969.29	874.88
Interest income		(342.10)	(234.99)
Dividend income on current investments		(56.97)	(48.97)
Dividend income from a subsidiary company		(16.59)	(8.00)
Gain on sale or fair valuation of investments		(35.47)	(11.77)
Surrender value of keyman insurance policy		(6.40)	(5.76)
Sundry balances written back		(3.04)	(2.55)
(Profit)/Loss on disposal / discard of property, plant and equipment		(0.83)	2.01
Expense recognised in respect of employee share based compensation		150.46	116.92
Finance cost		7.43	8.17
Depreciation and amortisation expense		361.80	310.46
Provision for impairment of trade receivables and advances		51.98	29.07
Bad debts and advances written off (net)		4.96	7.39
Security deposits amortisation		3.45	6.09
Remeasurement of the defined benefit obligation		(30.14)	4.94
Operating profit before working capital changes		3,012.21	2,730.59
Changes in working capital:			
Adjustment for (increase)/decrease in operating assets:			
(Increase)/ decrease in inventories		(11.55)	(95.18)
(Increase)/ decrease in trade receivables		(186.09)	(35.72)
(Increase)/ decrease in loans		(6.42)	(0.85)
(Increase)/ decrease in other financial assets		(3.58)	37.23
(Increase)/ decrease in other assets		82.12	(25.40)
Adjustment for increase/(decrease) in operating liabilities:			
Increase in trade payables		150.56	120.22
Increase in other financial liabilities		48.77	29.64
Increase in provisions		46.85	17.75
Increase/ (decrease) in other liabilities		(24.08)	30.88
Cash generated from operations		3,108.79	2,809.16
Income taxes paid		(1,023.76)	(915.33)
Net cash generated from operating activities (a)		2,085.03	1,893.83

Standalone Cash Flow Statement for the period ended 31 March, 2019

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2019	Year ended 31 March, 2018
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(318.11)	(583.38)
Proceeds from disposal of property, plant and equipment		2.99	0.96
Payments for purchase of intangible assets		(71.93)	(79.64)
Dividend received from a subsidiary company		16.59	8.00
Interest received		262.08	193.59
Payments for business purchase		-	(10.20)
Net cash outflow for investment in subsidiaries		(26.58)	(18.09)
Payments for purchase of investments in mutual funds		(2,207.65)	(1,802.66)
Proceeds from sale of investments in mutual funds		1,921.86	1,454.48
Bank deposits placed with the banks		(3,857.19)	(2,919.38)
Bank deposits with banks encashed		2,896.93	2,382.90
Fixed deposits (placed)/encashed with the body corporates		453.52	(285.62)
Net cash used in investing activities (b)		(927.49)	(1,659.04)
Cash flows from financing activities			
Proceeds from exercise of share options		1.51	29.78
Repayment of application money received at the time of IPO		(0.06)	(0.31)
Proceeds from sale of treasury shares		-	414.96
Interest paid		(1.23)	(1.08)
Dividend paid on equity shares including dividend tax		(543.49)	(314.02)
Net cash generated from / (used in) financing activities (c)		(543.27)	129.33
Net increase in cash and cash equivalents (a+b+c)		614.27	364.12
Cash and cash equivalents at the beginning of the year	15a	625.21	261.09
Cash and cash equivalents at the end of the year	15a	1,239.48	625.21
Components of cash and cash equivalents			
Cash on hand		16.64	9.86
Balance with scheduled banks:			
-on current accounts		77.20	135.53
-on cash credit accounts		110.79	40.60
-deposits with maturity of less than 3 months		1,034.85	439.22
Cash and cash equivalents in cash flow statement:	15a	1,239.48	625.21
See accompanying notes to the Standalone Financial Statements	1-52		

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: Delhi
Date: 17 May, 2019

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Ved Prakash Goel
[Chief Financial Officer]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Rajat Kalra
[Company Secretary]

Standalone Statement of Changes in Equity for the year ended 31 March, 2019

a. Equity share capital

(in ₹ million, unless otherwise stated)	
Particulars	Amount
Balance at 1 April, 2017	830.66
Equity share capital issued against share options	2.67
Balance as 31 March, 2018	833.33
Equity share capital issued against share options	0.09
Balance as 31 March, 2019	833.42

b. Other equity (in ₹ million, unless otherwise stated)

Particulars	Reserves and surplus							Total other equity
	Capital reserve	Capital redemption reserve account	Securities premium	General reserve	Share options outstanding account	Treasury shares	Retained earnings	
Balance at 1 April, 2017	(33.00)	4.45	899.86	472.41	85.42	(435.82)	4,008.04	5,001.36
Profit for the period	-	-	-	-	-	-	1,682.70	1,682.70
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-	3.23	3.23
Total comprehensive income for the period	-	-	-	-	-	-	1,685.93	1,685.93
Movement during the period on account of issue of equity shares	-	-	26.87	-	-	-	-	26.87
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(314.42)	(314.42)
Share options exercised during the year (Refer to note 20 and 46)	-	-	-	16.30	(22.97)	6.91	-	0.24
Sale of treasury shares (Refer to note 20)	-	-	-	-	-	136.48	278.48	414.96
Employee share based compensation expense (Refer to note 30)	-	-	-	-	116.92	-	-	116.92
Balance at 31 March, 2018	(33.00)	4.45	926.73	488.71	179.37	(292.43)	5,658.03	6,931.86
Profit for the period	-	-	-	-	-	-	1,954.38	1,954.38
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-	(19.61)	(19.61)
Total comprehensive income for the period	-	-	-	-	-	-	1,934.77	1,934.77
Movement during the period on account of issue of equity shares	-	-	0.89	-	-	-	-	0.89
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(543.58)	(543.58)
Share options exercised during the year (Refer to note 20 and 46)	-	-	-	35.19	(49.44)	14.78	-	0.53
Employee share based compensation expense (Refer to note 30)	-	-	-	-	150.46	-	-	150.46
Balance at 31 March, 2019	(33.00)	4.45	927.62	523.90	280.39	(277.65)	7,049.22	8,474.93
See accompanying notes to the Standalone Financial Statements	1-52							

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: Delhi
Date: 17 May, 2019

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Ved Prakash Goel
[Chief Financial Officer]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Rajat Kalra
[Company Secretary]

Note to the Standalone Financial Statements

1 GENERAL INFORMATION

- (i) Dr. Lal PathLabs Limited ("the Company") is a public company domiciled in India and incorporated on 14 February, 1995 under the provisions of the Companies Act, 1956. The Company is engaged in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, and other pathological and radiological investigations.

The equity shares of the Company are listed on The National Stock Exchange of India and Bombay Stock Exchange.

The registered address and principal place of business of the Company is Block E, Sector-18, Rohini, New Delhi-110085.

- (ii) A Scheme of Amalgamation between the Company ("Transferee Company") and its wholly owned subsidiary, by the name of Delta Ria and Pathology Private Limited ("Transferor Company") with an appointed date of 1 April, 2017 was approved by the Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal ("Hon'ble Tribunal" or "NCLT") on October 23, 2018 and December 11, 2018 respectively. Pursuant to the Scheme becoming effective, the amalgamation has been accounted for under the 'pooling of interests' method in accordance with Ind AS 103 "Business Combinations" and the assets, liabilities and reserves of the Transferor Company have been accounted for at their book value, in the books of account of the Company.

Consequent to the scheme becoming effective, the Company has restated the amounts for the year ended 31 March, 2018 after giving effect to the Scheme of Amalgamation as described in note 40.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The Standalone Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of preparation and presentation

These Standalone Financial Statements have been prepared on the accrual and going concern basis, and the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

2.3 Revenue recognition

The Company's revenue is primarily generated from business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, haematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, and other pathological and radiological investigations for customers through various arrangements.

Effective 1 April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. Refer Note 2.3 "Revenue Recognition," in the Company's 2018 Standalone Financial Statements for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for a test when registered separately is the best evidence of its standalone selling price.

The Company has assessed that it is primarily responsible for fulfilling the performance obligation and has no agency relationships. Accordingly the revenue has been recognised at the gross amount and fees to collection centers/channel partners has been recognised as an expense.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as "unearned revenue"). Refer to note 27.

The Company disaggregates revenue from contracts with customers by geography.

2.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.4.1 The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

2.4.2 The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

2.5 Functional and presentation currency

Items included in the Standalone Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

2.6 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

2.6.1 Defined contribution plan

Employee benefit under defined contribution plan comprising of provident fund is recognised based on the amount of obligation of the Company to contribute to the plan. The provident fund contribution is paid to provident fund authorities. The amounts are expensed during the year.

2.6.2 Defined benefit plan

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding

net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The Company has taken the various policies with insurer managed funds to meet its obligation towards gratuity. The Company contributes all ascertained liabilities to a gratuity fund administered through a separate trust which is governed by board of trustees. The board of trustee comprises of the officers of the Company. Liability with respect to the gratuity plan is determined based on an actuarial valuation done by an independent actuary.

The gratuity benefit obligation recognised in the standalone Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- a. In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

- b. In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the obligation as at the Balance Sheet date.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8 Property, plant and equipment

2.8.1 Property, plant and equipment acquired separately

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

The cost of Property, plant and equipment (PPE) comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, present value of decommissioning costs (where there is a legal or constructive obligation to decommission) and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. If an impairment loss is determined, the remaining useful life of the asset is also subject to adjustment. If the reasons for previously recognised impairment losses no longer exist, such impairment losses are reversed and recognised in income. Such reversal shall not cause the carrying amount to exceed the amount that would have resulted had no impairment taken place during the preceding periods.

2.8.2 Depreciation methods, estimated useful lives and residual value

Depreciation on furniture and fixtures is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Depreciation on all other property, plant and equipment is provided using the Written Down Value (WDV) Method at the rates computed based on the useful lives of the assets estimated by the management.

Leasehold improvements are depreciated over the useful lives of the assets or the unexpired lease period, whichever, is lower.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

Building	30 years
Plant and equipment	13-15 years
Computers	3 years
Office equipment	5 years
Vehicles	8-10 years

The assets residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

All assets, the individual written down value of which at the beginning of the year is ₹ 5,000 or less, are depreciated at the rate of 100%. Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%.

Freehold land/Leasehold land in the nature of perpetual lease is not amortised.

2.8.3 Deemed cost on transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.8.4 Derecognition of tangible asset

A tangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a tangible asset, is measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2.9 Intangible assets

2.9.1 Intangible assets acquired separately

Trademarks and softwares are carried at cost which is incurred and stated in the relevant license agreement with the technical knowhow provider less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.9.2 Amortisation methods and useful lives

Trademarks and softwares are amortised on a straight

line basis over its estimated useful life i.e. 5 years. An intangible asset is derecognised when no future economic benefits are expected from use.

2.9.3 Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.9.4 Derecognition of intangible asset

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, is measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2.10 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit).

in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Inventories

Inventories comprise of reagents, chemicals, surgical and laboratory supplies and stores and others and are valued at lower of cost and net realisable value. Cost is determined on moving weighted average basis.

2.12 Provisions, contingent liability and contingent asset

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Standalone Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Standalone Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

2.13 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

2.14 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition):
- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts that form an integral part of the effective interest rate) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial instruments other than those financial assets classified as at Fair Value Through Profit and Loss. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial instruments that do not meet the amortised cost criteria or fair value through other comprehensive income (FVTOCI) are measured at fair value through profit or loss (FVTPL).

2.14.1 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.14.2 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.14.3 Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.14.4 Financial assets at fair value through profit or loss ('FVTPL')

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

2.14.5 Investments in subsidiaries

Investments representing equity interest in subsidiaries carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.14.6 Foreign exchange gain and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship. Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

2.14.7 Impairment of financial assets

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal

to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

2.14.8 Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

2.14.9 Income recognition

Interest Income: Interest income from a financial asset is recognised using the effective interest rate method. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Income from units in Mutual Funds/ Dividend from subsidiary: Dividend from units in mutual funds/ dividend from subsidiary companies is recognised when the Company's right to receive payment is established by the reporting date. Income on investment made in the units of fixed maturity plans of mutual funds is recognised based on the yield earned and to the extent of reasonable certainty.

2.15 Financial liabilities and equity instruments

2.15.1 Classification of debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.15.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2.15.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

2.15.4 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' in the line-item 'Net foreign exchange

gains/(losses)' except where capitalised as part of borrowing cost.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21-Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

2.15.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.16 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.17 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 46.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each

reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.19 Operating cycle

The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.20 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

2.21 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

2.22 Use of estimates and judgements

The preparation of Standalone Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Standalone Financial Statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Standalone Financial Statements are included in the following notes:

Accounting of reagent rental equipments

The Company has entered into agreements with certain

suppliers for purchase of reagent. As part of the agreement, the Company has the right to use equipment supplied by the suppliers free of charge subject to purchase of minimum committed quantities of reagents.

The cost of reagents which includes the cost of rental of the equipment is recorded as cost of material consumed. The directors of the Company has assessed the conditions as specified in the Ind AS -17, "Leases" for determining whether the said arrangement is under operating lease or Finance lease. Basis the evaluation, the arrangements have been classified by the Company as composite lease, which can not be reliably segregated in operating lease and finance lease. Hence, the Company has recorded the purchase of reagent in consumption cost with no element of rental /interest therein (Refer to note 39).

Carrying amount of investments in subsidiaries

Determining whether the carrying amount of investments in subsidiaries is recoverable involves significant estimates as these investments are in unlisted companies with fair values not readily available. The Company reviews the investments for impairment to assess whether the carrying amount is recoverable based on a number of factors including profitability, net asset value, liquidity and working capital (Refer to note 6).

Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There is no such change in the useful life of the assets (Refer to note 3).

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss may arise (Refer to note 4).

Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates (Refer to note 46).

2.23 Recent accounting pronouncements

Ind AS 116 Leases

Ministry of Corporate affairs has notified Ind AS 116 - Leases, which is effective from 1 April, 2019, which will replace the existing lease standard, Ind AS 17 Leases and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the

underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward lessor accounting requirements. The Company is evaluating the impact of Ind AS 116 and its effect on the financial statements.

Amendments to Ind AS 12 - Income taxes

On 30 March, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April, 2019. The Company is evaluating the requirements and its effect on the financial statements.

Amendments to Ind AS 12 - Income taxes

On 30 March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On 30 March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after 1 April, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

3 Property, plant and equipment
(Refer to Note 2.8)

(in ₹ million, unless otherwise stated)

		As at 31 March, 2019	As at 31 March, 2018
Carrying amounts of:			
Freehold land		109.57	109.57
Leasehold land		81.41	81.41
Freehold buildings		9.18	1.25
Leasehold buildings		422.94	489.96
Plant and equipment		529.98	517.33
Computers		134.79	63.70
Furniture and fixtures		29.44	33.71
Vehicles		11.76	10.99
Leasehold improvements		184.05	208.61
		1,513.12	1,516.53
		28.67	93.60
Capital work-in-progress		1,541.79	1,610.13

	Freehold land	Leasehold land	Freehold buildings	Leasehold buildings	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost or deemed cost										
Balance at 1 April, 2017	109.57	81.41	1.55	126.33	556.31	76.73	32.55	20.80	241.53	1,246.78
Additions	-	-	-	396.67	206.13	44.98	22.07	-	60.70	730.55
Disposals/ adjustments	-	-	-	-	(20.47)	(0.93)	(1.46)	-	(16.41)	(39.27)
Balance at 31 March, 2018	109.57	81.41	1.55	523.00	741.97	120.78	53.16	20.80	285.82	1,938.06
Additions	-	-	8.56	-	152.59	113.58	8.63	6.72	26.34	316.42
Disposals/ adjustments*	-	-	-	(20.19)	(1.40)	(0.13)	(0.73)	(2.04)	(6.15)	(30.64)
Balance at 31 March, 2019	109.57	81.41	10.11	502.81	893.16	234.23	61.06	25.48	306.01	2,223.84
Accumulated depreciation										
Balance at 1 April, 2017	-	-	0.16	12.65	120.01	26.47	9.10	4.85	40.68	213.92
Elimination on disposals of assets	-	-	-	-	(19.55)	(0.89)	(1.28)	-	(14.58)	(36.30)
Depreciation expenses	-	-	0.14	20.39	124.18	31.50	11.63	4.96	51.11	243.91
Balance at 31 March, 2018	-	-	0.30	33.04	224.64	57.08	19.45	9.81	77.21	421.53
Elimination on disposals of assets	-	-	-	-	(0.73)	(0.05)	(0.45)	(1.10)	(5.96)	(8.29)
Depreciation expenses	-	-	0.63	46.83	139.27	42.41	12.62	5.01	50.71	297.48
Balance at 31 March, 2019	-	-	0.93	79.87	363.18	99.44	31.62	13.72	121.96	710.72
Carrying amount										
Balance at 1 April, 2017	109.57	81.41	1.39	113.68	436.30	50.26	23.45	15.95	200.85	1,032.86
Additions	-	-	-	396.67	206.13	44.98	22.07	-	60.70	730.55
Disposals/ adjustments	-	-	-	-	(0.92)	(0.04)	(0.18)	-	(1.83)	(2.97)
Depreciation expenses	-	-	(0.14)	(20.39)	(124.18)	(31.50)	(11.63)	(4.96)	(51.11)	(243.91)
Balance at 31 March, 2018	109.57	81.41	1.25	489.96	517.33	63.70	33.71	10.99	208.61	1,516.53
Additions	-	-	8.56	-	152.59	113.58	8.63	6.72	26.34	316.42
Disposals/ adjustments*	-	-	-	(20.19)	(0.67)	(0.08)	(0.28)	(0.94)	(0.19)	(22.35)
Depreciation expenses	-	-	(0.63)	(46.83)	(139.27)	(42.41)	(12.62)	(5.01)	(50.71)	(297.48)
Balance at 31 March, 2019	109.57	81.41	9.18	422.94	529.98	134.79	29.44	11.76	184.05	1,513.12

*Adjustments to leasehold buildings amounting to IN 20.19 million represents change in final measurements on account of renegotiations with vendors/ suppliers during the current year.

4. Goodwill

(Refer to note 2.16)

(in ₹ million, unless otherwise stated)

	As at 31 March, 2019	As at 31 March, 2018
Cost or deemed Cost	10.80	10.80
Accumulated impairment loss	-	-
	10.80	10.80
	Year ended 31 March, 2019	Year ended 31 March, 2018
Cost or deemed cost		
Balance at the beginning of year	10.80	10.80
Additions on account of acquisitions	-	-
	10.80	10.80
Accumulated impairment loss	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
	-	-

The Company had, in the earlier years purchased the business of “Dr.Bhanudas Yashwant Shinagare” engaged in the business of providing pathological diagnostics services in Pune, on a going concern basis for a purchase consideration of ₹ 15.00 million (including goodwill of ₹ 10.80 million).

Impairment of Goodwill

For the purpose of impairment testing, goodwill has been allocated to the cash generating unit – ‘Labs CGU’. The recoverable amount of cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial forecasts covering a five-year period, and a discount rate of 11.50% per annum (as at 31 March, 2018: 11.50% per annum).

Cash flow projections during the forecast period are based on the same expected gross margins and inflation throughout the forecast period. The cash flows beyond that five-year period have been extrapolated using a steady growth rate of 10% per annum (as at March 31, 2018: 22% per annum), which is the projected long-term average growth rate for Labs CGU. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. Based on impairment testing as above, the management believes that the recoverable amounts of goodwill are higher than their respective carrying amounts and hence no amounts are required to be recorded for impairment in the carrying amounts of goodwill.

5. Other intangible assets

(in ₹ million, unless otherwise stated)

	As at 31 March, 2019	As at 31 March, 2018	
Carrying amounts of :			
Computer software	203.65	192.98	
Trademarks	1.98	5.04	
	205.63	198.02	
	Computer Software	Trademarks	Total
<u>Cost or deemed cost</u>			
Balance at 1 April, 2017	205.71	11.16	216.87
Additions	98.29	-	98.29
Disposals	(0.18)	-	(0.18)
Balance at 31 March, 2018	303.82	11.16	314.98
Additions	71.93	-	71.93
Disposals	-	-	-
Balance at 31 March, 2019	375.75	11.16	386.91

	Computer Software	Trademarks	Total
Accumulated amortisation			
Balance at 1 April, 2017	47.53	3.06	50.59
Amortisation expense	63.49	3.06	66.55
Elimination on disposals of assets	(0.18)	-	(0.18)
Balance at 31 March, 2018	110.84	6.12	116.96
Amortisation expense	61.26	3.06	64.32
Elimination on disposals of assets	-	-	-
Balance at 31 March, 2019	172.10	9.18	181.28
Carrying amount			
Balance at 1 April, 2017	158.18	8.10	166.28
Additions	98.29	-	98.29
Amortisation expense	(63.49)	(3.06)	(66.55)
Balance at 31 March, 2018	192.98	5.04	198.02
Additions	71.93	-	71.93
Amortisation expense	(61.26)	(3.06)	(64.32)
Balance at 31 March, 2019	203.65	1.98	205.63

Financial assets (non-current)

The Company has elected to continue with the carrying value of all of its intangible assets as at the transition date, viz., 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

6. Investments

(in ₹ million, unless otherwise stated)		
Particulars	As at 31 March, 2019	As at 31 March, 2018
In Shares (Unquoted)		
In Subsidiary Companies		
12,800 (31 March, 2018: 12,800) equity shares of ₹ 10/- each fully paid up in Paliwal Diagnostics Private Limited.	129.48	129.48
8,000 (31 March, 2018: 8,000) equity shares of ₹ 10/- each fully paid up in Paliwal Medicare Private Limited.	52.18	52.18
10,000 (31 March, 2018: 10,000) equity shares of ₹ 10/- each fully paid up in APL Institute of Clinical Laboratory & Research Private Limited.	72.35	72.35
400,000 (31 March, 2018: 400,000) equity shares of NPR 100/- each fully paid up in Dr Lal PathLabs Nepal Private Limited.	25.05	25.05
276,811 (31 March, 2018: 127,267) equity shares of BDT 100/- each fully paid up in Dr. Lal PathLabs Bangladesh Pvt. Ltd. (Refer to note 41)	42.67	18.09
100,000 (31 March, 2018: Nil) equity shares of ₹ 10/- each fully paid up in Dr. Lal Ventures Private Limited (Refer to note 42)	1.00	-
100,000 (31 March, 2018: Nil) equity shares of ₹ 10/- each fully paid up in Pathlabs Unifiers Private Limited (Refer to note 42)	1.00	-
Total	323.73	297.15
Aggregate carrying value of unquoted investments	323.73	297.15
Aggregate amount of impairment in value of investments	-	-

7. Loans

(in ₹ million, unless otherwise stated)		
Particulars	As at 31 March, 2019	As at 31 March, 2018
Loans to employees (Unsecured, considered good)	0.05	0.50
Total	0.05	0.50

Notes to the Standalone Financial Statements

8. Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security deposits	35.01	68.73
Surrender value of keyman insurance policy	44.14	39.45
Non-current bank balances	106.54	245.30
Interest accrued on loans, fixed deposits and others	1.56	4.54
Total	187.25	358.02

9. Non-current tax assets (net)

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Tax assets		
Taxes paid (net)	125.59	76.73
Tax liabilities		
Income tax payable (net)	(44.83)	(14.21)
Total	80.76	62.52

10. Deferred tax assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deferred tax assets	243.99	186.35
Deferred tax liabilities	(33.21)	(22.26)
Total	210.78	164.09

(in ₹ million, unless otherwise stated)

2018-19	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Deferred tax assets on:				
Property, plant and equipment	74.85	12.61	-	87.46
Goodwill	21.77	0.08	-	21.85
Short-term provisions- Leave encashment	20.24	6.30	-	26.54
Short-term provisions- Gratuity	8.87	(0.17)	10.53	19.24
Provision for impairment of trade receivables and advances	31.76	16.39	-	48.15
Disallowed expenditure	28.86	11.89	-	40.75
Others	-	-	-	-
Deferred tax liabilities on:				
Surrender value of keyman insurance policy	(13.66)	(1.77)	-	(15.43)
Fair valuation gains on mutual funds	(8.60)	(9.18)	-	(17.78)
Total	164.09	36.15	10.53	210.78

**Notes to the Standalone
Financial Statements**

(in ₹ million, unless otherwise stated)

2017-18	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Deferred tax assets on:				
Property, plant and equipment	70.09	4.76	-	74.85
Goodwill	18.54	3.23	-	21.77
Short-term provisions- Leave encashment	19.77	0.47	-	20.24
Short-term provisions- Gratuity	3.20	7.38	(1.71)	8.87
Provision for impairment of trade receivables and advances	23.60	8.16	-	31.76
Disallowed expenditure	4.87	23.99	-	28.86
Others	8.69	(8.69)	-	-
Deferred tax liabilities on:				
Surrender value of keyman insurance policy	(12.20)	(1.46)	-	(13.66)
Fair valuation gains on mutual funds	(4.55)	(4.05)	-	(8.60)
Total	132.01	33.79	(1.71)	164.09

11. Other non-current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital advances	1.46	-
Advances to related parties (Corpus)	0.10	0.10
Prepaid rent	94.08	111.33
Others	1.56	1.46
Total	97.20	112.89

12. Inventories

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Reagents, chemicals, surgicals and laboratory supplies	268.25	255.43
Stores and others	9.83	11.10
Total	278.08	266.53

The Company's business does not involve any conversion process for materials. Reagents and chemicals are used to conduct various pathology and radiology tests and are consumed in the process.

The mode of valuation of inventories has been stated in note 2.11.

Financial assets (current)

13. Investments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investment in mutual funds (unquoted) carried at fair value through profit or loss		
Kotak Liquid Direct Growth 59,099.95 (31 March, 2018: Nil) units of ₹ 1,000/- each	223.65	-
HDFC Short Term Opportunities Fund- Direct Plan- Growth Option 9,565,316.16 (31 March, 2018 :9,565,316.16) of ₹ 10/- each	199.25	184.83
SBI Premier Liquid Fund Direct Plan- Daily Dividend 181,060.61 (31 March, 2018: 172,539.46) units of ₹ 1,000/- each	181.65	173.10
ABSL Liquid Fund Direct Plan Growth 597,379.65 (31 March, 2018: NIL) units of ₹ 100/- each	179.47	-
ICICI Prudential Liquid Fund-Direct Plan- Growth fund 556,362.28 (31 March, 2018: Nil) units of ₹ 100/- each	153.79	-

**Notes to the Standalone
Financial Statements**

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Axis Liquid Fund- Direct Growth 78,316.93 (31 March, 2018: Nil) units of ₹ 1,000/- each	162.39	-
Mahindra Liquid fund- Direct- Growth 92,900.51 (31 March, 2018: Nil) units of ₹ 1,000/- each	112.54	-
JM Liquid Fund (Direct) - Growth Option 2,156,080.64 (31 March, 2018: Nil) units of ₹ 10/- each	110.37	-
UTI Liquid Cash Plan- Direct Daily Dividend Plan Reinvestment 80,202.19 (31 March, 2018: Nil) units of ₹ 1,000/- each	81.76	-
UTI Liquid Cash Plan- Direct Growth Plan 24,974.60 (31 March, 2018: Nil) units of ₹ 1,000/- each	76.44	-
Baroda Treasury Advantage Fund- Plan A Daily Dividend- Reinvestment 70,761.59 (31 March, 2018: Nil) units of ₹ 1,000/- each	72.93	-
Invesco India Liquid Fund Plan Growth 27,460.67 (31 March, 2018: Nil) units of ₹ 1,000/- each	70.34	-
ICICI Prudential Floating Interest Fund- Direct Plan- Daily Dividend 597,648.86 (31 March, 2018: Nil) units of ₹ 100/- each	59.90	-
UTI Liquid Cash Plan- Regular Daily Dividend Plan Reinvestment 50,911.35 (31 March, 2018: Nil) units of ₹ 1,000/- each	51.90	-
Invesco India Liquid Fund Direct Plan Growth 16,535.75 (31 March, 2018: Nil) units of ₹ 1,000/- each	42.54	-
Baroda Pioneer Treasury Advantage Fund- Plan B Daily Dividend- Reinvestment 37,478.65 (31 March, 2018: 143,973.23) units of ₹ 1,000/- each	37.82	145.25
ABSL Banking & PSU Debt Fund Weekly Dividend- Direct Plan Reinvestment Nil (31 March, 2018: 17,513,543.77) units of ₹ 10/- each	-	184.82
Invesco India Ultra Short Term Fund- Direct Plan Daily Dividend Nil (31 March, 2018: 39,649.82) units of ₹ 1,000/- each	-	40.42
UTI- Treasury Advantage Fund- Institutional Plan- Direct Plan- Daily Dividend Reinvestment Nil (31 March, 2018: 72,430.56) units of ₹ 1,000/- each	-	72.60
Reliance Banking & PSU Debt Fund- Direct Weekly Dividend Plan Reinvestment Nil (31 March, 2018: 7,257,742.36) units of ₹ 10/- each	-	73.62
Reliance Medium Term Fund- Daily Direct Dividend Plan Dividend Reinvestment Nil (31 March, 2018: 3,132,672.75) units of ₹ 10/- each	-	53.59
ICICI Prudential Savings Fund Direct Plan Daily Dividend Nil (31 March, 2018: 568,991.56) units of ₹ 100/- each	-	57.03
ICICI Prudential Flexible Income Direct Plan Daily Dividend Nil (31 March, 2018: 1,189,605.85) units of ₹ 100/- each	-	125.85
SBI Magnum Insta Cash Fund- Direct Plan- Daily Dividend Nil (31 March, 2018: 13,202.33) units of ₹ 1,000/- each	-	22.11
Kotak Corporate Bond Fund Direct Monthly Dividend Nil (31 March, 2018: 27,460.13) units of ₹ 1,000/- each	-	30.37
Axis Liquid Fund- Direct Plan- Daily Dividend Reinvestment Nil (31 March, 2018: 30,378.75) units of ₹ 100/- each	-	30.41
ABSL Cash Plus- Daily Dividend- Direct Plan- Reinvestment Nil (31 March, 2018: 756,913.19) units of ₹ 100/- each	-	75.90
Axis Liquid Fund - Daily Dividend Reinvestment Nil (31 March, 2018: 100,507.73) units of ₹ 1,000/- each	-	100.65
JM High Liquidity Fund (Direct) Daily Dividend Option Nil (31 March, 2018: 6,514,484.29) units of ₹ 10/- each	-	67.96
Total	1,816.74	1,438.51

14. Trade receivables

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables		
Secured, considered good	69.58	47.66
Unsecured, considered good	461.38	354.15
Credit impaired	132.43	86.42
	663.39	488.23
Less: Allowance for doubtful debts (expected credit loss allowance)	(132.43)	(86.42)
Total	530.96	401.81

The average credit period from service is 0-60 days. No interest is charged on the trade receivables for the amount overdue above the credit period. There are no customers who represent more than 5% of the total balance of trade receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

(in ₹ million, unless otherwise stated)

Age of receivables	As at 31 March, 2019	As at 31 March, 2018
0-90 days	468.71	366.19
90-180 days	92.45	55.29
180-360 days	64.79	38.10
More than 360 days	37.44	28.65
Total	663.39	488.23

Movement in the expected credit loss allowance	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at beginning of the year	86.42	62.80
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	46.01	23.62
Balance at end of the year	132.43	86.42

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Ageing	Expected Credit loss(%)
0-90 days	3-6%
90-180 days	17-29%
180-360 days	34-56%
More than 360 days	61-100%

15a. Cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balances with banks		
- in current accounts	77.20	135.53
- in cash credit accounts	110.79	40.60
Deposit with maturity of less than 3 months	1,034.85	439.22
Cash on hand	16.64	9.86
Total	1,239.48	625.21

15b. Bank balances other than cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance in unclaimed dividend accounts	0.20	0.11
Balance in escrow account*	1.44	1.47
Deposit with banks held as margin money deposits against guarantees	12.31	16.97
Deposit with maturity of 3-12 months	3,527.70	2,424.02
Total	3,541.65	2,442.57

*Escrow account includes application money received at the time of IPO.

16. Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Loans to employees	9.35	2.48
Total	9.35	2.48

17. Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deposit with others	80.69	40.16
Deposit with Body Corporates	204.36	657.88
Interest accrued on deposits	165.85	92.32
Total	450.90	790.36

18. Other current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balances with government authorities	3.37	19.00
Advances to suppliers	14.10	56.66
Other advances	4.23	24.62
Prepaid expenses	54.68	49.55
Prepaid rent	18.75	10.27
Total	95.13	160.10

19. Equity Share Capital

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Equity share capital	833.42	833.33
Authorised		
107,950,000 equity shares of ₹ 10 each (as at 31 March, 2018: 107,900,000, equity shares of ₹ 10 each)*	1,079.50	1,079.00
Issued, subscribed and fully paid-up		
83,341,610 equity shares of ₹ 10 each (as at 31 March, 2018: 83,332,744 equity shares of ₹ 10 each)	833.42	833.33
Refer notes below		

* Pursuant to the Scheme of Amalgamation ["the Scheme"] u/s 230 to 232 of the Companies Act, 2013 among the Company and its erstwhile wholly owned subsidiary Company [Transferor Company] and the approval of National Company Law Tribunal of Delhi and Ahmedabad, the authorised share capital of the transferor Company has been merged with authorised share capital of the Company during the financial year ended 31 March 2019.

- (i) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March, 2019 and 31 March, 2018 is set out below:

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity share capital				
At the beginning of the year	83,332,744	833.33	83,066,184	830.66
Issued during the year	8,866	0.09	266,560	2.67
Outstanding at the end of the year	83,341,610	833.42	83,332,744	833.33

- (ii) Details of shares held by shareholders holding more than 5% of shares:

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	26,139,556	31.36%	26,556,220	31.87%
(ii) Dr Vandana Lal	15,931,893	19.12%	15,931,893	19.12%
(iii) West Bridge Crossover Fund, LLC	7,639,459	9.17%	7,687,394	9.22%

- (iii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share, (Previous year ₹ 10 per share). Each holder of equity shares is entitled to one vote per equity share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

- (iv) Proposed dividends on equity shares

Particulars	As at 31 March, 2019	As at 31 March, 2018
Proposed dividend on equity shares for the year ended on 31 March 2019: ₹ 3.50 per share (31 March 2018: ₹ 3 per share)	291.70	250.00
Dividend distribution tax on proposed dividend	59.96	50.89
	351.66	300.89

- (v) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date including the current year:

Particulars	As at 31 March, 2019	As at 31 March, 2018
	No. of Shares	No. of Shares
Bonus equity shares of ₹ 10 each issued by the Company*	45,291,150	50,323,500
Bonus preference shares of ₹ 10 each issued by the Company*	22,471,020	24,967,800
Equity shares of ₹ 10 each issued on conversion of preference shares	26,632,320	26,632,320

* The number of shares are after considering the impact of sub-division of shares on 27 March, 2015 of ₹ 100 each into 10 shares of ₹ 10 each.

In addition, the Company has issued total 3,030,890 (31 March 2018: 3,022,024) equity shares of ₹ 10 each (after considering issue of bonus shares and sub-division of shares of ₹ 100 each into ₹ 10 each), including 1,918,757 (31 March, 2018: 1,918,757) equity shares issued to Dr Lal PathLabs Employee Welfare Trust, during the period of five years immediately preceding the reporting date on exercise of options granted under the Employee Share Option Plan, 2005 and 2010.

- (vi) Share options granted under the Company's employee share options plans

- (a) The shareholders of the Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2010' ("ESOP 2010") at the Annual General Meeting held on 20 August, 2010 to grant a maximum of 3,808,960 options (after considering bonus shares issued during the previous year and subdivision of shares of ₹ 100 each into 10 shares of ₹ 10 each) to specified categories of employees of the Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. As per resolution passed on 21 August, 2015, the Company approved to cease further grants under the ESOP 2010. Refer to note 46 for details of options granted, vested and issued under the ESOP 2010.

- (b) The shareholders of the Company approved 'Dr. Lal PathLabs Employees Restricted Stock Unit Plan 2016' ('RSU 2016') at the Annual General Meeting held on 28 July, 2016 to grant a maximum of 1,244,155 Restricted Stock Units ("RSUs") to key employees and directors of the Company. Each RSU granted and vested shall entitle the holder to acquire 1 equity share of ₹ 10 each. Refer to note 46 for details of RSUs granted, vested and issued under RSU 2016.

20. Other equity

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
General reserve	523.90	488.71
Securities premium	927.62	926.73
Share option outstanding account	280.39	179.37
Retained earnings	7,049.22	5,658.03
Capital redemption reserve account	4.45	4.45
Treasury shares	(277.65)	(292.43)
Capital reserve (Refer Note 40)	(33.00)	(33.00)
Total	8,474.93	6,931.86

(i) General reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	488.71	472.41
Addition on share options exercised*	35.19	16.30
Balance at the end of the year	523.90	488.71

*Represents difference between the employee share based compensation cost booked and the average cost of equity shares issued under the share options scheme to the eligible employees.

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

(ii) Securities premium

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	926.73	899.86
Additions during the period	0.89	26.87
Balance at the end of the year	927.62	926.73

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(iii) Share option outstanding account

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	179.37	85.42
Compensation options granted during the period	150.46	116.92
Options exercised	(49.44)	(22.97)
Balance at the end of the year	280.39	179.37

The above relates to share options granted by the Company under its employee share option plans. Upon exercise of the share options by the employees, the proportionate cost of shares exercised is transferred to General reserves after adjusting the cost of related treasury shares. Further information about share based payments to employees is set out in Note 46.

(iv) Retained earnings (in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	5,658.03	4,008.04
Profit for the period	1,954.38	1,682.70
Remeasurement of defined benefit obligation, net of income tax	(19.61)	3.23
Profit on sale of treasury shares	-	278.48
Less: Appropriations		
Final dividend on equity shares ₹ 3.00 per share for the year ended 31 March 2018	(246.92)	-
Final dividend on equity shares ₹ 1.70 per share for the year ended 31 March 2017	-	(139.05)
Tax on final equity dividend*	(47.98)	(27.21)
Interim dividend on equity shares ₹ 2.50 per share (Previous year ₹ 1.50 per share)	(205.85)	(122.71)
Tax on interim equity dividend**	(42.83)	(25.45)
Balance at the end of the year	7,049.22	5,658.03

*Tax on final equity dividend paid during the year is after adjusting corporate dividend tax of ₹ 3.41 million (previous year ended 31 March, 2018 Nil) paid by a subsidiary company on dividend paid to the Company during the year.

**Tax on interim equity dividend paid during the year is after adjusting corporate dividend tax of ₹ Nil (previous year ended 31 March, 2018 ₹ 1.63 million) paid by a subsidiary company on dividend paid to the Company during the year.

In respect of the year ended 31 March, 2019, the directors propose that a dividend of ₹ 3.50 per share (previous year ended 31 March, 2018 ₹ 3.00 per share) to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 291.70 million (previous year ₹ 250.00 million).

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on requirements of Companies Act, 2013. Refer Note 19(iv) for details of equity dividend declared.

(v) Capital redemption reserve account (in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	4.45	4.45
Additions during the period	-	-
Balance at the end of the year	4.45	4.45

The Company in the previous years had bought back its equity shares and as per requirement of section 77 of Companies Act, 1956, nominal value of the shares so purchased was transferred to the capital redemption reserve account.

(vi) Treasury shares (in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	(292.43)	(435.82)
Change during the period	14.78	143.39
Balance at the end of the year	(277.65)	(292.43)

During the year ended 31 March, 2012, the Company had constituted EWT Trust to acquire, hold and allocate/transfer equity shares of the Company to eligible employees from time to time on the terms and conditions specified under respective plans. The financial statements of the EWT Trust has been included in the financial statements of the Company, in accordance with the requirements of Ind AS.

Equity shares of the Company purchased from employees and secondary market from time to time in the earlier years and held by EWT as at 31 March, 2019 aggregated to 1,000,822 equity shares (31 March, 2018: 1,054,098 equity shares) of face value ₹ 10 each.

(vii) Capital reserve (in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	(33.00)	(33.00)
Balance at the end of the year	(33.00)	(33.00)

On approval of the Scheme of Amalgamation between the Company (Transferee Company) and its wholly owned subsidiary, by the name of Delta Ria and Pathology Private Limited (Transferor Company) by the Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal on 23 October 2018 and 11 December 2018 respectively, the difference between the carrying value of investments in the books of account of the Transferee Company and the amount of the net assets of Transferor Company has been adjusted in Capital reserve as stipulated in the scheme.

21. Other financial liabilities - non current

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security deposits	-	63.71
Payment obligation-leasehold land	12.17	12.17
Total	12.17	75.88

22. Other non-current liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deferred revenue- security deposits	-	3.65
Total	-	3.65

23. Trade payables

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total outstanding dues of micro enterprises and small enterprises	21.94	0.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	749.78	623.49
Total	771.72	624.20

Trade payables are non- interest bearing and are normally settled upto 30 days terms.

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is ₹ 21.94 million (₹ 0.71 million on 31 March, 2018) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006.

Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
a. Amounts payable to suppliers under MSMED (suppliers) as on last day		
Principal	21.94	0.71
Interest due thereon	-	-
b. Payments made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest due thereon	-	-
c. Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSMED	-	-
d. Amount of interest accrued and remaining unpaid as on last day	-	-
e. 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.	-	-

24. Other financial liabilities - current

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Payable towards capital goods	44.78	130.13
Share application money refundable	1.44	1.46
Payment obligation-leasehold land	1.53	1.53
Security deposits received	237.15	122.93
Other payables	0.42	0.42
Total	285.32	256.47

25. Short-term provisions

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for employee benefits		
- Provision for compensated absences	75.97	58.51
- Provision for gratuity (Refer note 44)	55.03	25.64
Total	131.00	84.15

26. Other current liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advances from customers	53.34	55.32
Statutory dues	39.88	69.88
Unearned revenue	12.38	-
Deferred revenue- security deposits	6.12	6.95
Total	111.72	132.15

27. Revenue from operations

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Sale of services	11,648.45	10,240.10
Other operating revenues	0.54	0.33
Total	11,648.99	10,240.43

Revenue disaggregation as per geography has been included in segment information (Refer to note 38).

- (i) The Company generates its entire revenue from contracts with customers for the services at a point in time. The Company is engaged mainly in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore no information has been disclosed in accordance with the requirements of Ind AS 108- 'Operating Segment Reporting'.

- (ii) Transaction price allocated to the remaining performance obligations

The Company has applied practical expedient in Ind AS 115 and has accordingly not disclosed information about remaining performance obligations which are part of the contracts that have original expected duration of one year or less and where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

iii) Disclosure of contract balances

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Trade receivables (Refer to note 14)	530.96	401.81
Advances from customers (Refer to note 26)	53.34	55.32
Contract liabilities (Unearned revenue) (Refer to note 26)	12.38	-
Total	596.68	457.13

iv) Movement in contract liabilities during the year:

(in ₹ million, unless otherwise stated)	
Particulars	Year ended 31 March, 2019
Balance at beginning of the year	-
Add: Addition during the year	12.38
Balance at end of the year	12.38

28. Other income

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
a) Interest income from		
- Bank deposits (at amortised cost)	286.17	185.96
- Deposits with body corporate (at amortised cost)	46.47	38.12
- Others	9.46	10.91
b) Dividend income from		
- Dividends from investments (at FVTPL)	56.97	48.97
- Dividend income from a subsidiary company	16.59	8.00
c) Others		
- Gain on sale or fair valuation of investments (at FVTPL)	35.47	11.77
- Surrender value of keyman insurance policy (at FVTPL)	6.40	5.76
- Sundry balances written back	3.04	2.55
- Profit on disposal of property, plant and equipment (net)	0.83	-
- Miscellaneous non operating income	3.54	3.09
Total	464.94	315.13

29. Cost of materials consumed

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Inventories at the beginning of the year	255.43	160.78
Add : Purchases	2,562.45	2,287.78
Less : Inventories at the end of the year	(268.25)	(255.43)
Total	2,549.63	2,193.13

30. Employee benefits expense

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Salaries, wages and bonus	1,710.69	1,489.32
Employee share based compensation	150.46	116.92
Contribution to provident and other funds	75.99	69.15
Gratuity expense	25.79	31.42
Staff welfare expenses	55.69	44.05
Total	2,018.62	1,750.86

31. Finance costs

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest others (Including ₹ 0.06 million (31 March 2018:Nil) on TDS)	7.43	8.17
Total	7.43	8.17

32. Depreciation and amortisation expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Depreciation of property, plant and equipment	297.48	243.91
Amortisation of intangible assets	64.32	66.55
Total	361.80	310.46

33. Other expenses

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Electricity and water charges	146.51	144.03
Rent	452.86	465.74
Rates and taxes	8.38	9.78
Insurance	38.86	30.17
Repairs and maintenance		
- Building	27.24	29.69
- Plant and equipment	63.40	47.82
- Others	156.21	140.17
Advertisement and sales promotion	347.13	323.21
Travelling and conveyance	301.44	265.48
Postage and courier	357.49	298.18
Communication costs	78.61	65.05
Commission to directors	7.61	6.82
Printing and stationery	78.29	76.76
Retainership fees to technical consultants	145.56	123.58
Director sitting fees	3.95	2.98
Legal and professional charges	139.97	105.59
Laboratory test charges	31.03	25.11
Payment to auditors (Refer details below)	11.06	7.57
Donation other than to political parties	0.16	0.16
Corporate social responsibility expense (Refer note 43)	45.02	25.03
Loss on disposal / discard of property, plant and equipment (net)	-	2.01
Provision for impairment of trade receivables and advances	51.98	29.07
Bad debts / advances written off (net)	4.96	7.39
Miscellaneous expenses	272.53	233.12
Total	2,770.25	2,464.51

Note:

(i) Payments to the auditors comprise *

As auditors:

Audit fees	5.08	4.50
Limited review	1.53	1.42
Tax audit fees	0.41	0.35
Others	2.89	0.64
Reimbursement of expenses	1.15	0.66
Total	11.06	7.57

*including indirect taxes

34. Income tax

The Company is subject to Indian Income Tax Act, 1961. The Company is assessed for tax on taxable profits determined for each fiscal year beginning on 1 April and ending on 31 March. For each fiscal year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India ("Indian GAAP") adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of property, plant and equipment, disallowances of certain provisions and accruals, deduction for tax holidays and similar exemptions, the use of tax losses carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess. The combined Indian statutory tax rate for the fiscal year 2017-18 was 34.608% and for the fiscal year 2018-19 was 34.944 %.

Income tax returns submitted by companies are regularly subjected to a comprehensive review and challenge by the tax authorities.

34.1. Income tax recognised in profit and loss

	(in ₹ million, unless otherwise stated)	
	Year ended 31 March, 2019	Year ended 31 March, 2018
Current tax		
In respect of the current year	1,043.59	908.63
In respect of the prior years	(38.15)	0.04
	1,005.44	908.67
Deferred tax		
In respect of the current year	(53.34)	(40.22)
In respect of the prior years	17.19	6.43
	(36.15)	(33.79)
Total income tax expenses recognised in the current period	969.29	874.88

The income tax expense for the year can be reconciled to the accounting profit as follows:

	(in ₹ million, unless otherwise stated)	
	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit before tax	2,923.67	2,557.58
Statutory tax rate	34.944%	34.608%
Income tax expenses calculated at 34.944% (2017-18: 34.608%)	1,021.65	885.12
Effect of expenses that are not deductible in determining taxable profit	10.76	8.72
Tax difference on account of deduction under Chapter VI-A	(23.68)	-
Non taxable income	(29.01)	(23.72)
Adjustments recognised in the current year in relation to taxes of previous years	(20.96)	6.47
Deferred tax on defined benefit obligation recognised in OCI	10.53	(1.71)
Income tax expenses recognised in profit or loss	969.29	874.88

34.2 Income tax recognised in other comprehensive income

	(in ₹ million, unless otherwise stated)	
	Year ended 31 March, 2019	Year ended 31 March, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	10.53	(1.71)
	10.53	(1.71)

35. Earnings per equity share

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit for the period - (in ₹ million)	1,954.38	1,682.70
Number of equity shares	83,341,610	83,332,744
Weighted average number of equity shares outstanding during the year	83,340,566	83,299,150
Weighted average shares held with the "Dr. Lal PathLabs Employee Welfare Trust"	1,017,473	1,394,611
Dilutive impact of share options outstanding	159,829	106,356
Basic earnings per share of ₹ 10 each	23.74	20.54
Diluted earnings per share of ₹ 10 each	23.69	20.52
Face value per share - (in ₹)	10	10

35.1 Reconciliation of weighted average number of ordinary shares used a denominator in calculating basic and diluted earnings per share

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Weighted average number of shares for calculating basic earnings per share	82,323,093	81,904,539
Add : share options outstanding	159,829	106,356
Weighted average number of shares for calculating dilutive earnings per share	82,482,922	82,010,895

36. Capital and other commitments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	9.12	6.69
Other Commitments	-	-

37. Contingent liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
i) Claims against the Company not acknowledged as debts*	82.49	78.20
ii) The Hon'ble Supreme Court in a recent ruling dated 28 February, 2019 has passed a judgement on the definition and scope of 'Basic Wages' under the Employees' Provident Funds & Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the financial statements, if any, cannot be ascertained.		

* Based on the discussions with the solicitor/ expert opinions taken/status of the case, the management believes that the Company has strong chances of success in above mentioned cases and hence no provision there against is considered necessary at this point in time as the likelihood of liability devolving on the Company is less than probable.

38. Segment Reporting

The Company is engaged solely in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company, in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments', notified under the Companies (Indian Accounting Standard) Rules, 2015.

Information about geographical areas

- a) The Company is domiciled in India. The amount of its revenue from operations from external customers broken down by location of customers is tabulated below:

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
India	11,493.89	10,125.43
Outside India	155.10	115.00
Total	11,648.99	10,240.43

- b) The Company's non-current assets (excluding financial assets, non-current tax assets, deferred tax assets and certain other non-current assets) broken down by location of customers is tabulated below:

(in ₹ million, unless otherwise stated)		
Particulars	As at 31 March, 2019	As at 31 March, 2018
India	1,759.68	1,818.95
Outside India	-	-
Total	1,759.68	1,818.95

c) Information about major customers

No single customer contributed more than 10% or more to the Company's revenue during the years ended 31 March, 2019 and 31 March, 2018.

39. Operating lease arrangements

The Company as a lessee

Office premises and equipment are obtained on operating lease.

Payment recognised as an expense

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Minimum lease payments	452.86	465.74

The lease terms range from 1-9 years and are generally cancellable at the option of the either party. However, there is lock in period in case of few leases. Future minimum lease payments are as follows

Non-cancellable operating lease commitments

(in ₹ million, unless otherwise stated)		
Particulars	As at 31 March, 2019	As at 31 March, 2018
Not later than one year	60.40	107.13
Later than one year but not later than five years	35.01	47.60
Later than five years	-	-

The Company has undertaken various agreements with equipment manufacturer suppliers. As per agreements, the Company will get equipment free of cost and reagents have to be purchased from those specific vendors only. The Company has assessed the conditions as specified in the Ind AS -17 'Leases', for determining whether the said arrangement is under operating lease or finance lease. Based on the evaluation of case, the nature of lease cannot be determined and hence the Company continues to treat the purchase of reagents in consumption cost with no element of rental /interest therein.

The Company as a Lessor

The Company has entered into operating sub-lease arrangements for a premise. These arrangements are cancellable in nature. Lease rental income earned by the Company is disclosed in 'Other income'. The Company did not have any non-cancellable operating lease receivables as at 31 March 2019 and 31 March 2018.

Amount recognised as an income

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Sub-lease payments received	2.64	1.84

40. The Board of Directors in their meeting, held on 12 May, 2017, approved the "Scheme of Amalgamation" of Delta Ria and Pathology Private Limited (Transferor Company), a wholly owned subsidiary, with the Company (Transferee Company) w.e.f. 1 April, 2017 (the appointed date). As per the said scheme the undertaking of this company shall stand transferred to and vested in the Company on a going concern basis without any further act, deed of matter.

The Scheme envisages transfer of all properties, rights, assets, interests and claims of the Transferor Company to the Transferee Company. Pursuant to the scheme coming into effect, all the equity shares held by the Transferee Company in Transferor Company stand automatically cancelled.

The Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal ('Hon'ble Tribunal' or 'NCLT') sanctioned the Scheme of Amalgamation on October 23, 2018 and December 11, 2018 respectively. The Transferor Company was engaged in business of running laboratories for carrying out pathology investigation of patients in various disciplines of medical sciences.

The amalgamation has been accounted for under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The difference between the carrying value of investments in the books of the Transferee Company and the amount of the net assets of Transferor Company has been adjusted in Capital Reserve as per the scheme. The impact of the amalgamation has been given from the date on which the Transferee Company obtained the control of the Transferor Company i.e. 21 December, 2016 in accordance with the pooling of interests method prescribed under Ind AS 103 Business Combinations.

Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars	As at 21 December, 2016
Assets	
Current assets	1.47
Non-current assets	1.03
Total Assets	2.50
Current liabilities	1.41
Net Assets acquired on amalgamation	1.09
Investment in books of transferee Company*	34.09
Transfer to Capital Reserve	33.00

* The share capital of the transferor Company has been cancelled with the transferee Company's investment.

41. During the year ended 31 March 2018, the Company, as approved in the Board of Directors meeting, held on 7 August, 2017, had acquired 70% equity stake in "Dr. Lal Path Labs Bangladesh Pvt. Ltd., Bangladesh", engaged in the business of providing pathological diagnostics services in Bangladesh, on a going concern basis through purchase and subscription for a total consideration of ₹ 18.09 million.

During the current year, the Company has made a further investment of ₹ 24.58 million in this subsidiary Company through subscription of additional shares resulting in increase in shareholding by 1.83% to 71.83%.

42. During the current year, two new wholly owned subsidiaries, Dr. Lal Ventures Private Limited and PathLabs Unifiers Private Limited have been incorporated in India. The Company has subscribed to equity share capital amounting to ₹ 1.00 million in each of these subsidiaries.

43. In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹ 45.02 Million (Previous year ₹ 25.03 Million) for CSR activities.

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
a) Gross amount required to be spent by the Company during the year	45.02	36.67
b) Amount spent during the year on the following in cash		
i. Construction/ acquisition of any asset	Nil	Nil
ii. On purpose other than (i) above	45.02*	25.03*

* The Company has contributed ₹ 45.02 Million (Previous year ₹ 25.00 Million) to "Lal PathLabs Foundation" (formerly known as "Dr. Lal PathLabs Welfare Trust") which is carrying out Corporate Social Responsibility (CSR) activities on behalf of the Company, as mentioned in Schedule VII of Companies Act, 2013.

44. Employee benefit plans

44.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for all its qualifying employees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

Employee benefit under defined contribution plan comprising of provident fund is recognised based on the amount of obligation of the Company to contribute to the plan. The contribution is paid to Provident Fund authorities which is expensed during the year.

The total expense recognised in profit or loss of ₹ 51.26 million (for the year ended 31 March, 2018: ₹ 45.06 million) represents contributions payable to provident fund by the Company at rates specified in the rules of the plans. As at 31 March, 2019, contributions of ₹ 15.47 million (as at 31 March, 2018: ₹ 7.69 million) due in respect of the reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

44.2 Defined benefit plans

Gratuity: The Company operates a funded gratuity benefit plan. Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary for each completed year of service, subject to a maximum of ₹ 2.00 million. Vesting occurs upon completion of 4.5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

44.3 The Company is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan assets is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in Insurer managed funds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

44.4 Actuary assumptions - Gratuity:

Date of Valuation	Refer note below	As at 31 March, 2019	As at 31 March, 2018
Discount rate (per annum)	1	7.39%	7.66%
Rate of salary increase (per annum)	2	5-9%	10-25%
Rate of return (per annum)	3	7.39%	7.66%
Retirement age		60 years	60 years
Attrition rate		10-15%	10-17%
Mortality table		Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)

Notes:

- The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.
- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

44.5 Amounts recognised in the financial statements before allocation in respect of these defined benefit plans are as follows:

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Service cost :		
Current service cost	22.81	18.79
Past service cost and (gain)/loss from settlements	-	12.21
Net interest expense	2.98	0.42
Components of defined benefit costs recognised in employee benefit expenses	25.79	31.42
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(1.50)	(0.46)
Actuarial (gains)/losses arising from changes in demographic assumptions	2.94	1.18
Actuarial (gains)/losses arising from changes in financial assumptions	(28.02)	9.06
Actuarial (gains)/losses arising from experience adjustments	56.72	(14.72)
Components of remeasurement	30.14	(4.94)
Total	55.93	26.48

44.6 Movements in the present value of the defined benefit obligation are as follows:

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Opening defined benefit obligation	115.91	88.54
Current service cost	22.81	18.79
Interest cost	9.31	6.72
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	2.94	1.18
Actuarial gains and losses arising from changes in financial assumptions	(28.02)	9.06
Actuarial gains and losses arising from experience adjustments	56.72	(14.72)
Past service cost, including losses/(gains) on curtailments	-	12.21
Benefits paid	(5.35)	(5.87)
Closing defined benefit obligation	174.32	115.91

44.7 The amount included in the Standalone Balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows :

(in ₹ million, unless otherwise stated)		
Particulars	As at 31 March, 2019	As at 31 March, 2018
Present value of funded defined benefit obligation	174.32	115.91
Fair value of plan assets	119.29	90.27
Net liability arising from defined benefit obligation	55.03	25.64

44.8 Movements in the fair value of the plan assets are as follows :

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Opening fair value of plan assets	90.27	79.28
Interest income	6.33	6.30
Remeasurement gain (loss):		-
Return on plan assets (excluding amounts included in net interest expense)		-
Actuarial gain/ (loss) on plan assets	1.50	0.46
Contributions from the employer	25.70	10.10
Benefits paid	(4.51)	(5.87)
Closing fair value of plan assets	119.29	90.27

Expected contribution in respect of Gratuity for next year will be ₹ 55.00 million (For the year ended 31 March, 2018 ₹ 25.50 million)

44.9 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Insurer managed funds	119.29	90.27

44.10 Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Discount rate		
- Impact due to increase of 100 basis points	(9.71)	(8.99)
- Impact due to decrease of 100 basis points	10.43	9.47
Salary increase		
- Impact due to increase of 100 basis points	10.40	7.48
- Impact due to decrease of 100 basis points	(9.05)	(6.42)
Withdrawal Rate		
- Impact due to 25% increase	(0.34)	(3.04)
- Impact due to 25% decrease	0.44	3.35

45 Financial Instruments

(a) Capital management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company adjusts the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company has investments in fixed deposits with banks, corporates and in mutual fund schemes wherein underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings.

The Company has no outstanding debt as at the end of reporting periods. Accordingly, the Company has not calculated gearing ratio as at 31 March, 2019 and 31 March, 2018.

(b) Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March, 2019

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	1,816.74	-	-	1,816.74	1,816.74
Trade receivables	-	-	530.96	530.96	530.96
Cash and cash equivalents	-	-	1,239.48	1,239.48	1,239.48
Bank balances other than cash and cash equivalents above	-	-	3,541.65	3,541.65	3,541.65
Loans	-	-	9.40	9.40	9.40
Other financial assets	44.14	-	594.01	638.15	638.15
Total	1,860.88	-	5,915.50	7,776.38	7,776.38

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Trade payables	-	-	771.72	771.72	771.72
Other financial liabilities	-	-	297.49	297.49	297.49
Total	-	-	1,069.21	1,069.21	1,069.21

As at 31 March, 2018

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	1,438.51	-	-	1,438.51	1,438.51
Trade receivables	-	-	401.81	401.81	401.81
Cash and cash equivalents	-	-	625.21	625.21	625.21
Bank balances other than cash and cash equivalents above	-	-	2,442.57	2,442.57	2,442.57
Loans	-	-	2.98	2.98	2.98
Other financial assets	39.45	-	1,108.93	1,148.38	1,148.38
Total	1,477.96	-	4,581.50	6,059.46	6,059.46

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Trade payables	-	-	624.20	624.20	624.20
Other financial liabilities	-	-	332.35	332.35	332.35
Total	-	-	956.55	956.55	956.55

Investment in subsidiaries are financial assets, however they are not included in the above table, since they are measured at cost.

(c) **Fair value measurement**

(in ₹ million, unless otherwise stated)

This note provides information about how the Company determines fair values of various financial assets.

Financial assets	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 March, 2019	As at 31 March, 2018		
Current investments:				
Investment in mutual funds*	1,816.74	1,438.51	Level II	NAV declared by respective Asset Management Companies.
Surrender value of keyman insurance policy	44.14	39.45	Level II	Surrender value declared by insurance companies

* Short-term marketable securities not traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Fair value of financial assets and financial liabilities that are not measured at fair value

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the Standalone Financial Statements, except note no. 6, approximate their fair values.

(d) Risk management framework

The Company's business is subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company's risk management process is in line with the corporate policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximisation.

Financial risk

The Company's Board of Directors approves financial risk policies comprising liquidity, foreign currency, interest rate and counterparty credit risk. The Company does not engage in the speculative treasury activity but seeks to manage risk and optimise interest through proven financial instruments.

(i) Liquidity risk

The Company requires funds for short-term operational needs and has been rated by CRISIL Limited (CRISIL) for its banking facilities.

The Company remains committed to maintaining a healthy liquidity, gearing ratio and strengthening the balance sheet. The maturity profile of the Company's financial liabilities and realisability of financial assets based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual cash obligation of the Company.

(in ₹ million, unless otherwise stated)					
	As at 31 March, 2019				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non-current					
Other non current financial liabilities	-	3.05	3.05	12.17	18.27
Current					
Trade payables	771.72	-	-	-	771.72
Other current financial liabilities	285.32	-	-	-	285.32
Total	1,057.04	3.05	3.05	12.17	1,075.31

Notes to the Standalone
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(in ₹ million, unless otherwise stated)

	As at 31 March, 2018				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non-current					
Other non current financial liabilities	-	66.76	3.05	12.17	81.98
Current					
Trade payables	624.20	-	-	-	624.20
Other current financial liabilities	256.47	-	-	-	256.47
Total	880.67	66.76	3.05	12.17	962.65

As at 31 March, 2019, the Company had access to funding facilities of ₹ 100 million (entire amount not drawn) as set out below:

(in ₹ million, unless otherwise stated)

	Total Facility	Drawn	Undrawn
Unsecured cash credit facility at variable rate of interest, reviewed annually and payable at call	100.00	-	100.00
Total	100.00	-	100.00

As at 31 March, 2018, the Company had access to funding facilities of ₹ 100 million (entire amount not drawn) as set out below:

(in ₹ million, unless otherwise stated)

	Total Facility	Drawn	Undrawn
Unsecured cash credit facility at variable rate of interest, reviewed annually and payable at call	100.00	-	100.00
Total	100.00	-	100.00

(ii) **Interest rate risk**

Fixed rate financial assets are largely interest bearing fixed deposits held by the Company. The returns from these financial assets are linked to bank rate notified by Reserve Bank of India as adjusted on periodic basis. The Company does not charge interest on overdue trade receivables. Trade payables are non interest bearing and are normally settled up to 30 days terms. Mutual fund investments have debt securities as underlying assets and are exposed to floating interest rates.

The exposure of the Company's financial assets as at 31 March, 2019 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.05	0.05
Other financial assets	-	106.54	80.71	187.25
	-	106.54	80.76	187.30
Current				
Investments	1,816.74	-	-	1,816.74
Trade receivables	-	-	530.96	530.96
Cash and cash equivalents	-	1,034.85	204.63	1,239.48
Bank balances other than cash and cash equivalents above	-	3,540.01	1.64	3,541.65
Loans	-	-	9.35	9.35
Other financial assets	-	204.36	246.54	450.90
	1,816.74	4,779.22	993.12	7,589.08
Total	1,816.74	4,885.76	1,073.88	7,776.38
Range of interest rate applicable	-	5.25% - 8.68% p.a.	-	

The exposure of the Company's financial liabilities as at 31 March, 2019 to interest rate risk is as follows:

	(in ₹ million, unless otherwise stated)			
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Other financial liabilities	-	-	12.17	12.17
	-	-	12.17	12.17
Current				
Trade payables	-	-	771.72	771.72
Other financial liabilities	-	-	285.32	285.32
	-	-	1,057.04	1,057.04
Total	-	-	1,069.21	1,069.21

The exposure of the Company's financial assets as at 31 March, 2018 to interest rate risk is as follows:

	(in ₹ million, unless otherwise stated)			
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.50	0.50
Other financial assets	-	245.30	112.72	358.02
	-	245.30	113.22	358.52
Current				
Investments	1,438.51	-	-	1,438.51
Trade receivables	-	-	401.81	401.81
Cash and cash equivalents	-	439.22	185.99	625.21
Bank balances other than cash and cash equivalents above	-	2,440.99	1.58	2,442.57
Loans	-	-	2.48	2.48
Other financial assets	-	657.88	132.48	790.36
	1,438.51	3,538.09	724.34	5,700.94
Total	1,438.51	3,783.39	837.56	6,059.46
Range of interest rate applicable	-	5.25% - 7.75% p.a.	-	

The exposure of the Company's financial liabilities as at 31 March, 2018 to interest rate risk is as follows:

	(in ₹ million, unless otherwise stated)			
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Other financial liabilities	-	-	75.88	75.88
	-	-	75.88	75.88
Current				
Trade payables	-	-	624.20	624.20
Other financial liabilities	-	-	256.47	256.47
	-	-	880.67	880.67
Total	-	-	956.55	956.55

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate assets, the analysis is prepared assuming the amount of the assets balance at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Impact on profit or loss for the year for increase in interest rate	16.63	15.44
Impact on profit or loss for the year for decrease in interest rate	(16.63)	(15.44)

(iii) **Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and after obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company is exposed to credit risk for receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, investments and loans.

Credit risk management considers available reasonable and supportable forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Only high rated banks are considered for placement of deposits. Bank balances are held with reputed and creditworthy banking institutions.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes.

None of the Company's cash equivalents are past due or impaired. Regarding trade and other receivables, the Company has accounted for impairment based on expected credit losses method as at 31 March, 2019 and 31 March, 2018 based on expected probability of default.

(iv) **Price risks**

The sensitivity of profit or loss in respect of investments in mutual funds at the end of the reporting period for +/-5% change in net asset value is presented below:

Profit before tax for the year ended 31 March, 2018 would increase/decrease by ₹ 4.62 million (for the year ended 31 March, 2018 would increase/ decrease by ₹ 3.04 million) as a result of the changes in net asset value of investment in mutual funds.

46. Share based payments

46.1 Employee Share Option Plan-2010

46.1.1 Details of employee share based plan of the Company

The shareholders of the Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2010' ("ESOP 2010") at the Annual General Meeting held on 20 August, 2010 to grant a maximum of 3,808,960 options to specified categories of employees of the Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. The Company had granted 3,730,340 options till the year ended 31 March, 2015, all of which have all been vested as at 31 March 2019. As per resolution passed on 21 August, 2015, the Company approved to cease any further grants under the ESOP 2010.

The following ESOP 2010 tranches were in existence during the current year:

Grant date	Number	Expiry date (in ₹)	Exercise price	Fair Value at grant date (in ₹)
1 September, 2010	2,972,160	Refer Note 1 below	110.80	168.92
23 January, 2015	162,180	Refer Note 1 below	311.30	490.42

Note 1: All options vest after 48-60 months from date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date on which the Company's shares were listed on a recognised stock exchange in India or a period of 10 years from date of respective vesting, whichever period ends later. Options not exercised within exercise period lapses.

46.1.2 Fair value of share options granted in the year

There were no options granted during the years ended 31 March, 2019 and 31 March, 2018.

46.1.3 Movements in share options during the year

The reconciliation of share options outstanding at the beginning and end of the year:

Particulars	2018-19		2017-18	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	154,116	292.52	420,676	178.47
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	8,866	110.80	266,560	110.80
Expired during the year	-	-	-	-
Balance at end of year	145,250	306.79	154,116	292.52

46.1.4 Share options exercised during the year

The following share options were exercised during the year:

Grant Date	Number exercised	Exercise date	Share price at exercise date
1 September, 2010	8,866	17-05-2018	875.25
23 January, 2015	-	-	-

46.1.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year has a weighted average exercise price of ₹ 306.79 (as at 31 March, 2018: ₹ 295.52) and a weighted average remaining contractual life of 8.29 years (as at 31 March, 2018: 9.29 years)

46. Share based payments

46.2 Restricted Share Option Plan

46.2.1 Details of employee share based plan of the Company

The shareholders of the Company approved 'Dr. Lal PathLabs Employees Restricted Stock Unit Plan 2016' ('RSU 2016') at the Annual General Meeting held on 28 July, 2016 to grant a maximum of 12,44,155 Restricted Stock Units ("RSUs") to key employees and directors of the Company. Each RSU granted and vested shall entitle the holder to acquire 1 equity share of ₹ 10 each. Under RSU 2016, for the performance year 2016-17, options of ₹ 10 each granted to eligible employees is 225,000 out of which 6,225 options were forfeited on non satisfaction of vesting conditions. For the performance year 2017-18, options of ₹ 10 each granted to eligible employees is 225,716 and 9,602 options were forfeited on non satisfaction of vesting conditions.

Further, for the performance year 2018-19, options of ₹ 10 each granted to eligible employees is 219,132 and 29,366 options were forfeited on non satisfaction of vesting conditions. The Company has accounted for the expense of options proportionately for the period under employee cost on the basis of weighted average fair value.

The following share- based payment arrangements were in existence during the current and prior years:

Option series	Number	Grant date	Expiry date	Exercise Price (in ₹)	Fair Value at grant date (in ₹)
Series 1	203,400	29 July, 2016	Refer Note 1 below	10.00	943.00
Series 2	3,600	1 August, 2016	Refer Note 1 below	10.00	953.59
Series 3	8,000	21 September, 2016	Refer Note 1 below	10.00	1,182.34
Series 4	10,000	10 October, 2016	Refer Note 1 below	10.00	1,030.56
Series 5	214,716	7 August, 2017	Refer Note 1 below	10.00	795.15
Series 6	11,000	8 February, 2018	Refer Note 1 below	10.00	854.73
Series 7	210,132	10 August, 2018	Refer Note 1 below	10.00	908.45
Series 8	9,000	6 November, 2018	Refer Note 1 below	10.00	855.73

Note 1: All options vest after 1 year but within 4 years of date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date of respective vesting or such other shorter period as may be decided by the Nomination and Remuneration Committee from time to time. Options not exercised within the exercise period lapse.

46.2.2 Fair value of share options granted in the year

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Option Series	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7	Series 8
Grant date share price	961.75	972.50	1,201.35	1,049.65	814.25	873.40	939.45	886.75
Exercise price (in ₹)	10	10	10	10	10	10	10	10
Expected volatility	31.58%	31.58%	31.58%	31.58%	31.48%	21.71%	22.33%	25.66%
Option life	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years
Dividend yield	0.18%	0.18%	0.15%	0.17%	0.22%	0.20%	0.35%	0.37%
Risk-free interest rate	7.32%-7.36%	7.29%-7.35%	6.90%-7.18%	6.76%-6.96%	6.65%-6.96%	7.73%-8.03%	7.99%-8.19%	7.92%-8.01%

46.2.3 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	2018-19		2017-18	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	411,298	10.00	218,775	10.00
Granted during the year	219,132	10.00	225,716	10.00
Forfeited during the year	28,498	10.00	9,602	10.00
Exercised during the year	53,276	10.00	23,591	10.00
Expired during the year	-	-	-	-
Balance at end of year	548,656	10.00	411,298	10.00

46.2.4 Share options exercised during the year

The following share options were exercised during the year.

Option series	Number exercised	Exercise date	Share price at exercise date
Series 1	37,357	Various dates	Various prices
Series 2	726	Various dates	Various prices
Series 3	2,000	Various dates	Various prices
Series 4	2,500	Various dates	Various prices
Series 5	10,693	Various dates	Various prices
Series 6	-	-	-
Series 7	-	-	-
Series 8	-	-	-

46.2.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year has a weighted average exercise price of ₹ 10 (as at 31 March, 2018: ₹ 10) and a weighted average remaining contractual life of 6.45 years (as at 31 March, 2018: 6.68 years)

47. Related Party Disclosures

I. Names of related parties and related party relationship

a. Related parties where control exists

Subsidiaries

- 1 Paliwal Diagnostics Private Limited
- 2 Paliwal Medicare Private Limited
- 3 Dr. Lal PathLabs International B.V.
- 4 APL Institute of Clinical Laboratory & Research Private Limited
- 5 Dr. Lal PathLabs Nepal Private Limited
- 6 Dr. Lal PathLabs Bangladesh Pvt. Ltd (w.e.f October 16, 2017)
- 7 Pathlabs Unifiers Private Limited (incorporated on 12 December, 2018)
- 8 Dr. Lal Ventures Private Limited (incorporated on 10 December, 2018)

b. Entities in which key managerial personnel can exercise significant influence

- 1 Central Clinical Laboratory
- 2 Eskay House HUF - Dr. Arvind Lal

c. Key managerial personnel

- 1 (Hony) Brig. Dr. Arvind Lal - Chairman and Managing Director
- 2 Dr. Vandana Lal – Director
- 3 Dr. Om Prakash Manchanda - CEO and Whole time Director
- 4 Mr. Dilip Bidani - Chief Financial Officer (upto 9 August, 2018)
- 5 Mr. Ved Prakash Goel - Chief Financial Officer (w.e.f from 10 August, 2018)
- 6 Mr. Rajat Kalra - Company Secretary

d. Relatives of key management personnel

- 1 Dr. Archana Lal
(Daughter of (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal)
- 2 Mr. Anjaneya Lal
(Son of (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal)

e. Other related parties

- 1 Lal Pathlabs Foundation (formerly Dr. Lal PathLabs Welfare Trust
(Trust to manage and administer corporate social responsibilities of the Group under the Companies Act, 2013)
- 2 Dr. Lal Pathlabs Limited Group Gratuity Trust (formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)
(Trust to manage and administer gratuity liability of the Company)

II. Transactions/Outstanding balances with related parties during the year

Particulars	(Figures in bracket relates to previous year) (in ₹ million, unless otherwise stated)				
	Subsidiaries	Entities in which key managerial personnel can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties
A. Transactions during the year					
i. Sale of services					
Paliwal Diagnostics Private Limited	7.24 (6.53)	- (-)	- (-)	- (-)	- (-)
Dr. Lal PathLabs Nepal Private Limited	17.71 (18.64)	- (-)	- (-)	- (-)	- (-)
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	18.58 (4.08)	- (-)	- (-)	- (-)	- (-)
Lal Pathlabs Foundation (formerly Dr. Lal PathLabs Welfare Trust)	-	-	-	1.44	1.44
Total	43.53 (29.24)	- (-)	- (-)	- (3.19)	1.44 (3.19)
ii. Laboratory test charges					
Paliwal Diagnostics Private Limited	9.25 (6.18)	- (-)	- (-)	- (-)	- (-)
APL Institute of Clinical Laboratory & Research Private Limited	-	-	-	-	-
Total	(0.13) 9.25 (6.31)	(-) - (-)	(-) - (-)	(-) - (-)	(-) 9.25 (6.31)
iii. Sale of property, plant and equipments					
Paliwal Diagnostics Private Limited	0.38 (-)	- (-)	- (-)	- (-)	- (-)
Total	0.38 (-)	- (-)	- (-)	- (-)	- (-)
iv. Purchase of property, plant and equipment					
APL Institute of Clinical Laboratory & Research Private Limited	0.90	-	-	-	-
Vandana Lal- Director	(-)	(-)	(-)	(-)	(-)
Total	0.90 (-)	- (-)	- (-)	- (-)	- (-)

(Figures in bracket relates to previous year)
(in ₹ million, unless otherwise stated)

Particulars	Subsidiaries	Entities in which key managerial personnel can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
v. Compensation of Key Managerial Personnel and their relatives						
The remuneration of key managerial personnel during the year was as follows:						
- Short term employee benefits	-	-	96.41	2.03	-	98.44
	(-)	(-)	(86.27)	(2.16)	(-)	(88.43)
- Post employment benefits*	-	-	1.21	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
- Share based payments to employees**	-	-	17.82	-	-	17.82
	(-)	(-)	(210.18)	(-)	(-)	(210.18)
Total	-	-	114.23	2.03	-	116.26
	(-)	(-)	(296.45)	(2.16)	(-)	(298.61)
vi. Reimbursement of expenses						
Paliwal Diagnostics Private Limited	-	-	-	-	-	-
	(5.45)	(-)	(-)	(-)	(-)	(5.45)
Dr. Lal PathLabs Nepal Private Limited	-	-	-	-	-	-
	(0.21)	(-)	(-)	(-)	(-)	(0.21)
APL Institute of Clinical Laboratory & Research Private Limited	0.72	-	-	-	-	0.72
	(1.55)	(-)	(-)	(-)	(-)	(1.55)
Dr. Lal PathLabs International B.V.	-	-	-	-	-	-
	(0.88)	(-)	(-)	(-)	(-)	(0.88)
Lal Pathlabs Foundation	-	-	-	-	-	-
(formerly Dr. Lal PathLabs Welfare Trust)	(-)	(-)	(-)	(-)	(0.20)	(0.20)
Dr. Lal Ventures Private Limited	0.22	-	-	-	-	0.22
PathLabs Unifiers Private Limited	0.67	-	-	-	-	0.67
Total	1.61	-	-	-	-	1.61
	(8.09)	(-)	(-)	(-)	(0.20)	(8.29)
vii. Repayment of expenses						
Paliwal Diagnostics Private Limited	-	-	-	-	-	-
	(5.45)	(-)	(-)	(-)	(-)	(5.45)
Dr. Lal PathLabs Nepal Private Limited	-	-	-	-	-	-
	(0.02)	(-)	(-)	(-)	(-)	(0.02)
APL Institute of Clinical Laboratory & Research Private Limited	0.72	-	-	-	-	0.72
	(1.55)	(-)	(-)	(-)	(-)	(1.55)
Dr. Lal PathLabs International B.V.	-	-	-	-	-	-
	(1.93)	(-)	(-)	(-)	(-)	(1.93)

(Figures in bracket relates to previous year)
(in ₹ million, unless otherwise stated)

Particulars	Subsidiaries	Entities in which key managerial personnel can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
Lal Pathlabs Foundation (formerly Dr. Lal PathLabs Welfare Trust)	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.20)	(0.20)
Dr. Lal Ventures Private Limited	0.22	-	-	-	-	0.22
PathLabs Unifiers Private Limited	0.67	-	-	-	-	0.67
Total	1.61	-	-	-	-	1.61
	(8.95)	(-)	(-)	(-)	(0.20)	(9.15)
viii. Contribution to Fund						
Lal Pathlabs Foundation (formerly Dr. Lal PathLabs Welfare Trust)	-	-	-	-	45.02	45.02
	(-)	(-)	(-)	(-)	(25.00)	(25.00)
Dr. Lal Pathlabs Limited Group Gratuity Trust (formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)	-	-	-	-	25.70	25.70
	(-)	(-)	(-)	(-)	(10.10)	(10.10)
Total	-	-	-	-	70.72	70.72
	(-)	(-)	(-)	(-)	(35.10)	(35.10)
ix. Rent						
Dr. Vandana Lal – Director	-	-	1.01	-	-	1.01
	(-)	(-)	(1.06)	(-)	(-)	(1.06)
Central Clinical Laboratory	-	0.27	-	-	-	0.27
	(-)	(0.26)	(-)	(-)	(-)	(0.26)
Eskay House HUF - Dr. Arvind Lal	-	-	-	-	-	-
	(-)	(0.66)	(-)	(-)	(-)	(0.66)
Total	-	0.27	1.01	-	-	1.28
	(-)	(0.92)	(1.06)	(-)	(-)	(1.98)
Dr. Archana Lal (Daughter of Dr. Arvind Lal and Dr. Vandana Lal)	-	-	-	3.99	-	3.99
	(-)	(-)	(-)	(1.21)	(-)	(1.21)
Total	-	-	-	3.99	-	3.99
	(-)	(-)	(-)	(1.21)	(-)	(1.21)
xi. Dividend paid						
(Hony) Brig. Dr. Arvind Lal - Chairman and Managing Director	-	-	145.02	-	-	145.02
Dr. Vandana Lal – Director	(-)	(-)	(86.31)	(-)	(-)	(86.31)
	-	-	87.63	-	-	87.63
Dr. Om Prakash Manchanda - CEO and Whole time Director	(-)	(-)	(50.98)	(-)	(-)	(50.98)
	-	-	6.68	-	-	6.68
	(-)	(-)	(2.47)	(-)	(-)	(2.47)

(Figures in bracket relates to previous year)
(in ₹ million, unless otherwise stated)

Particulars	Subsidiaries	Entities in which key managerial personnel can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
Mr. Dilip Bidani - Chief Financial Officer	-	-	0.04	-	-	0.04
Mr. Ved Prakash Goel - Chief Financial Officer	(-)	(-)	(0.04)	(-)	(-)	(0.04)
	-	-	0.09	-	-	0.09
Dr. Archana Lal	-	-	-	10.94	-	10.94
(Daughter of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(-)	-	(6.36)	(-)	(6.36)
Mr. Anjaneya Lal	-	-	-	9.29	-	9.29
(Son of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(-)	-	(5.41)	(-)	(5.41)
Eskay House HUF - Dr. Arvind Lal	-	9.25	-	-	-	9.25
	(-)	(5.38)	-	(-)	(-)	(5.38)
Total	-	9.25	239.46	20.23	-	268.94
	(-)	(5.38)	(139.80)	(11.77)	(-)	(156.95)
xii. Dividend received						
Paliwal Diagnostics Private Limited	16.59	-	-	-	-	16.59
	(8.00)	(-)	(-)	(-)	(-)	(8.00)
Total	16.59	-	-	-	-	16.59
	(8.00)	(-)	(-)	(-)	(-)	(8.00)
xiii. Investment in equity shares						
Dr Lal PathLabs Bangladesh Private Limited	24.58	-	-	-	-	24.58
	(18.09)	(-)	(-)	(-)	(-)	(18.09)
Dr. Lal Ventures Private Limited	1.00	-	-	-	-	1.00
PathLabs Unifiers Private Limited	1.00	-	-	-	-	1.00
Total	26.58	-	-	-	-	26.58
	(18.09)	(-)	(-)	(-)	(-)	(18.09)
xiv. Share options exercised***						
Dr. Om Prakash Manchanda - Director	-	-	0.20	-	-	0.20
	(-)	(-)	(29.53)	(-)	(-)	(29.53)
Mr. Rajat Kalra - Company Secretary****	(-)	(-)	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Total	-	-	0.20	-	-	0.20
	(-)	(-)	(29.53)	(-)	(-)	(29.53)

(Figures in bracket relates to previous year)
(in ₹ million, unless otherwise stated)

Particulars	Subsidiaries	Entities in which key managerial personnel can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
B. Outstanding balances at the year end						
i. Other non-current assets						
Other advances*****						
Lal Pathlabs Foundation	31 March, 2019	-	-	-	0.10	0.10
(formerly Dr. Lal PathLabs Welfare Trust)	31 March, 2018	(-)	(-)	(-)	(0.10)	(0.10)
Dr. Lal Pathlabs Limited Group Gratuity Trust	31 March, 2019	-	-	-	0.10	0.10
(formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)	31 March, 2018	(-)	(-)	(-)	(0.10)	(0.10)
Total	31 March, 2019	-	-	-	0.20	0.20
	31 March, 2018	(-)	(-)	(-)	(0.20)	(0.20)
ii. Trade receivables						
Dr. Lal PathLabs Nepal Private Limited	31 March, 2019	3.66	-	-	-	3.66
	31 March, 2018	(3.91)	(-)	(-)	(-)	(3.91)
Dr. Lal PathLabs Bangladesh Pvt. Ltd	31 March, 2019	16.53	-	-	-	16.53
	31 March, 2018	(4.08)	(-)	(-)	(-)	(4.08)
Total	31 March, 2019	20.19	-	-	-	20.19
	31 March, 2018	(7.99)	(-)	(-)	(-)	(-)
iii. Loans						
Mr. Ved Prakash Goel - Chief Financial Officer	31 March, 2019	-	2.44	-	-	2.44
	31 March, 2018	(-)	(-)	(-)	(-)	(-)
iv. Other financial assets						
Security deposits						
Eskay House HUF - Dr. Arvind Lal	31 March, 2019	-	0.64	-	-	0.64
	31 March, 2018	(-)	(0.64)	(-)	(-)	(0.64)

*The remuneration to the key managerial personnel and their relatives does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

**Excludes share based expenses accounted for during the year related to RSU Plan, 2016

*** Shares directly issued to the employees by the Company/EWT Trust @ ₹ 10.00 (Previous year @ ₹ 110.80) per equity share of ₹ 10/- each.

**** The amount is less than ₹ 0.01 million.

***** Represents contribution towards corpus fund. Amount is included in advance recoverable under other non-current assets.

48 Disclosure pursuant to section 186 of the Companies Act 2013:

Sr. No.	Nature of the transaction (loans given/ Investment made/ guarantee given/ security provided)	As at 31 March, 2019	As at 31 March, 2018
1	Loan and advances	-	-
2	Other advances	-	-
3	Guarantees	-	-
4	Investments in fully paid equity instruments and current investments	Refer Note 6 and 13	Refer Note 6 and 13

49. Subsequent to year end, the Company has received a notice dated 22 April, 2019 from the Office of the Commissioner, CGST Gurugram, contending to show cause why service tax (including cess) for an amount of ₹ 2,295.13 million and interest and penalty for the period October, 2013 to June, 2017 should not be levied on the operations of the Company.

The Company is in the process of submitting its response and based on the solicitor/ expert's opinion taken, the management believes that the grounds of the show cause notice are not tenable and hence no provision is considered necessary.

50. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

51. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

52. The Standalone Financial Statements were approved by the Board of Directors and authorised for issue on 17 May, 2019.

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Ved Prakash Goel
[Chief Financial Officer]

Rajat Kalra
[Company Secretary]

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To The Members of Dr. Lal PathLabs Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Dr. Lal PathLabs Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue Recognition – Reliance on information technology and system for controls over pricing master file We identified reliance on information technology and system for controls over pricing master file as a key audit matter due to a likelihood of material misstatement in revenue recognition, resulting from unauthorised alterations to the pricing master file, on account of high volume of patient transactions. Refer to notes 2.3 and 28 to the consolidated financial statements.	The principal audit procedures performed by us as the Parent Company auditor's and the procedures performed by the Other Auditors, as reported by them, have been provided below: <ul style="list-style-type: none"> • Obtained an understanding of and assessed and tested the design, implementation and operating effectiveness of relevant internal controls relating to authorisation of alterations to the pricing master file. • Tested the controls around the access rights to the price masters by involving information technology specialists. • Tested the automated controls for auto pick of the prices defined in the system based on the tests selected. • Tested the reports of changes in the pricing master files for completeness and accuracy by involving information technology specialists and for the selected samples of alterations during the year, verified that the changes were authorised. • Selected samples of the invoices and verified the billed price in respect thereof, to the underlying agreements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's report, Business Responsibility Report and Corporate Governance Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the

other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial

statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of four subsidiaries, whose financial statements / financial information reflect total assets of ₹ 105.38 million as at 31 March, 2019, total revenues of ₹ 111.47 million and net cash inflows amounting to ₹ 13.23 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by

this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent/ Holding Company as on 31 March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and the subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent/ Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended 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 38 to the consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts - Refer note 54 to the consolidated financial statements.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India- Refer note 55 to the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal

Partner

(Membership No. 87104)

Place: Delhi

Date: 17 May, 2019

“Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2019, we have audited the internal financial controls over financial reporting of **Dr. Lal PathLabs Limited** (hereinafter referred to as “Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, 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 Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, 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, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report 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 one subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)

Place: Delhi
Date: 17 May, 2019

Consolidated Balance Sheet as at 31 March, 2019

(in ₹ million, unless otherwise stated)			
Particulars	Notes	As at 31 March, 2019	As at 31 March, 2018
Assets			
1. Non-current assets			
(a) Property, plant and equipment	3	1,601.15	1,597.88
(b) Capital work-in-progress	3	34.40	95.64
(c) Goodwill	4	279.74	279.17
(d) Other intangible assets	5	205.74	198.18
(e) Financial assets			
(i) Loans	6	0.05	0.58
(ii) Other financial assets	7	203.07	378.60
(f) Non-current tax assets (net)	8	132.49	93.20
(g) Deferred tax assets (net)	9	214.62	169.18
(h) Other non-current assets	10	97.43	112.89
Total non-current assets		2,768.69	2,925.32
2. Current assets			
(a) Inventories	11	285.35	273.35
(b) Financial assets			
(i) Investments	12	1,847.79	1,447.98
(ii) Trade receivables	13	532.23	411.56
(iii) Cash and cash equivalents	14	1,293.87	658.48
(iv) Bank balances other than (iii) above	15	3,608.52	2,476.58
(v) Loans	16	9.36	2.48
(vi) Other financial assets	17	462.80	798.64
(c) Other current assets	18	96.39	161.09
Total current assets		8,136.31	6,230.16
Total assets		10,905.00	9,155.48
Equity and liabilities			
1. Equity			
(a) Equity share capital	19	833.42	833.33
(b) Other equity	20	8,621.54	7,045.15
Equity attributable to owners of the Company		9,454.96	7,878.48
Non controlling interest	21	54.83	37.89
Total equity		9,509.79	7,916.37
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	22	12.17	75.88
(b) Other non-current liabilities	23	-	3.65
Total non-current liabilities		12.17	79.53
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		22.40	0.71
Total outstanding dues of creditors other than micro enterprises and small enterprises		775.60	653.80
sub-total		798.00	654.51
(ii) Other financial liabilities	25	290.95	269.61
(b) Provisions	26	133.80	87.07
(c) Current tax liabilities (net)	8	45.47	14.21
(d) Other current liabilities	27	114.82	134.18
Total current liabilities		1,383.04	1,159.58
Total liabilities		1,395.21	1,239.11
Total Equity and liabilities		10,905.00	9,155.48

See accompanying notes to the Consolidated Financial Statements

1-57

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: Delhi
Date: 17 May, 2019

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Ved Prakash Goel
[Chief Financial Officer]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Rajat Kalra
[Company Secretary]

Consolidated Statement of Profit and Loss for the year ended 31 March, 2019

(in ₹ million, unless otherwise stated)			
Particulars	Notes	Year ended 31 March, 2019	Year ended 31 March, 2018
1. Income			
(a) Revenue from operations	28	12,034.18	10,569.18
(b) Other income	29	459.49	312.20
Total income		12,493.67	10,881.38
2. Expenses			
(a) Cost of materials consumed	30	2,623.51	2,260.26
(b) Employee benefits expense	31	2,082.86	1,807.47
(c) Finance costs	32	8.39	8.41
(d) Depreciation and amortisation expense	33	382.20	330.61
(e) Fees to collection centers/channel partners		1,509.57	1,275.52
(f) Other expenses	34	2,881.66	2,585.96
Total expenses		9,488.19	8,268.23
3. Profit before tax		3,005.48	2,613.15
4. Tax expense			
(a) Current tax	35	1,035.76	929.65
(b) Deferred tax	9	(34.95)	(34.02)
Total tax expense		1,000.81	895.63
5. Profit for the period (A)		2,004.67	1,717.52
6. Other comprehensive income			
- Items that will not be reclassified to profit or loss		(29.78)	5.54
Remeasurement of the defined benefit obligations			
- Income tax in relation to items that will not be reclassified to profit or loss		10.49	(1.89)
- Items that may be reclassified to profit or loss		(0.20)	(0.32)
Exchange differences on translation of foreign operations			
- Income tax in relation to the items that will be reclassified to profit or loss		-	-
Total other comprehensive income (B)		(19.49)	3.33
7. Total comprehensive income for the period (A+B)		1,985.18	1,720.85
Profit for the period attributable to:			
- Owners of the Company		1,991.80	1,707.32
- Non-controlling interests		12.87	10.20
		2,004.67	1,717.52
Other comprehensive income for the period attributable to:			
- Owners of the Company		(19.48)	3.36
- Non-controlling interests		(0.01)	(0.03)
		(19.49)	3.33
Total comprehensive income for the period attributable to:			
- Owners of the Company		1,972.32	1,710.68
- Non-controlling interests		12.86	10.17
		1,985.18	1,720.85
8. Earnings per equity share	36		
- Basic earnings per share (Face value of ₹ 10 each)		24.19	20.85
- Diluted earnings per share (Face value of ₹ 10 each)		24.15	20.82
See accompanying notes to the Consolidated Financial Statements	1-57		

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: Delhi
Date: 17 May, 2019

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Ved Prakash Goel
[Chief Financial Officer]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Rajat Kalra
[Company Secretary]

Consolidated Cash Flow Statement for the period ended 31 March, 2019

(In ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2019	Year ended 31 March, 2018
Cash flows from operating activities			
Profit for the period		2,004.67	1,717.52
Adjustments for :			
Tax expense		1,000.81	895.63
Interest income		(349.65)	(239.09)
Dividend income on current investments		(56.97)	(48.97)
Gain on sale or fair valuation of investments		(37.05)	(12.73)
Surrender value of keyman insurance policy		6.40	5.76
Sundry balances written back		(3.04)	(2.55)
(Profit)/Loss on disposal / discard of property, plant and equipment		(0.83)	0.93
Miscellaneous non operating income		(1.86)	-
Expense recognised in respect of employee share based compensation		150.46	116.92
Finance cost		8.39	8.41
Depreciation and amortisation expense		382.20	330.61
Provision for impairment of trade receivables and advances		51.56	30.14
Bad debts and advances written off (net)		6.52	7.82
Security deposits amortisation		3.45	6.09
Remeasurement of the defined benefit obligation		(29.78)	5.54
Exchange differences on translation of foreign operations		(0.20)	(0.32)
Operating profit before working capital changes		3,135.08	2,821.71
Changes in working capital:			
Adjustment for (increase)/decrease in operating assets:			
(Increase)/ decrease in inventories		(12.00)	(94.28)
(Increase)/ decrease in trade receivables		(178.75)	(31.49)
(Increase)/ decrease in loans		(6.35)	(0.78)
(Increase)/ decrease in other financial assets		(13.22)	27.75
(Increase)/ decrease in other assets		81.85	(25.36)
Adjustment for increase/(decrease) in operating liabilities:			
Increase in trade payables		146.53	133.30
Increase in other financial liabilities		51.26	30.45
Increase in provisions		46.73	17.93
(Decrease)/increase in other liabilities		(23.01)	31.73
Cash generated from operations		3,228.12	2,910.96
Income taxes paid		(1,042.75)	(940.31)
Net cash generated by operating activities (a)		2,185.37	1,970.65
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(348.45)	(624.62)
Proceeds from disposal of property, plant and equipment		2.61	2.66
Payments for purchase of intangible assets		(71.93)	(100.07)
Interest received		269.52	196.92
Payments for business purchase		(8.14)	(18.78)
Net cash outflow for investment in subsidiaries		-	(4.44)
Payments for purchase of investments in mutual funds		(2,227.65)	(1,802.66)
Proceeds from sale of investments in mutual funds		1,921.86	1,477.46
Bank deposits placed with the banks		(3,885.64)	(2,990.54)
Bank deposits with banks encashed		2,896.93	2,426.94
Fixed deposits (placed)/encashed with the body corporates		453.52	(285.62)
Net cash used in investing activities (b)		(997.37)	(1,722.75)

Consolidated Cash Flow Statement for the period ended 31 March, 2019

(In ₹ million, unless otherwise stated)			
Particulars	Notes	Year ended 31 March, 2019	Year ended 31 March, 2018
Cash flows from financing activities			
Proceeds from exercise of share options		1.51	29.78
Repayment of application money received at the time of IPO		(0.03)	(0.31)
Proceeds from sale of treasury shares		-	414.96
Interest paid		(2.19)	(1.32)
Dividend paid on equity shares including dividend tax		(551.90)	(318.06)
Net cash generated from / (used in) financing activities (c)		(552.61)	125.05
Net increase in cash and cash equivalents (a+b+c)		635.39	372.95
Cash and cash equivalents at the beginning of the year	14	658.48	285.53
Cash and cash equivalents at the end of the year	14	1,293.87	658.48
Components of cash and cash equivalents			
Cash on hand		18.15	12.18
Balance with scheduled banks:			
- on current accounts		108.31	147.70
- on cash credit accounts		110.79	40.60
- deposits with maturity of less than 3 months		1,056.62	458.00
Cash and cash equivalents in cash flow statement:	14	1,293.87	658.48
See accompanying notes to the Consolidated Financial Statements	1-57		

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited

Jitendra Agarwal
Partner

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Place: Delhi
Date: 17 May, 2019

Ved Prakash Goel
[Chief Financial Officer]

Rajat Kalra
[Company Secretary]

Consolidated Statement of Changes in Equity for the year ended 31 March, 2019

a. Equity share capital

Particulars	(in ₹ million, unless otherwise stated) Amount
Balance at 1 April, 2017	830.66
Equity share capital issued against share options	2.67
Balance as 31 March, 2018	833.33
Equity share capital issued against share options	0.09
Balance as 31 March, 2019	833.42

b. Other equity

Particulars	Reserves and Surplus						(in ₹ million, unless otherwise stated)		
	Capital Reserve	Capital redemption reserve account	Securities premium	General reserve	Share options outstanding account	Treasury shares	Retained earnings	Foreign currency translation reserve	Other comprehensive income
Balance at 1 April, 2017	(33.00)	4.45	899.86	480.22	85.42	(435.82)	4,090.47	(0.08)	5,091.52
Profit for the period	-	-	-	-	-	-	1,707.32	-	24.39
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-	3.36	(0.32)	10.20
Total comprehensive income for the period	-	-	-	-	-	-	1,711.00	(0.32)	3.36
Movement during the period on account of issue of equity shares	-	-	26.87	-	-	-	-	-	24.39
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(316.04)	-	10.20
Share options exercised during the year (refer to note 20 and 52)	-	-	-	16.30	(22.97)	6.91	-	-	3.36
Sale of treasury shares (Refer to note 20)	-	-	-	-	-	136.48	278.48	-	(0.03)
Employee share based compensation expense (Refer to note 31)	-	-	-	-	116.92	-	-	-	3.33
Additional non-controlling interests arising on the acquisition of Subsidiary	-	-	-	-	-	-	-	-	10.17
Dr. Lal PathLabs Bangladesh Pvt. Ltd. (Refer to note 21)	-	-	-	-	-	-	-	-	1,710.68
Balance at 31 March, 2018	(33.00)	4.45	926.73	496.52	179.37	(292.43)	5,763.91	(0.40)	7,045.15
Profit for the period	-	-	-	-	-	-	1,991.80	-	37.89
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-	(19.28)	(0.20)	12.87
Total comprehensive income for the period	-	-	-	-	-	-	1,972.52	(0.20)	12.86
Movement during the period on account of issue of equity shares	-	-	0.89	-	-	-	-	-	(0.01)
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	546.99	-	(5.00)
Share options exercised during the year	-	-	-	35.19	(49.44)	14.78	-	-	0.53
Employee share based compensation expense (Refer to note 31)	-	-	-	-	150.46	-	-	-	-
Additional non-controlling interests arising on the acquisition of Subsidiary Dr. Lal PathLabs Bangladesh Pvt. Ltd. (Refer to note 21)	-	-	-	-	-	-	(0.82)	-	150.46
Balance at 31 March, 2019	(33.00)	4.45	927.62	531.71	280.39	(277.65)	7,188.62	(0.60)	8,621.54
See accompanying notes to the Consolidated Financial Statements	1-57								54.83
									8,676.37

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited

Jitendra Agarwal
Partner

(Hon'ble) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Place: Delhi
Date: 17 May, 2019

Ved Prakash Goel
[Chief Financial Officer]

Rajat Kalra
[Company Secretary]

Notes to Consolidated Financial Statements

1 GENERAL INFORMATION

- (i) Dr. Lal PathLabs Limited ("the Company") is a public company domiciled in India and incorporated on 14 February, 1995 under the provisions of the Companies Act, 1956. The Company is engaged in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, and other pathological and radiological investigations.

The equity shares of the Parent Company are listed on The National Stock Exchange of India and Bombay Stock Exchange.

The registered address and principal place of business of the Parent Company is Block E, Sector-18, Rohini, New Delhi- 110085.

- (ii) A Scheme of Amalgamation between the Parent Company ("Transferee Company") and its wholly owned subsidiary, by the name of Delta Ria and Pathology Private Limited ("Transferor Company") with an appointed date of 1 April, 2017 was approved by the Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal ('Hon'ble Tribunal' or 'NCLT') on October 23, 2018 and December 11, 2018 respectively. Pursuant to the Scheme becoming effective, the amalgamation has been accounted for under the 'pooling of interests' method in accordance with Ind AS 103 "Business Combinations" and the assets, liabilities and reserves of the Transferor Company have been accounted for at their book value, in the books of account of the Company.

Consequent to the scheme becoming effective, the Group has restated the amounts for the year ended 31 March, 2018 after giving effect to the Scheme of Amalgamation as described in note 42.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

Effective April 1, 2017, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of preparation and presentation

These Consolidated Financial Statements have been prepared on the accrual and going concern basis, and the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

2.3 Revenue recognition

The Group's revenue is primarily generated from business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, haematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, and other pathological and radiological investigations for customers through various arrangements.

Effective 1 April, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. Refer Note 2.3 "Revenue Recognition," in the Company's 2018 Consolidated Financial Statements for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised at a point in time when the Group satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied.

For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a

contract at its relative standalone selling price. The price that is regularly charged for a test when registered separately is the best evidence of its standalone selling price.

The Group has assessed that it is primarily responsible for fulfilling the performance obligation and has no agency relationships. Accordingly the revenue has been recognised at the gross amount and fees to collection centers/channel partners has been recognised as an expense.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities, referred to as "unearned revenue". Refer to note 28.

The Group disaggregates revenue from contracts with customers by geography.

2.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.4.1 The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

2.4.2 The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

2.5 Functional and presentation currency

Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian rupee (₹), which is the Group's functional and presentation currency.

2.6 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

2.6.1 Defined contribution plan

Employee benefit under defined contribution plan comprising of provident fund is recognised based on the amount of obligation of the Group to contribute to the plan. The provident fund contribution is paid to provident fund authorities. The amounts are expensed during the year.

2.6.2 Defined benefit plan

The Group's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and
- Net interest expense or income; and
- Re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The Parent Company has taken the various policies with insurer managed funds to meet its obligation towards gratuity. The Parent Company contributes all ascertained liabilities to a gratuity fund administered through a separate trust which is governed by board of trustees. The board of trustee comprises of the officers of the Parent Company. Liability with respect to the gratuity plan is determined based on an actuarial valuation done by an independent actuary.

The gratuity benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the obligation as at the Balance Sheet date.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in

a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8 Property, plant and equipment

2.8.1 Tangible assets acquired separately

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

The cost of Property, plant and equipment (PPE) comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, present value of decommissioning costs (where there is a legal or constructive obligation to decommission) and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying

amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. If an impairment loss is determined, the remaining useful life of the asset is also subject to adjustment. If the reasons for previously recognised impairment losses no longer exists, such impairment losses are reversed and recognised in income. Such reversal shall not cause the carrying amount to exceed the amount that would have resulted had no impairment taken place during the preceding periods.

2.8.2 Depreciation methods, estimated useful lives and residual value

Depreciation on furniture and fixtures is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Depreciation on all other Property, plant and equipment is provided using the Written Down Value (WDV) Method at the rates computed based on the useful lives of the assets estimated by the management.

Leasehold improvements are depreciated over the useful lives of the assets or the unexpired lease period, whichever, is lower.

Estimated useful life of assets are as follows which is based on technical evaluation of the useful lives of the assets:

Building	30 years
Plant and equipment	13-15 years
Computers	3 years
Office equipment	5 years
Vehicles	8-10 years

The assets residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

All assets, the individual written down value of which at the beginning of the year is ₹ 5,000 or less, are depreciated at the rate of 100%. Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%.

Freehold land/Leasehold land in the nature of perpetual lease is not amortised.

2.8.3 Deemed cost on transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of its property, plant

and equipment recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.8.4 Derecognition of tangible asset

A tangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

2.9 Intangible assets

2.9.1 Intangible assets acquired separately

Trademarks and computer software are carried at cost which is incurred and stated in the relevant license agreement with the technical knowhow provider less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful life of 5 years. The estimated useful lives and amortisation method are reviewed at end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.9.2 Amortisation methods and useful lives

Trademarks and softwares are amortised on a straight line basis over its estimated useful life i.e. 5 years. An intangible asset is derecognised when no future economic benefits are expected from use.

2.9.3 Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.9.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.10 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be

identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Inventories

Inventories comprise of reagents, chemicals, surgical and laboratory supplies and stores and others and are valued at lower of cost and net realisable value. Cost is determined on moving weighted average basis.

2.12 Provisions, contingent liability and contingent asset

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Consolidated Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

2.13 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

2.14 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts that form an integral part of the

effective interest rate) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial instruments other than those financial assets classified as at Fair Value Through Profit and Loss. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial instruments that do not meet the amortised cost criteria or fair value through other comprehensive income (FVTOCI) are measured at fair value through profit or loss (FVTPL).

2.14.1 Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.14.2 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.14.3 Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.14.4 Financial assets at fair value through profit or loss ('FVTPL')

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

2.14.5 Foreign exchange gain and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange

differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship. Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

2.14.6 Impairment of financial assets

The Group assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

2.14.7 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

2.14.8 Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.14.9 Income from units in mutual funds

Dividend from units in mutual funds is recognised when the Group's right to receive payment is established by the reporting date. Income on investment made in the units of fixed maturity plans of mutual funds is recognised based on the yield earned and to the extent of reasonable certainty.

2.15 Financial liabilities and equity instruments

2.15.1 Classification of debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.15.2 Equity instruments

An Equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

2.15.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

2.15.4 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' in the line-item 'Net foreign exchange gains/(losses)' except where capitalised as part of borrowing cost.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

2.15.5 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.16 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.17 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 52.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.19 Operating cycle

The Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.20 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

2.21 Dividends payable

Final dividends on shares are recorded on the date of approval by the shareholders of the Group.

2.22 Use of estimates and judgements

The preparation of Consolidated Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Consolidated Financial Statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements are included in the following notes:

Accounting of reagent rental equipments

The Group has entered into agreements with certain suppliers for purchase of reagent. As part of the agreement, the Group has the right to use equipment supplied by the suppliers free of charge subject to purchase of minimum committed quantities of reagents.

The cost of reagents which includes the cost of rental of the equipment is recorded as cost of material consumed. The directors of the Group has assessed the conditions as specified in the Ind AS -17, "Leases" for determining whether the said arrangement is under operating lease or Finance lease. Basis the evaluation, the arrangements have been classified by the Group as composite lease, which can not be reliably segregated in operating lease and finance lease. Hence, the Group has recorded the purchase of reagent in consumption cost with no element of rental /interest therein (Refer to note 41).

Carrying amount of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash

flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss may arise (Refer to note 4).

Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There is no such change in the useful life of the assets (Refer to note 3).

Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates (Refer to note 40).

2.23 Basis of consolidation and equity accounting

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balance and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Change in Equity and Consolidated Balance Sheet respectively.

The following subsidiary companies have been considered in the preparation of the Consolidated Financial Statements:

S. No.	Name of the Company
1	Paliwal Diagnostics Private Limited
2	Paliwal Medicare Private Limited
3	APL Institute of Clinical Laboratory & Research Private Limited
4	Dr Lal PathLabs Nepal Private Limited
5	Dr Lal PathLabs Bangladesh Pvt Ltd.
6	Dr. Lal PathLabs International B.V
7	Dr. Lal Ventures Private Limited (w.e.f. 10 December, 2018)
8	PathLabs Unifiers Private Limited (w.e.f. 12 December, 2018)

2.24 Recent accounting pronouncements

Ind AS 116 Leases

Ministry of Corporate affairs has notified Ind AS 116 - Leases, which is effective from 1 April, 2019, which will replace

the existing lease standard, Ind AS 17 Leases and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward lessor accounting requirements. The Group is evaluating the impact of Ind AS 116 and its effect on the financial statements.

Amendments to Ind AS 12 - Income taxes

On 30 March, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April, 2019. The Group is evaluating the requirements and its effect on the financial statements.

Amendments to Ind AS 12 - Income taxes

On 30 March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On 30 March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after 1 April, 2019.

The Group is currently evaluating the effect of this amendment on the financial statements.

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Notes to the Consolidated Financial Statements

3. Property, plant and equipment (Refer to Note 2.8)

(In ₹ million, unless otherwise stated)

	As at 31 March, 2019	As at 31 March, 2018
Carrying amounts of :		
Freehold land	109.57	109.57
Leasehold land	81.41	81.41
Freehold buildings	9.18	1.25
Leasehold buildings	422.95	489.96
Plant and equipment	601.11	584.00
Computers	137.01	65.05
Furniture and fixtures	31.20	35.56
Vehicles	12.00	11.37
Leasehold improvements	196.72	219.71
	1,601.15	1,597.88
Capital work-in-progress	34.40	95.64
	1,635.55	1,693.52

	Freehold land	Leasehold land	Freehold buildings	Leasehold buildings	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost or deemed cost										
Balance at 1 April, 2017	109.57	81.41	1.55	126.33	599.05	79.48	34.08	22.10	251.47	1,305.04
Additions	-	-	-	396.67	246.89	45.90	23.32	-	67.02	779.80
Acquisitions through business combinations	-	-	-	-	5.32	0.13	0.36	-	0.97	6.78
Disposals/ adjustments	-	-	-	-	25.12	0.93	1.46	-	21.20	48.71
Foreign currency translation reserve	-	-	-	-	(0.15)	-	(0.01)	-	(0.03)	(0.19)
Balance at 31 March, 2018	109.57	81.41	1.55	523.00	825.99	124.58	56.29	22.10	298.23	2,042.72
Additions	-	-	8.56	-	173.50	115.36	9.12	6.72	29.60	342.86
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Disposals/ adjustments*	-	-	-	20.19	5.42	1.14	0.89	2.29	6.15	36.08
Foreign currency translation reserve	-	-	-	-	0.14	0.01	0.02	-	0.03	0.20
Balance at 31 March, 2019	109.57	81.41	10.11	502.81	994.21	238.81	64.54	26.53	321.71	2,349.70
Accumulated depreciation										
Balance at 1 April, 2017	-	-	0.16	12.65	127.57	27.75	9.83	5.56	42.43	225.95
Depreciation expenses	-	-	0.14	20.39	138.01	32.67	12.18	5.17	55.46	264.02
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Elimination on disposals of assets	-	-	-	-	23.58	0.89	1.28	-	19.37	45.12
Foreign currency translation reserve	-	-	-	-	(0.01)	-	-	-	-	(0.01)
Balance at 31 March, 2018	-	-	0.30	33.04	241.99	59.53	20.73	10.73	78.52	444.84
Depreciation expenses	-	-	0.63	46.82	156.25	43.33	13.22	5.15	52.43	317.83
Elimination on disposals of assets	-	-	-	-	5.13	1.06	0.61	1.35	5.96	14.11
Foreign currency translation reserve	-	-	-	-	(0.01)	-	-	-	-	(0.01)
Balance at 31 March, 2019	-	-	0.93	79.86	393.10	101.80	33.34	14.53	124.99	748.55
Carrying amount										
Balance at 1 April, 2017	109.57	81.41	1.39	113.68	471.48	51.73	24.25	16.54	209.04	1,079.09
Additions	-	-	-	396.67	246.89	45.90	23.32	-	67.02	779.80
Acquisitions through business combinations	-	-	-	-	5.32	0.13	0.36	-	0.97	6.78
Disposals/ adjustments	-	-	-	-	(1.54)	(0.04)	(0.18)	-	(1.83)	(3.59)
Depreciation expenses	-	-	(0.14)	(20.39)	(138.01)	(32.67)	(12.18)	(5.17)	(55.46)	(264.02)
Foreign currency translation reserve	-	-	-	-	(0.14)	-	(0.01)	-	(0.03)	(0.18)
Balance at 31 March, 2018	109.57	81.41	1.25	489.96	584.00	65.05	35.56	11.37	219.71	1,597.88
Additions	-	-	8.56	-	173.50	115.36	9.12	6.72	29.60	342.86
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Disposals/ adjustments*	-	-	-	(20.19)	(0.29)	(0.08)	(0.28)	(0.94)	(0.19)	(21.97)
Depreciation expense	-	-	(0.63)	(46.82)	(156.25)	(43.33)	(13.22)	(5.15)	(52.43)	(317.83)
Foreign currency translation reserve	-	-	-	-	0.15	0.01	0.02	-	0.03	0.21
Balance at 31 March, 2019	109.57	81.41	9.18	422.95	601.11	137.01	31.20	12.00	196.72	1,601.15

*Adjustments to leasehold buildings amounting to IN 20.19 million represents change in final measurements on account of renegotiations with vendors/ suppliers during the current year.

4. **Goodwill**
(Refer to Note 2.8)

(In ₹ million, unless otherwise stated)

	As at 31 March, 2019	As at 31 March, 2018
Cost or deemed Cost	279.74	279.17
Accumulated impairment loss	-	-
	279.74	279.17

	Year ended 31 March, 2019	Year ended 31 March, 2018
Cost or deemed cost		
Balance at the beginning of year	279.17	245.76
Additions on account of acquisitions (Refer to Note 46 and Note 49)	-	33.41
Foreign currency translation reserve	0.57	
	279.74	279.17

	Year ended 31 March, 2019	Year ended 31 March, 2018
Accumulated impairment loss		
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
	-	-

Impairment of Goodwill

For the purpose of impairment testing, goodwill has been allocated to cash generating units (CGU) – Labs. The recoverable amount of cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial forecasts covering a five-year period, and a discount rate of 11.50% per annum (as at 31 March, 2018: 11.50% per annum).

Cash flow projections during the forecast period are based on the same expected gross margins and inflation throughout the forecast period. The cash flows beyond that five-year period have been extrapolated using a steady growth rate of 10-17% per annum (as at March 31, 2018: 22% per annum), which is the projected long-term average growth rate for Labs CGU. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. Based on impairment testing as above, the management believes that the recoverable amounts of goodwill are higher than their respective carrying amounts and hence no amounts are required to be recorded for impairment in the carrying amounts of goodwill.

5. **Other Intangible assets**

(In ₹ million, unless otherwise stated)

	As at 31 March, 2019	As at 31 March, 2018
Carrying amounts of :		
Computer software	203.76	193.14
Trademarks	1.98	5.04
	205.74	198.18

	Computer software	Trademarks	Total
Cost or deemed cost			
Balance at 1 April, 2017	205.91	11.16	217.07
Additions	98.35	-	98.35
Disposals	(0.18)	-	(0.18)
As at 31 March, 2018	304.08	11.16	315.24
Additions	71.93	-	71.93
Disposals	-	-	-
As at 31 March, 2019	376.01	11.16	387.17

	Computer software	Trademarks	Total
Accumulated amortisation			
Balance at 1 April, 2017	47.58	3.06	50.64
Amortisation expenses	63.54	3.06	66.60
Elimination on disposals of assets	(0.18)	-	(0.18)
As at 31 March, 2018	110.94	6.12	117.06
Amortisation expenses	61.31	3.06	64.37
Eliminated on disposals of assets	-	-	-
As at 31 March, 2019	172.25	9.18	181.43
Carrying amount			
Balance at 1 April, 2017	158.33	8.10	166.43
Additions	98.35	-	98.35
Disposals	-	-	-
Amortisation expenses	(63.54)	(3.06)	(66.60)
As at 31 March, 2018	193.14	5.04	198.18
Additions	71.93	-	71.93
Disposals	-	-	-
Amortisation expense	(61.31)	(3.06)	(64.37)
As at 31 March, 2019	203.76	1.98	205.74

6. Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Loans to employees (Unsecured, considered good)	0.05	0.58
Total	0.05	0.58

7. Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security deposits	35.01	68.73
Surrender value of keyman insurance policy	44.14	39.45
Non-current bank balances	122.20	265.37
Interest accrued on loans, fixed deposits and others	1.72	5.05
Total	203.07	378.60

8. Non-current tax assets (net)

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Tax assets		
Taxes paid (net)	132.49	93.20
Tax liabilities		
Income tax payable (net)	(45.47)	(14.21)
Total	87.02	78.99

9. Deferred tax balances

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deferred tax assets	248.53	191.91
Deferred tax liabilities	(33.91)	(22.73)
Total	214.62	169.18

(in ₹ million, unless otherwise stated)

2018-19	Opening	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Deferred tax assets on:				
Property, plant and equipment	77.77	11.45	(0.02)	89.20
Goodwill	21.77	0.08	-	21.85
Short-term provisions- Leave encashment	20.31	6.32	-	26.63
Short-term provisions- Gratuity	10.17	(0.70)	10.51	19.98
Provision for impairment of trade receivables and advances	29.34	16.18	-	45.52
Disallowed expenditure	28.86	11.89	-	40.75
Others	3.69	0.91	-	4.60
Deferred tax liabilities on:				
Surrender value of keyman insurance policy	(13.66)	(1.77)	-	(15.43)
Fair valuation gains on mutual funds	(9.07)	(9.41)	-	(18.48)
Total	169.18	34.95	10.49	214.62

(in ₹ million, unless otherwise stated)

2017-18	Opening	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Deferred tax assets on:				
Property, plant and equipment	73.46	4.31	-	77.77
Goodwill	18.54	3.23	-	21.77
Short-term provisions- Leave encashment	19.77	0.54	-	20.31
Short-term provisions- Gratuity	4.15	7.91	(1.89)	10.17
Provision for impairment of trade receivables and advances	22.56	6.78	-	29.34
Disallowed expenditure	4.87	23.99	-	28.86
Others	10.86	(7.17)	-	3.69
Deferred tax liabilities on:				
Surrender value of keyman insurance policy	(12.20)	(1.46)	-	(13.66)
Fair valuation gains on mutual funds	(4.96)	(4.11)	-	(9.07)
Total	137.05	34.02	(1.89)	169.18

10. Other non-current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital advances	1.69	-
Advances to related parties (Corpus)	0.10	0.10
Prepaid rent	94.08	111.33
Others	1.56	1.46
Total	97.43	112.89

Financial assets (current)

11. Inventories

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Reagents, chemicals, surgicals and laboratory supplies	274.92	261.74
Stores and others	10.43	11.61
Total	285.35	273.35

The Company's business does not involve any conversion process for materials. Reagents and chemicals are used to conduct various pathology and radiology tests and are consumed in the process.

The mode of valuation of inventories has been stated in note 2.11.

12. Investments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investment in mutual funds (unquoted) carried at fair value through profit or loss		
Kotak Liquid Direct Growth 59,099.95 (31 March, 2018: Nil) units of ₹ 1,000/- each	223.65	-
HDFC Short Term Opportunities Fund- Direct Plan- Growth Option 9,565,316.16 (31 March, 2018: 9,565,316.16) units of ₹ 10/- each	199.25	184.83
SBI Premier Liquid Fund Direct Plan- Daily Dividend 181,060.61 (31 March, 2018: 172,539.46) units of ₹ 1,000/- each	181.65	173.10
ABSL Liquid Fund Direct Plan Growth 597,379.65 (31 March, 2018: NIL) units of ₹ 100/- each	179.47	-
ICICI Prudential Liquid Fund- Direct Plan- Growth fund 556,362.28 (31 March, 2018: Nil) units of ₹ 100/- each	153.79	-
Axis Liquid Fund - Direct Growth 78,316.93 (31 March, 2018: Nil) units of ₹ 1,000/- each	162.39	-
Mahindra Liquid fund-Direct-Growth 92,900.51 (31 March, 2018: Nil) units of ₹ 1,000/- each	112.54	-
JM Liquid Fund (Direct) - Growth Option 2,156,080.64 (31 March, 2018: Nil) units of ₹ 10/- each	110.37	-
UTI Liquid Cash Plan - Direct Daily Dividend Plan Reinvestment 80,202.19 (31 March, 2018: Nil) units of ₹ 1,000/- each	81.76	-
UTI Liquid Cash Plan - Direct Growth Plan 24,974.60 (31 March, 2018: Nil) units of ₹ 1,000/- each	76.44	-
Baroda Treasury Advantage Fund- Plan A Daily Dividend- Reinvestment 70,761.59 (31 March, 2018: Nil) units of ₹ 1,000/- each	72.93	-
Invesco India Liquid Fund Plan Growth 27,460.67 (31 March, 2018: Nil) units of ₹ 1,000/- each	70.34	-
ICICI Prudential Floating Interest Fund- Direct Plan- Daily Dividend 597,648.86 (31 March, 2018: Nil) units of ₹ 100/- each	59.90	-
UTI Liquid Cash Plan- Regular Daily Dividend Plan Reinvestment 50,911.35 (31 March, 2018: Nil) units of ₹ 1,000/- each	51.90	-
Invesco India Liquid Fund Direct Plan Growth 16,535.75 (31 March, 2018: Nil) units of ₹ 1,000/- each	42.54	-
Baroda Pioneer Treasury Advantage Fund- Plan B Daily Dividend- Reinvestment 37,478.65 (31 March, 2018: 143,973.23) units of ₹ 1,000/- each	37.82	145.25
Reliance Liquid Fund Direct Plan Growth 4,023.28 (as at 31 March, 2018: Nil) units of ₹ 10/- each.	18.35	-
Reliance Short Term Growth Fund 289,994.00 (31 March, 2018: 289,994.00) units of ₹ 1,000/- each.	10.07	9.47
Reliance Short Term Fund Direct Plan Growth Plan 575.35 (31 March, 2018: Nil) units of ₹ 1,000 each.	2.63	-
ABSL Banking & PSU Debt Fund Weekly Dividend- Direct Plan Reinvestment Nil (31 March, 2018: 17,513,543.77) units of ₹ 10/- each	-	184.82

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Invesco India Ultra Short Term Fund- Direct Plan Daily Dividend Nil (31 March, 2018: 39,649.82) units of ₹ 1,000/- each	-	40.42
UTI -Treasury Advantage Fund- Institutional Plan- Direct Plan- Daily Dividend Reinvestment Nil (31 March, 2018: 72,430.56) units of ₹ 1,000/- each	-	72.60
Reliance Banking & PSU Debt Fund- Direct Weekly Dividend Plan Reinvestment Nil (31 March, 2018: 7,257,742.36) units of ₹ 10/- each	-	73.62
Reliance Medium Term Fund- Daily Direct Dividend Plan Dividend Reinvestment Nil (31 March, 2018: 3,132,672.75) units of ₹ 10/- each	-	53.59
ICICI Prudential Savings Fund Direct Plan Daily Dividend Nil (31 March, 2018: 568,991.56) units of ₹ 100/- each	-	57.03
ICICI Prudential Flexible Income Direct Plan Daily Dividend Nil (31 March, 2018: 1,189,605.85) units of ₹ 100/- each	-	125.85
SBI Magnum Insta Cash Fund- Direct Plan- Daily Dividend Nil (31 March, 2018: 13,202.33) units of ₹ 1,000/- each	-	22.11
Kotak Corporate Bond Fund Direct Monthly Dividend Nil (31 March, 2018: 27,460.13) units of ₹ 1,000/- each	-	30.37
Axis Liquid Fund- Direct Plan- Daily Dividend Reinvestment Nil (31 March, 2018: 30,378.75) units of ₹ 100/- each	-	30.41
ABSL Cash Plus- Daily Dividend- Direct Plan- Reinvestment Nil (31 March, 2018: 756,913.19) units of ₹ 100/- each	-	75.90
Axis Liquid Fund - Daily Dividend Reinvestment Nil (31 March, 2018: 100,507.73) units of ₹ 1,000/- each	-	100.65
JM High Liquidity Fund (Direct) Daily Dividend Option Nil (31 March, 2018: 6,514,484.29) units of ₹ 10/- each	-	67.96
Total	1,847.79	1,447.98

13. Trade receivables

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables		
Secured, considered good	69.58	47.66
Unsecured, considered good	462.65	363.97
Credit impaired	135.44	89.81
Subtotal	667.67	501.44
Less: Allowance for doubtful debts (expected credit loss allowance)	(135.44)	(89.88)
Total	532.23	411.56

The average credit period from service is 0-60 days. No interest is charged on the trade receivables for the amount overdue above the credit period. There are no customers who represent more than 5% of the total balance of trade receivables.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

(in ₹ million, unless otherwise stated)

Age of receivables	As at 31 March, 2019	As at 31 March, 2018
0-90 days	488.88	376.20
90-180 days	74.26	56.78
180-360 days	66.38	38.72
More than 360 days	38.15	29.74
Total	667.67	501.44

(in ₹ million, unless otherwise stated)

Movement in the expected credit loss allowance	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at beginning of the year	89.88	65.20
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	45.56	24.68
Balance at end of the year	135.44	89.88

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Ageing	Expected Credit loss(%)
0-90 days	3-6%
90-180 days	17-29%
180-360 days	34-56%
More than 360 days	61-100%

14. Cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balances with banks		
- in current accounts	108.31	147.70
- in cash credit accounts	110.79	40.60
Deposit with maturity of less than 3 months	1,056.62	458.00
Cash on hand	18.15	12.18
Total	1,293.87	658.48

15. Bank balances other than cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance in unclaimed dividend accounts	0.20	0.11
Balance in escrow account*	1.44	1.47
Deposit with banks held as margin money deposits against guarantees	12.31	29.47
Deposit with maturity of 3-12 months	3,594.57	2,445.53
Total	3,608.52	2,476.58

*Escrow account includes application money recieved at the time of IPO.

16. Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Loans to employees	9.36	2.48
Total	9.36	2.48

17. Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deposit with others	88.42	46.36
Deposit with Body Corporates	204.36	657.88
Interest accrued on deposits	170.02	94.40
Total	462.80	798.64

18. Other current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balances with government authorities	3.49	19.12
Advances to suppliers	14.66	57.10
Other advances	4.34	24.62
Prepaid expenses	55.15	49.98
Prepaid rent	18.75	10.27
Total	96.39	161.09

19. Equity Share Capital

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Equity share capital	833.42	833.33
Authorised		
107,950,000 equity shares of ₹ 10 each (as at 31 March, 2018: 107,900,000, equity shares of ₹ 10 each)*	1,079.50	1,079.00
Issued, subscribed and fully paid-up		
83,341,610 equity shares of ₹ 10 each (as at 31 March, 2018: 83,332,744 equity shares of ₹ 10 each)	833.42	833.33

Refer notes below

* Pursuant to the Scheme of Amalgamation ["the Scheme"] u/s 230 to 232 of the Companies Act, 2013 among the Parent Company and its erstwhile wholly owned subsidiary Company [Transferor Company] and the approval of National Company Law Tribunal of Delhi and Ahmedabad, the authorised share capital of the transferor Company has been merged with authorised share capital of the Parent Company during the financial year ended 31 March 2019.

- (i) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March, 2019 and 31 March, 2018 is set out below:

(Amount in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity share capital				
At the beginning of the year	83,332,744	833.33	83,066,184	830.66
Issued during the year	8,866	0.09	266,560	2.67
Outstanding at the end of the year	83,341,610	833.42	83,332,744	833.33

- (ii) Details of shares held by shareholders holding more than 5% of shares:

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	26,139,556	31.36%	26,556,220	31.87%
(ii) Dr Vandana Lal	15,931,893	19.12%	15,931,893	19.12%
(iii) West Bridge Crossover Fund, LLC	7,639,459	9.17%	7,687,394	9.22%

- (iii) Terms/ rights attached to equity shares

The Parent Company has only one class of equity shares having par value of ₹ 10 per share, Previous year (₹ 10 per share). Each holder of equity shares is entitled to one vote per equity share. The Group declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(iv) Proposed dividends on equity shares

(Amount in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Proposed dividend on equity shares for the year ended on 31 March 2019: ₹. 3.50 per share (31 March 2018: ₹. 3.00 per share)	291.70	250.00
Dividend distribution tax on proposed dividend	59.96	50.89
	351.66	300.89

(v) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date including the current year:

Particulars	As at 31 March, 2019 No. of shares	As at 31 March, 2018 No. of shares
Bonus equity shares of ₹ 10 each issued by the Company*	45,291,150	50,323,500
Bonus preference shares of ₹ 10 each issued by the Company*	22,471,020	24,967,800
Equity shares of ₹ 10 each issued on conversion of preference shares	26,632,320	26,632,320

* The number of shares are after considering the impact of sub-division of shares on 27 March, 2015 of ₹ 100 each into 10 shares of ₹ 10 each.

In addition, the Parent Company has issued total 3,030,890 (31 March 2018: 3,022,024) equity shares of ₹ 10 each (after considering issue of bonus shares and sub-division of shares of ₹ 100 each into ₹ 10 each), including 1,918,757 (31 March, 2018: 1,918,757) equity shares issued to Dr Lal PathLabs Employee Welfare Trust, during the period of five years immediately preceding the reporting date on exercise of options granted under the Employee Share Option Plan, 2005 and 2010.

(vi) Share options granted under the Company's employee share options plans

- The shareholders of the Parent Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2010' ("ESOP 2010") at the Annual General Meeting held on 20 August, 2010 to grant a maximum of 3,808,960 (after considering bonus shares issued during the previous year and subdivision of shares of ₹ 100 each into 10 shares of ₹ 10 each) options to specified categories of employees of the Parent Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. As per resolution passed on 21 August, 2015, the Parent Company approved to cease further grants under the ESOP 2010. Refer to note 52 for details of options granted, vested and issued under the ESOP 2010.
- The shareholders of the Parent Company approved 'Dr. Lal PathLabs Employees Restricted Stock Unit Plan 2016' ("RSU 2016") at the Annual General Meeting held on 28 July, 2016 to grant a maximum of 1,244,155 Restricted Stock Units ("RSUs") to key employees and directors of the Parent Company. Each RSU granted and vested shall entitle the holder to acquire 1 equity share of ₹ 10 each. Refer to note 52 for details of RSUs granted, vested and issued under RSU 2016.

20. Other equity

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
General reserve	531.71	496.52
Securities premium	927.62	926.73
Share options outstanding account	280.39	179.37
Retained earnings	7,188.62	5,763.91
Capital redemption reserve account	4.45	4.45
Treasury shares	(277.65)	(292.43)
Foreign currency translation reserve	(0.60)	(0.40)
Capital reserve (refer to note 42)	(33.00)	(33.00)
Total	8,621.54	7,045.15

(i) **General reserve** (in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	496.52	480.22
Addition on share options exercised*	35.19	16.30
Balance at the end of the year	531.71	496.52

*Represents difference between the employee share based compensation cost booked and the average cost of equity shares issued under the share options scheme to the eligible employees.

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

(ii) **Securities premium** (in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	926.73	899.86
Additions during the year	0.89	26.87
Balance at the end of the year	927.62	926.73

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(iii) **Share options outstanding account** (in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	179.37	85.42
Compensation options granted during the year	150.46	116.92
Options exercised	(49.44)	(22.97)
Balance at the end of the year	280.39	179.37

The above relates to share options granted by the Parent Company to its employee share option plans. Upon exercise of the share options by the employees of the Parent Company, the proportionate cost of shares exercised is transferred to General Reserves after adjusting the cost of related treasury shares. Further information about share based payments to employees is set out in Note 52.

(iv) **Retained earnings** (in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of the year	5,763.91	4,090.47
Profit for the period	1,991.80	1,707.32
Remeasurement of defined benefit obligation, net of income tax	(19.28)	3.68
Change in Non controlling interest	(0.82)	-
Profit on sale of treasury shares	-	278.48
Less: Appropriations		
Final dividend on equity shares ₹ 3.00 per share for the year ended 31 March 2018	(246.92)	-
Final dividend on equity shares ₹ 1.70 per share for the year ended 31 March 2017	-	(139.04)
Tax on final equity dividend*	(47.98)	(27.21)
Interim dividend on equity shares ₹ 2.50 per share (Previous year ₹ 1.50 per share)	(205.85)	(122.71)
Tax on interim equity dividend**	(46.24)	(27.08)
Balance at the end of the year	7,188.62	5,763.91

*Tax on final equity dividend paid during the year is after adjusting corporate dividend tax of ₹ 3.41 million (previous year ended 31 March, 2018 Nil) paid by a subsidiary company on dividend paid to the Parent Company during the year.

**Tax on interim equity dividend paid during the year is after adjusting corporate dividend tax of ₹ Nil (previous year ended 31 March, 2018 ₹ 1.63 million) paid by a subsidiary company on dividend paid to the Parent Company during the year.

In respect of the year ended 31 March, 2019, the directors of Parent Company propose that a dividend of ₹ 3.50 per share (previous year ended 31 March, 2018 ₹ 3.00 per share) to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 291.70 million (previous year ₹ 250.00 million).

The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on requirements of Companies Act, 2013. Refer Note 19(iv) for details of equity dividend declared.

(v) Capital redemption reserve account		(in ₹ million, unless otherwise stated)	
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018	
Balance at the beginning of the year	4.45	4.45	
Additions during the period	-	-	
Balance at the end of the year	4.45	4.45	

The Parent Company in the previous years had bought back its equity shares and as per requirement of section 77 of Companies Act, 1956, nominal value of the shares so purchased was transferred to capital redemption reserve account.

(vi) Treasury shares		(in ₹ million, unless otherwise stated)	
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018	
Balance at the beginning of the year	(292.43)	(435.82)	
Change during the period	14.78	143.39	
Balance at the end of the year	(277.65)	(292.43)	

During the year ended 31 March, 2012, the Parent Company had constituted EWT Trust to acquire, hold and allocate/transfer equity shares of the Parent Company to eligible employees from time to time on the terms and conditions specified under respective plans. The financial statements of the EWT Trust has been included in the financial statements of the Parent Company in accordance with the requirements of the Ind AS.

Equity shares of the Parent Company purchased from employees and secondary market from time to time in the earlier years and held by EWT as at 31 March, 2019 aggregated to 1,000,822 equity shares (31 March, 2018: 1,054,098 equity shares) of face value ₹ 10 each.

(vii) Foreign currency translation reserve		(in ₹ million, unless otherwise stated)	
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018	
Balance at the beginning of the year	(0.40)	(0.08)	
Change during the period	(0.20)	(0.32)	
Balance at the end of the year	(0.60)	(0.40)	

Exchange differences relating to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(viii) Capital reserve		(in ₹ million, unless otherwise stated)	
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018	
Balance at the beginning of the year	(33.00)	(33.00)	
Balance at the end of the year	(33.00)	(33.00)	

On approval of the Scheme of Amalgamation between the Parent Company (Transferee Company) and its wholly owned subsidiary, by the name of Delta Ria and Pathology Private Limited (Transferor Company) by the Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal on 23 October 2018 and 11 December 2018 respectively, the difference between the carrying value of investments in the books of account of the Transferee Company and the amount of the net assets of Transferor Company has been adjusted in Capital reserve as stipulated in the scheme.

21. Non-controlling interests

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at beginning of the period	37.89	24.39
Share of profit for the period	12.86	10.17
Dividend	(5.00)	(2.41)
Non-controlling interests on further subscription/acquisition in/of Dr. Lal PathLabs Bangladesh Pvt. Ltd.	9.08	5.74
Balance at the end of the year	54.83	37.89

Details of non-wholly owned subsidiaries that have non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have non-controlling interests:

(in ₹ million, unless otherwise stated)

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interests and voting rights held by non- controlling interests		Profit (loss) allocated to non- controlling interests	
		31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Paliwal Diagnostics Private Limited	India	20.00%	20.00%	13.12	8.22
Paliwal Medicare Private Limited	India	20.00%	20.00%	1.20	2.54
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Bangladesh	28.17%	30.00%	(1.46)	(0.59)
			Total	12.86	10.17

(in ₹ million, unless otherwise stated)

Name of subsidiary	Accumulated non-controlling interests	
	31 March, 2019	31 March, 2018
Paliwal Diagnostics Private Limited	31.54	23.22
Paliwal Medicare Private Limited	10.72	9.52
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	12.57	5.15
Total	54.83	37.89

Paliwal Diagnostics Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Non-current assets	68.10	79.37
Current assets	112.73	68.23
Non-current liabilities	-	-
Current liabilities	23.15	30.53
Equity attributable to owners of the Company	126.14	93.85
Non-controlling interests	31.54	23.22

Notes to the Consolidated Financial Statements

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Income	291.33	251.71
Expenses	225.88	210.10
Profit (loss) for the year	65.45	41.61
Profit (loss) attributable to owners of the Company	52.36	33.28
Profit (loss) attributable to the non-controlling interests	13.09	8.33
Profit (loss) for the year	65.45	41.61
Other comprehensive income attributable to owners of the Company	0.13	0.37
Other comprehensive income attributable to the non-controlling interests	0.03	0.09
Other comprehensive income for the year	0.16	0.46
Total comprehensive income attributable to owners of the Company	52.49	33.85
Total comprehensive income attributable to the non-controlling interests	13.12	8.22
Total comprehensive income for the year	65.61	42.07
Dividends paid to non-controlling interests	5.00	2.41
Net cash inflow (outflow) from operating activities	79.34	47.71
Net cash inflow (outflow) from investing activities	(51.23)	(32.05)
Net cash inflow (outflow) from financing activities	(25.66)	(12.04)
Net cash inflow (outflow)	2.45	3.62

Paliwal Medicare Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Non-current assets	24.17	34.40
Current assets	33.18	16.41
Non-current liabilities	-	-
Current liabilities	3.77	3.23
Equity attributable to owners of the Company	42.86	38.06
Non-controlling interests	10.72	9.52

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Income	46.32	46.80
Expenses	40.34	34.09
Profit (loss) for the year	5.98	12.71
Profit (loss) attributable to owners of the Company	4.78	10.17
Profit (loss) attributable to the non-controlling interests	1.20	2.54
Profit (loss) for the year	5.98	12.71
Other comprehensive income/(loss) attributable to owners of the Company	0.02	(0.01)
Other comprehensive income attributable to the non-controlling interests	-	-
Other comprehensive income/(loss) for the year	0.02	(0.01)
Total comprehensive income attributable to owners of the Company	4.80	10.16
Total comprehensive income attributable to the non-controlling interests	1.20	2.54
Total comprehensive income for the year	6.00	12.70
Dividends paid to non-controlling interests	-	-
Net cash inflow (outflow) from operating activities	6.82	17.47
Net cash inflow (outflow) from investing activities	(2.41)	(17.83)
Net cash inflow (outflow) from financing activities	-	-
Net cash inflow (outflow)	4.41	(0.36)

Dr. Lal PathLabs Bangladesh Pvt. Ltd.

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Non-current assets	39.09	18.37
Current assets	26.26	10.81
Non-current liabilities	-	-
Current liabilities	20.72	11.61
Equity attributable to owners of the Company	32.06	12.42
Non-controlling interests	12.57	5.15

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Revenue	34.30	7.67
Expenses	39.30	9.24
Profit (loss) for the year	(5.00)	(1.57)
Profit (loss) attributable to owners of the Company	(3.59)	(1.10)
Profit (loss) attributable to the non-controlling interests	(1.41)	(0.47)
Profit (loss) for the year	(5.00)	(1.57)
Other comprehensive income attributable to owners of the Company	(0.11)	(0.27)
Other comprehensive income attributable to the non-controlling interests	(0.05)	(0.12)
Other comprehensive income for the year	(0.16)	(0.39)
Total comprehensive income attributable to owners of the Company	(3.70)	(1.37)
Total comprehensive income attributable to the non-controlling interests	(1.46)	(0.59)
Total comprehensive income for the year	(5.16)	(1.96)
Dividends paid to non-controlling interests	-	-
Net cash inflow (outflow) from operating activities	4.74	(2.87)
Net cash inflow (outflow) from investing activities	(23.42)	(1.96)
Net cash inflow (outflow) from financing activities	31.49	11.84
Net cash inflow (outflow)	12.81	7.01

22. Other financial liabilities - non current

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security deposits	-	63.71
Payment obligation-leasehold land	12.17	12.17
Total	12.17	75.88

23. Other non-current liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deferred revenue- security deposits	-	3.65
Total	-	3.65

24. Trade payables

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total outstanding dues of micro enterprises and small enterprises	22.40	0.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	775.60	653.80
Total	798.00	654.51

Note:

Trade payables are non-interest bearing and are normally settled upto 30 days terms.

Based on the information available with the Group, the balance due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is ₹ 22.40 million (₹ 0.71 million on 31 March 2018) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006.

Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
a. Amounts payable to suppliers under MSMED (suppliers) as on last day		
Principal	22.40	0.71
Interest due thereon	-	-
b. Payments made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest due thereon	-	-
c. Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSMED	-	-
d. Amount of interest accrued and remaining unpaid as on last day	-	-
e. 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.	-	-

25. Other financial liabilities - current

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Payable towards capital goods	44.78	130.13
Creditors against business purchases	-	10.00
Share application money refundable	1.44	1.46
Payment obligation-leasehold land	1.53	1.53
Security deposits received	242.78	126.07
Other payables	0.42	0.42
Total	290.95	269.61

26. Short-term provisions

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for employee benefits		
- Provision for compensated absences	76.18	58.68
- Provision for gratuity (Refer note 40)	57.62	28.39
Total	133.80	87.07

27. Other current liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advances from customers	53.34	55.38
Statutory dues	42.95	71.85
Unearned revenue	12.41	-
Deferred revenue- security deposits	6.12	6.95
Total	114.82	134.18

28. Revenue from operations

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Sale of services	12,033.64	10,568.85
Other operating revenues	0.54	0.33
Total	12,034.18	10,569.18

Revenue disaggregation as per geography has been included in segment information (Refer to note 39).

- (i) The Group generates its entire revenue from contracts with customers for the services at a point in time. The Group is engaged mainly in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations.

The Board of Directors, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore no information has been disclosed in accordance with the requirements of Ind AS 108- 'Operating Segment Reporting'.

- (ii) Transaction price allocated to the remaining performance obligations

The Company has applied practical expedient in Ind AS 115 and has accordingly not disclosed information about remaining performance obligations which are part of the contracts that have original expected duration of one year or less and where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

The Group has applied practical expedient in Ind AS 115 and has accordingly not disclosed information about remaining performance obligations which are part of the contracts that have original expected duration of one year or less and where the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

- iii) Disclosure of contract balances

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Trade receivables (Refer to note 13)	532.23	411.56
Advances from customers (Refer to note 27)	53.34	55.38
Contract liabilities (Unearned revenue) (Refer to note 27)	12.41	-
Total	597.98	466.94

- iv) Movement in contract liabilities during the year:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019
Balance at beginning of the year	-
Add: Addition during the year	12.41
Balance at end of the year	12.41

29. Other income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
a) Interest income from		
- Bank deposits (at amortised cost)	292.03	189.98
- Deposits with bodies corporate (at amortised cost)	46.47	38.12
- Income-tax refund	1.69	0.08
- Others	9.46	10.91
b) Dividend from investments (at FVTPL)	56.97	48.97
c) Others		
- Gain on sale or fair valuation of investments (at FVTPL)	37.05	12.73
- Surrender value of keyman insurance policy (at FVTPL)	6.40	5.76
- Sundry balances written back	3.04	2.55
- Profit on disposal of property, plant and equipment (net)	0.83	-
- Miscellaneous non operating income	5.55	3.10
Total	459.49	312.20

30. Cost of materials consumed

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Inventories at the beginning of the year	261.74	167.95
Add : Purchases	2,636.69	2,354.05
Less : Inventories at the end of the year	(274.92)	(261.74)
Total	2,623.51	2,260.26

31. Employee benefits expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Salaries, wages and bonus	1,769.12	1,539.76
Employee share based compensation	150.46	116.92
Contribution to provident and other funds	79.00	72.69
Gratuity expense	26.52	32.36
Staff welfare expenses	57.76	45.74
Total	2,082.86	1,807.47

32. Finance costs

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Interest others (Including ₹ 0.06 million (31 March 2018: Nil) on TDS)	8.39	8.41
Total	8.39	8.41

33. Depreciation and amortisation expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Depreciation on property, plant and equipment	317.83	264.02
Amortisation of intangible assets	64.37	66.59
Total	382.20	330.61

34. Other expenses

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Electricity and water charges	157.39	153.21
Rent	478.26	488.38
Rates and taxes	10.15	11.28
Insurance	39.20	30.42
Repairs and maintenance		
- Building	27.24	29.68
- Plant and equipment	66.42	49.73
- Others	158.40	143.57
Advertisement and sales promotion	352.68	337.87
Travelling and conveyance	306.66	269.41
Postage and courier	362.87	311.90
Communication costs	81.00	67.41
Commission to directors	7.61	6.82
Printing and stationery	83.93	81.62
Retainership fees to technical consultants	178.20	146.05
Director sitting fees	3.95	2.98
Legal and professional charges	147.37	123.57
Laboratory test charges	22.58	17.69
Payment to auditors (Refer details below)	13.41	9.52
Donation other than to political parties	0.16	0.16
Corporate social responsibility expense (Refer note 47)	46.02	25.83
Loss on disposal / discard of property, plant and equipment (net)	-	0.93
Provision for impairment of trade receivables and advances	51.56	30.14
Bad debts / advances written off (net)	6.52	7.82
Miscellaneous expenses	280.08	239.97
Total	2,881.66	2,585.96
Note		
(i) Payment to the auditors comprise *		
As auditors:		
Audit fees	6.96	5.96
Limited review	1.53	1.42
Tax audit fee	0.65	0.59
Others	2.89	0.64
Reimbursement of expenses	1.38	0.91
Total	13.41	9.52

* including indirect taxes and ₹ 2.35 million (31 March, 2018: ₹ 1.97 million) paid to auditors of subsidiary companies.

35. Income tax

Overview of Direct tax regime

The Group is subject to Indian Income Tax Act, 1961. The Group is assessed for tax on taxable profits determined for each fiscal year beginning on 1 April and ending on 31 March. For each fiscal year, the respective entities profit or loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India ("Indian GAAP") adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of property, plant and equipment, disallowances of certain provisions and accruals, deduction for tax holidays and similar exemptions, the use of tax losses carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess. The combined Indian statutory tax rate for the fiscal year 2017-18 was 34.608% and for the fiscal year 2018-19 was 34.944 %.

Income tax returns submitted by companies are regularly subjected to a comprehensive review and challenge by the tax authorities.

35.1. Income tax recognised in profit and loss

(in ₹ million, unless otherwise stated)

	Year ended 31 March, 2019	Year ended 31 March, 2018
Current tax		
In respect of the current year	1,070.79	929.61
In respect of the prior years	(35.03)	0.04
	1,035.76	929.65
Deferred tax		
In respect of the current year	(52.14)	(40.45)
In respect of the prior years	17.19	6.43
	(34.95)	(34.02)
Total income tax expenses recognised in the current period	1,000.81	895.63

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit before tax	3,005.48	2,613.15
Statutory tax rate	34.944%	34.608%
Income tax expenses calculated at 34.944% (2017-18: 34.608%)	1,050.23	904.36
Effect of differential tax rate	(8.29)	(5.99)
Effect of expenses that are not deductible in determining taxable profit	10.07	8.86
Tax difference on account of deduction under Chapter VI-A	(23.68)	
Non taxable income	(29.01)	(20.95)
Adjustments recognised in relation to current year in relation to previous years	(17.84)	6.47
Deferred tax on defined benefit obligation recognised in OCI	10.63	(1.89)
Others	8.70	4.77
Income tax expenses recognised in profit or loss	1,000.81	895.63

35.2. Income tax recognised in other comprehensive income

	Year ended 31 March, 2019	Year ended 31 March, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	10.63	(1.89)
	10.63	(1.89)

36. Earnings per equity share

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit for the period - (in ₹ million)	1,991.80	1,707.32
Number of equity shares	83,341,610	83,332,744
Weighted average number of equity shares outstanding during the year	83,340,566	83,299,150
Weighted average shares held with the "Dr. Lal PathLabs Employee Welfare Trust"	1,017,473	1,394,611
Dilutive impact of options outstanding	159,829	106,356
Basic earnings per share of ₹ 10 each	24.19	20.85
Diluted earnings per share of ₹ 10 each	24.15	20.82
Face value per share -(in ₹)	10	10

36.1. Reconciliation of weighted average number of ordinary shares used a denominator in calculating basic and diluted earnings per share

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Weighted average number of shares for calculating basic earnings per share	82,323,093	81,904,539
Add : share options outstanding	159,829	106,356
Weighted average number of shares for calculating dilutive earnings per share	82,482,922	82,010,895

37. Capital and other commitments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	9.26	6.89
Other Commitments	-	-

38. Contingent liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
i) Claims against the Company not acknowledged as debts*	83.75	78.20
ii) The Hon'ble Supreme Court in a recent ruling dated 28 February, 2019 has passed a judgement on the definition and scope of 'Basic Wages' under the Employees' Provident Funds & Miscellaneous Provision Act, 1952.		
Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the financial statements, if any, cannot be ascertained.		

* Based on the discussions with the solicitor/ expert opinions taken/status of the case, the management believes that the Group has strong chances of success in above mentioned cases and hence no provision there against is considered necessary at this point in time as the likelihood of liability devolving on the Group is less than probable.

39. Segment Reporting

The Group is engaged solely in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations.

The Board of Directors, which has been identified as being the chief operating decision maker (CODM), evaluates the Group's performance, allocates resources based on the analysis of the various performance indicators of the Group as a single unit. Therefore there is no reportable segment for the Group, in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments', notified under the Companies (Indian Accounting Standard) Rules, 2015.

Information about geographical areas

- a) The Group is domiciled in India. The amount of its revenue from operations from external customers broken down by location of customers is tabulated below:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
India	11,839.97	10,437.40
Outside India	194.21	131.78
Total	12,034.18	10,569.18

- b) The Company's non-current assets (excluding financial assets, non-current tax assets, deferred tax assets and certain other non-current assets) broken down by location of customers is tabulated below:

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2019	As at 31 March, 2018
India	2,073.76	2,141.66
Outside India	48.96	29.21
Total	2,122.72	2,170.87

c) Information about major customers

No single customer contributed more than 10% or more to the Group's revenue during the years ended 31 March, 2019 and 31 March, 2018.

40. Employee benefit plans

40.1 Defined contribution plans

The Group operates defined contribution retirement benefit plans for all its qualifying employees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Employee benefit under defined contribution plan comprising of provident fund is recognised based on the amount of obligation of the Group to contribute to the plan. The contribution is paid to Provident Fund authorities which is expensed during the year.

The total expense recognised in profit or loss of ₹ 53.09 million (for the year ended 31 March, 2018: ₹ 47.05 million) represents contributions payable to provident fund by the Group at rates specified in the rules of the plans. As at 31 March, 2019, contributions of ₹ 16.20 million (as at 31 March, 2018: ₹ 8.01 million) due in respect of the reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

40.2 Defined benefit plans

Gratuity: The Group operates both funded and unfunded gratuity benefit plan. Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary for each completed year of service, subject to a maximum of ₹ 2.00 million. Vesting occurs upon completion of 4.5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

40.3 The Group is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan assets is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in Insurer managed funds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

40.4 Actuary assumptions - Gratuity:

Date of Valuation	Refer note below	As at 31 March, 2019	As at 31 March, 2018
Discount rate	1	7.39-7.77%	7.66-7.86%
Rate of salary increase	2	5-9%	7-25%
Rate of return	3	7.39%	7.66%
Retirement age		60-65	60-65 years
Attrition rate		1-21%	2.88 - 17%
Mortality table		Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)

Notes:

- The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.
- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

40.5 Amounts recognised in the financial statements before allocation in respect of these defined benefit plans are as follows:

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Service cost :		
Current service cost	23.39	19.40
Past service cost and (gain)/loss from settlements	-	12.33
Net interest expense	3.13	0.63
Components of defined benefit costs recognised in employee benefit expenses	26.52	32.36
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(1.50)	(0.46)
Actuarial (gains)/losses arising from changes in demographic assumptions	2.71	1.16
Actuarial (gains)/losses arising from changes in financial assumptions	(28.69)	8.51
Actuarial (gains)/losses arising from experience adjustments	57.26	(14.75)
Components of remeasurement	29.78	(5.54)
Total	56.30	26.82

40.6 Movements in the present value of the defined benefit obligation are as follows:

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Opening defined benefit obligation	118.66	91.28
Current service cost	23.39	19.40
Interest cost	9.46	6.93
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	2.71	1.16
Actuarial gains and losses arising from changes in financial assumptions	(28.69)	8.51
Actuarial gains and losses arising from experience adjustments	57.26	(14.75)
Past service cost, including losses/(gains) on curtailments	(0.16)	12.33
Benefits paid	(5.72)	(6.20)
Closing defined benefit obligation	176.91	118.66

40.7 The amount included in the Consolidated Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows :

(in ₹ million, unless otherwise stated)		
Particulars	As at 31 March, 2019	As at 31 March, 2018
Present value of funded defined benefit obligation	176.91	118.66
Fair value of plan assets	(119.29)	(90.27)
Funded status	-	-
Net liability arising from defined benefit obligation	57.62	28.39

40.8 Movements in the fair value of the plan assets are as follows :

(in ₹ million, unless otherwise stated)		
Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Opening fair value of plan assets	90.27	79.28
Interest income	6.33	6.30
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial gain/ (loss) on plan assets	1.50	0.46
Contributions from the employer	25.70	10.10
Benefits paid	(4.51)	(5.87)
Closing fair value of plan assets	119.29	90.27

Parent Company expected to contribute ₹ 55.00 million to gratuity fund in the next year (For the year ended 31 March, 2018 ₹ 25.50 million).

40.9 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Particulars	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2019	As at 31 March, 2018
Insurer managed funds	119.29	90.27

40.10 Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Particulars	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2019	As at 31 March, 2018
Discount rate		
- Impact due to increase of 100 basis points	(9.99)	(9.33)
- Impact due to decrease of 100 basis points	10.74	9.85
Salary increase		
- Impact due to increase of 100 basis points	10.58	7.69
- Impact due to decrease of 100 basis points	(9.20)	(6.61)
Withdrawal Rate		
- Impact due to 25% increase	(0.33)	(3.03)
- Impact due to 25% decrease	0.43	3.36

41. Operating lease arrangements

The Group as a Lessee

Office premises and equipment are obtained on operating lease.

Payment recognised as an expense

Particulars	(in ₹ million, unless otherwise stated)	
	Year ended 31 March, 2019	Year ended 31 March, 2018
Minimum lease payments	478.26	488.38

The lease terms of the Group range from 1-9 years and are generally cancellable at the option of the either party. However, there is lock in period in case of few leases. Future minimum lease payments are as follows

Non-cancellable operating lease commitments

Particulars	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2019	As at 31 March, 2018
Not later than one year	66.64	118.84
Later than one year but not later than five years	44.39	87.84
Later than five years	-	-

The Group has undertaken various agreements with equipment manufacturer suppliers. As per agreements, the Group will get equipment free of cost and reagents have to be purchased from those specific vendors only. The Group has assessed the conditions as specified in the Ind AS -17 'Leases', for determining whether the said arrangement is under operating lease or finance lease. Based on the evaluation of case, the nature of lease cannot be determined and hence the Group continues to treat the purchase of reagents in consumption cost with no element of rental /interest therein.

The Group as a Lessor

The Group has entered into operating sub-lease arrangements for a premise. These arrangements are cancellable in nature. Lease rental income earned by the Group is disclosed in 'Other income'. The Group did not have any non-cancellable operating lease receivables as at 31 March 2019 and 31 March 2018.

Amount recognised as an income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Sub-lease payments received	2.64	1.84

42. The Board of Directors of the Parent Company in their meeting, held on 12 May, 2017, approved the "Scheme of Amalgamation" of Delta Ria and Pathology Private Limited (Transferor Company), a wholly owned subsidiary, with the Parent Company (Transferee Company) w.e.f. 1 April, 2017 (the appointed date). As per the said scheme the undertaking of this company shall stand transferred to and vested in the Parent Company on a going concern basis without any further act, deed of matter.

The Scheme envisages transfer of all properties, rights, assets, interests and claims of the Transferor Company to the Transferee Company. Pursuant to the scheme coming into effect, all the equity shares held by the Transferee Company in Transferor Company stand automatically cancelled.

The Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal ('Hon'ble Tribunal' or 'NCLT') sanctioned the Scheme of Amalgamation on October 23, 2018 and December 11, 2018 respectively. The Transferor Company was engaged in business of running laboratories for carrying out pathology investigation of patients in various disciplines of medical sciences.

The amalgamation has been accounted for under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The difference between the carrying value of investments in the books of the Transferee Company and the amount of the net assets of Transferor Company has been adjusted in Capital Reserve as per the scheme. The impact of the amalgamation has been given from the date on which the Transferee Company obtained the control of the Transferor Company i.e. 21 December, 2016 in accordance with the pooling of interests method prescribed under Ind AS 103 Business Combinations.

Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars	As at December, 2016
Assets	
Current assets	1.47
Non-current assets	1.03
Total Assets	2.50
Current liabilities	1.41
Net Assets acquired on amalgamation	1.09
Investment in books of transferee Company*	34.09
Transfer to Capital Reserve	33.00

*The share capital of the transferor Company has been cancelled with the transferee Company's investment.

43. During the current year, two wholly owned subsidiaries of the Parent Company, Dr. Lal Ventures Private Limited and PathLabs Unifiers Private Limited have been incorporated in India. The Parent Company has subscribed to equity share capital amounting to ₹ 1.00 million in each of these subsidiaries.
44. Subsequent to the year end, 'Pathlabs Unifiers Private Limited' (wholly owned subsidiary of Parent Company) has purchased the business of "Bawankar Pathology" engaged in the business of providing pathological diagnostics services in Bhandara, on a going concern basis for a purchase consideration of ₹ 52.00 million (including goodwill of ₹ 47.69 million).

Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars	As at 1 April, 2019
Assets	
Current assets	0.47
Non-current assets	3.84
Total Assets	4.31
Current liabilities	-
Net Assets acquired on acquisition	4.31
Investment made	52.00
Goodwill on acquisition	47.69

45. During the year ended 31 March 2018, the Parent Company, as approved in the Board of Directors meeting, held on 7 August, 2017, had acquired 70% equity stake in "Dr. Lal Path Labs Bangladesh Pvt. Ltd., Bangladesh", engaged in the business of providing pathological diagnostics services in Bangladesh, on a going concern basis through purchase and subscription for a total consideration of ₹ 18.09 million.

During the current year, the Parent Company has made a further investment of ₹ 24.58 million in this subsidiary Company through subscription of additional shares resulting in increase in shareholding by 1.83% to 71.83%.

46. Paliwal Diagnostics Private Limited (a wholly owned subsidiary of the Parent Company) had, during the previous year ended 31 March, 2018, purchased the business of "Satya Pathology & Diagnostic Centre" engaged in providing pathological diagnostics services in Kanpur, on a going concern basis for a purchase consideration of ₹ 20 Million. The net assets acquired on the acquisition of Satya Pathology & Diagnostic centre was ₹ 1.42 million and the balance amount of ₹ 18.58 million was recorded as Goodwill.
47. In light of Section 135 of the Companies Act, 2013, the Group has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹ 46.02 Million (Previous year ₹ 25.83 Million) for CSR activities.

Particulars	(in ₹ million, unless otherwise stated)	
	Year ended 31 March, 2019	Year ended 31 March, 2018
a) Gross amount required to be spent by the Group during the year	46.02	37.47
b) Amount spent during the year on the following in cash		
i. Construction/ acquisition of any asset	Nil	Nil
ii. On purpose other than (i) above	46.02*	25.83*

*The Group has contributed ₹ 46.02 Million (Previous year ₹ 25.80 Million) to "Lal PathLabs Foundation" (formerly known as "Dr. Lal PathLabs Welfare Trust") which is carrying out Corporate Social Responsibility (CSR) activities on behalf of the Company, as mentioned in Schedule VII of Companies Act, 2013.

48. Financial Instruments

(a) Capital management

The Group's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group adjusts the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group has investments in fixed deposits with banks, corporates and in mutual fund schemes wherein underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings.

The Group has no outstanding debt as at the end of reporting period. Accordingly, the Group has not calculated gearing ratio as at 31 March, 2019 and 31 March, 2018.

(b) Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March, 2019

Financial assets	(in ₹ million, unless otherwise stated)				
	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	1,847.79	-	-	1,847.79	1,847.79
Trade receivables	-	-	532.23	532.23	532.23
Cash and cash equivalents	-	-	1,293.87	1,293.87	1,293.87
Bank balances other than cash and cash equivalents above	-	-	3,608.52	3,608.52	3,608.52
Loans	-	-	9.41	9.41	9.41
Other financial assets	44.14	-	621.73	665.87	665.87
Total	1,891.93	-	6,065.76	7,957.69	7,957.69

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Trade payables	-	-	798.00	798.00	798.00
Other financial liabilities	-	-	303.12	303.12	303.12
Total	-	-	1,101.12	1,101.12	1,101.12

As at 31 March, 2018

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	1,447.98	-	-	1,447.98	1,447.98
Trade receivables	-	-	411.56	411.56	411.56
Cash and cash equivalents	-	-	658.48	658.48	658.48
Bank balances other than cash and cash equivalents above	-	-	2,476.58	2,476.58	2,476.58
Loans	-	-	3.06	3.06	3.06
Other financial assets	39.45	-	1,137.79	1,177.24	1,177.24
Total	1,487.43	-	4,687.47	6,174.90	6,174.90

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Trade payables	-	-	654.51	654.51	654.51
Other financial liabilities	-	-	345.49	345.49	345.49
Total	-	-	1,000.00	1,000.00	1,000.00

(c) Fair value measurement

This note provides information about how the Group determines fair values of various financial assets.

(in ₹ million, unless otherwise stated)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31 March, 2019	31 March, 2018		
Current investment:				
Investment in mutual funds*	1,847.79	1,447.98	Level II	NAV declared by respective Asset Management Companies.
Surrender value of keyman insurance policy	44.14	39.45	Level II	Surrender value declared by Insurance Companies.

* Short-term marketable securities not traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Fair value of financial assets and financial liabilities that are not measured at fair value

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the Consolidated Financial Statements approximate their fair values.

(d) Risk management framework

The Group's businesses are subject to several risks and uncertainties including financial risks. The Group's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Group's risk management process is in line with the Corporate policy. Each significant risk has a designated 'owner' within the Group at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Group's risk situation
- improve financial returns

Treasury management

The Group's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximisation.

Financial risk

The Group has approved financial risk policies comprising liquidity, foreign currency, interest rate and counterparty credit risk. The Group does not engage in the speculative treasury activity but seeks to manage risk and optimise interest through proven financial instruments.

(i) Liquidity risk

The Group requires funds for short-term operational needs and the parent company has been rated by CRISIL Limited (CRISIL) for its banking facilities in line with Basel II norms.

The Group remains committed to maintaining a healthy liquidity, gearing ratio, and strengthening the balance sheet. The maturity profile of the Group's financial liabilities and realisability of financial assets based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual cash obligation of the Group.

(in ₹ million, unless otherwise stated)

As at 31 March, 2019					
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<u>Non-current</u>					
Other non current financial liabilities	-	3.05	3.05	12.17	18.27
<u>Current</u>					
Trade payables	798.00	-	-	-	798.00
Other current financial liabilities	290.95	-	-	-	290.95
Total	1,088.95	3.05	3.05	12.17	1,107.22

(in ₹ million, unless otherwise stated)

As at 31 March, 2018					
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<u>Non-current</u>					
Other non current financial liabilities	-	66.76	3.05	12.17	81.98
<u>Current</u>					
Trade payables	654.51	-	-	-	654.51
Other current financial liabilities	269.61	-	-	-	269.61
Total	924.12	66.76	3.05	12.17	1,006.10

As at 31 March, 2019, the Group had access to funding facilities of ₹ 100 Million (entire amount not drawn) as set out below:

(in ₹ million, unless otherwise stated)			
	Total Facility	Drawn	Undrawn
Unsecured cash credit facility at variable rate of interest, reviewed annually and payable at call	100.00	-	100.00
Total	100.00	-	100.00

As at 31 March, 2018, the Group had access to funding facilities of ₹ 100 Million (entire amount not drawn) as set out below:

(in ₹ million, unless otherwise stated)			
	Total Facility	Drawn	Undrawn
Unsecured cash credit facility at variable rate of interest, reviewed annually and payable at call	100.00	-	100.00
Total	100.00	-	100.00

(ii) **Interest rate risk**

Fixed rate financial assets are largely interest bearing fixed deposits held by the Group. The returns from these financial assets are linked to bank rate notified by Reserve Bank of India as adjusted on periodic basis. The Company does not charge interest on overdue trade receivables. Trade payables are non interest bearing and are normally settled up to 30 days terms. Mutual fund investments have debt securities as underlying assets and are exposed to floating interest rates.

The exposure of the Group's financial assets as at 31 March, 2019 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)				
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.05	0.05
Other financial assets	-	123.92	79.15	203.07
	-	123.92	79.20	203.12
Current				
Investments	1,847.79	-	-	1,847.79
Trade receivables	-	-	532.23	532.23
Cash and cash equivalents	-	1,056.62	237.25	1,293.87
Bank balances other than cash and cash equivalents above	-	3,606.88	1.64	3,608.52
Loans	-	-	9.36	9.36
Other financial assets	-	374.38	88.42	462.80
	1,847.79	5,037.88	868.90	7,754.57
Total	1,847.79	5,161.80	948.10	7,957.69
Range of interest rate applicable	-	5.25% - 7.75% p.a.	-	

The exposure of the Group's financial liabilities as at 31 March, 2019 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)				
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Other financial liabilities	-	-	12.17	12.17
	-	-	12.17	12.17
Current				
Trade payables	-	-	798.00	798.00
Other financial liabilities	-	-	290.95	290.95
	-	-	1,088.95	1,088.95
Total	-	-	1,101.12	1,101.12

The exposure of the Group's financial assets as at 31 March, 2018 to interest rate risk is as follows:

	(in ₹ million, unless otherwise stated)			
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.58	0.58
Other financial assets	-	270.42	108.18	378.60
	-	270.42	108.76	379.18
Current				
Investments	1,447.98	-	-	1,447.98
Trade receivables	-	-	411.56	411.56
Cash and cash equivalents	-	458.00	200.48	658.48
Bank balances other than cash and cash equivalents above	-	2,475.00	1.58	2,476.58
Loans	-	-	2.48	2.48
Other financial assets	-	752.28	46.36	798.64
	1,447.98	3,685.28	662.46	5,795.72
Total	1,447.98	3,955.70	771.22	6,174.90
Range of interest rate applicable	-	4.50% - 9.20% p.a.	-	

The exposure of the Group's financial liabilities as at 31 March, 2018 to interest rate risk is as follows:

	(in ₹ million, unless otherwise stated)			
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Other financial liabilities	-	-	75.88	75.88
	-	-	75.88	75.88
Current				
Trade payables	-	-	654.51	654.51
Other financial liabilities	-	10.00	259.61	269.61
	-	10.00	914.12	924.12
Total	-	10.00	990.00	1,000.00
Range of interest rate applicable	-	10.00% p.a.	-	

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate assets, the analysis is prepared assuming the amount of the assets balance at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Impact on profit or loss for the year for increase in interest rate	17.02	15.71
Impact on profit or loss for the year for decrease in interest rate	(17.02)	(15.71)

(iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and after obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group is exposed to credit risk for receivables, cash and cash equivalents, bank balances other than cash and cash equivalents.

Credit risk management considers available reasonable and supportable forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

The Group makes sales to its customers which have high credit rating.

Only high rated banks are considered for placement of deposits. Bank balances are held with reputed and creditworthy banking institutions.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes.

None of the Group's cash equivalents are past due or impaired. Regarding trade and other receivables, the Company has accounted for impairment based on expected credit losses method as at 31 March, 2019 and 31 March, 2018 based on expected probability of default.

(iv) **Price risks**

The sensitivity of profit or loss in respect of investments in mutual funds at the end of the reporting period for +/-5% change in net asset value is presented below:

Profit before tax for the year ended 31 March, 2019 would increase/decrease by ₹ 4.69 million (For the year ended 31 March, 2018 would increase/decrease by ₹ 3.09 million) as a result of the changes in net asset value of investment in mutual funds.

49. Business Combinations

49.1 Subsidiaries acquired

Year ended 31 March, 2018

(in ₹ million, unless otherwise stated)				
Particulars	Principal activity	Date of acquisition	Proportion of voting interest acquired (%)	Consideration transferred
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Pathology	16-Oct-17	70%	18.09

49.2 Consideration transferred

(in ₹ million, unless otherwise stated)	
Particulars	Dr. Lal PathLabs Bangladesh Pvt. Ltd.
Cash paid/payable	18.09
	18.09

49.3 Assets acquired and liabilities recognised at the date of acquisition

(in ₹ million, unless otherwise stated)	
	Dr. Lal PathLabs Bangladesh Pvt. Ltd.
Cash	5.70
Current assets	0.26
Non-current assets	4.76
Current liabilities	(7.45)
	3.27

49.4 Goodwill arising on acquisition

(in ₹ million, unless otherwise stated)	
	Dr. Lal PathLabs Bangladesh Pvt. Ltd.
Consideration transferred/transferrable	18.09
Less: fair value of identifiable net assets acquired	3.27
	14.82

49.5 Net cash outflow on acquisition of subsidiaries

(in ₹ million, unless otherwise stated)

	Year ended 31 March, 2019	Year ended 31 March, 2018
Consideration paid in cash	-	28.29
Less: Cash and cash equivalent balances acquired	-	5.70
	-	22.59

50. Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	Principal activity	Country of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31 March, 2019	As at 31 March, 2018
Paliwal Diagnostic Private Limited	Diagnostics	India	80.00	80.00
Paliwal Medicare Private Limited	Diagnostics	India	80.00	80.00
APL Institute of Clinical Laboratory & Research Private Limited	Diagnostics	India	100.00	100.00
Dr Lal Ventures Private Limited	Diagnostics	India	100.00	-
PathLabs Unifiers Private Limited	Diagnostics	India	100.00	-
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Diagnostics	Bangladesh	71.83	70.00
Dr Lal PathLabs Nepal Private Limited	Diagnostics	Nepal	100.00	100.00
Dr. Lal PathLabs International B.V.*	Diagnostics	Netherlands	-	-

*No capital has been subscribed.

Disclosure as required by Schedule III of the Companies Act, 2013 on Consolidated Financial Statements as on 31st March, 2019

As at and for the year ended 31 March, 2019

(in ₹ million, unless otherwise stated)

Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Dr. Lal PathLabs Limited	99%	9,308.35	98%	1,954.38	101%	(19.61)	98%	1,934.77
Indian subsidiaries								
Paliwal Diagnostics Private Limited	2%	157.68	3%	65.45	(1)%	0.16	3%	65.61
Paliwal Medicare Private Limited	1%	53.58	-	5.98	-	0.02	-	6.00
APL Institute of Clinical Laboratory & Research Private Limited	-	12.09	-	0.40	-	0.08	-	0.48
Dr Lal Ventures Private Limited	-	0.72	-	(0.28)	-	-	-	(0.28)
PathLabs Unifiers Private Limited	-	0.25	-	(0.75)	-	-	-	-
Overseas subsidiaries								
Dr Lal PathLabs Nepal Private Limited	-	16.74	-	1.05	-	(0.04)	-	1.01
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	-	44.63	-	(5.00)	-	(0.16)	-	(5.16)
Dr. Lal PathLabs International B.V.	-	-	-	-	-	-	-	-
Non controlling interest in subsidiaries	(1)%	(54.83)	-	(12.87)	-	0.01	(1)%	(12.86)
Adjustments on consolidation	(1)%	(84.25)	(1)%	(16.56)	-	0.06	-	(17.25)
Total	100%	9,454.96	100%	1,991.80	100%	(19.48)	100%	1,972.32

As at and for the year ended 31 March, 2018

(in ₹ million, unless otherwise stated)

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Dr. Lal PathLabs Limited	99%	7,765.19	99%	1,682.70	96%	3.23	99%	1,685.93
Indian subsidiaries								
Paliwal Diagnostics Private Limited	2%	117.07	3%	41.61	14%	0.46	3%	42.07
Paliwal Medicare Private Limited	1%	47.58	1%	12.71	-	(0.01)	1%	12.70
APL Institute of Clinical Laboratory & Research Private Limited	-	11.61	-	(2.71)	-	(0.01)	-	(2.72)
Overseas subsidiaries								
Dr Lal PathLabs Nepal Private Limited	-	15.73	(1)%	(7.22)	(2)%	(0.05)	(1)%	(7.27)
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	-	17.57	-	(1.57)	(12)%	(0.39)	-	(1.96)
Dr. Lal PathLabs International B.V.	-	-	-	-	-	-	-	-
Non controlling interest in subsidiaries	(1)%	(37.89)	(1)%	(10.20)	1%	0.03	(1)%	(10.17)
Adjustments on consolidation	(1)%	(58.38)	(1)%	(8.00)	3%	0.10	(1)%	(7.90)
Total	100%	7,878.48	100%	1,707.32	100%	3.36	100%	1,710.68

51. Related Party Disclosures

I. Names of related parties and related party relationship

a. Entities in which key managerial personnel can exercise significant influence

- 1 Central Clinical Laboratory
- 2 Eskay House HUF - Dr. Arvind Lal

b. Key managerial personnel of the parent company

- 1 (Hony.) Brig. Dr. Arvind Lal - Chairman and Managing Director
- 2 Dr. Vandana Lal – Director
- 3 Dr. Om Prakash Manchanda- CEO and Whole Time Director
- 4 Mr. Dilip Bidani - Chief Financial Officer (upto 9 August, 2018)
- 5 Mr. Ved Prakash Goel - Chief Financial Officer (w.e.f from 10 August, 2018)
- 6 Mr. Rajat Kalra - Company Secretary

c. Relatives of key management personnel

- 1 Dr. Archana Lal
(Daughter of (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal)
- 2 Mr. Anjaneya Lal
(Son of (Hony.) Brig. Dr. Arvind Lal and Dr. Vandana Lal)

d. Other related parties

- 1 Lal Pathlabs Foundation (formerly Dr. Lal PathLabs Welfare Trust)
(Trust to manage and administer corporate social responsibilities of the Group under the Companies Act, 2013)
- 2 Dr. Lal Pathlabs Limited Group Gratuity Trust (formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)
(Trust to manage and administer gratuity liability of the Parent Company)

II. Transactions/Outstanding balances with related parties during the year

Particulars	(Figures in bracket relates to previous year) (in ₹ million, unless otherwise stated)			
	Entities in which key managerial personnel can exercise significant influence	Key management personnel	Relatives of key management personnel	Other related parties
A. Transactions during the year				Grand Total
i. Sale of services				
Lal Pathlabs Foundation (formerly Dr. Lal Pathlabs Welfare Trust)	-	-	-	1.44
Total	(-)	(-)	(-)	(3.19)
	-	-	-	1.44
	(-)	(-)	(-)	(3.19)
ii. Compensation of Key Managerial Personnel and their relatives				
The remuneration of key managerial personnel during the year was as follows:				
- Short term employee benefits	-	96.41	2.03	-
- Post employment benefits*	(-)	(86.27)	(2.16)	(-)
- Share based payments to employees**	-	1.21	-	-
Total	(-)	(-)	(-)	(-)
	-	17.82	-	-
	(-)	(210.18)	(-)	(-)
	-	114.23	2.03	-
	(-)	(296.45)	(2.16)	(-)
iii. Reimbursement of expenses				
Lal Pathlabs Foundation (formerly Dr. Lal Pathlabs Welfare Trust)	-	-	-	-
Total	(-)	(-)	(-)	(0.20)
	-	-	-	-
	(-)	(-)	(-)	(0.20)
iv. Repayment of expenses				
Lal Pathlabs Foundation (formerly Dr. Lal Pathlabs Welfare Trust)	-	-	-	-
Total	(-)	(-)	(-)	(0.20)
	-	-	-	-
	(-)	(-)	(-)	(0.20)
v. Contribution to Fund				
Lal Pathlabs Foundation (formerly Dr. Lal Pathlabs Welfare Trust)	-	-	-	46.02
Dr. Lal Pathlabs Limited Group Gratuity Trust (formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)	(-)	(-)	(-)	(25.00)
Total	(-)	(-)	(-)	(10.10)
	-	-	-	71.72
	(-)	(-)	(-)	(35.10)

(in ₹ million, unless otherwise stated)				
Particulars	Entities in which key managerial personnel can exercise significant influence	Key management personnel	Relatives of key management personnel	Other related parties
vi. Rent				
Dr. Vandana Lal – Director	-	1.01	-	-
	(-)	(1.06)	(-)	(-)
Central Clinical Laboratory	0.27	-	-	-
	(0.26)	(-)	(-)	(-)
Eskay House HUF - Dr. Arvind Lal	-	-	-	-
	(0.66)	(-)	(-)	(-)
Total	0.27	1.01	-	-
	(0.92)	(1.06)	(-)	(-)
vii. Professional fees				
Dr. Archana Lal	-	-	3.99	-
(Daughter of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(-)	(1.21)	(-)
Total	-	-	3.99	-
	(-)	(-)	(1.21)	(-)
viii. Dividend paid				
(Hony) Brig. Dr. Arvind Lal - Chairman and Managing Director	-	145.02	-	-
	(-)	(86.31)	(-)	(-)
Dr. Vandana Lal – Director	-	87.63	-	-
	(-)	(50.98)	(-)	(-)
Dr. Om Prakash Manchanda- CEO and Whole Time Director	-	6.68	-	-
	(-)	(2.47)	(-)	(-)
Mr. Dilip Bidani - Chief Financial Officer	-	0.04	-	-
	(-)	(0.04)	(-)	(-)
Mr. Ved Prakash Goel - Chief Financial Officer	-	0.09	-	-
	-	-	-	-
Dr. Archana Lal	-	10.94	-	-
(Daughter of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(6.36)	(-)	(-)
Mr. Anjaneya Lal	-	9.29	-	-
(Son of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(5.41)	(-)	(-)
Eskay House HUF - Dr. Arvind Lal	9.25	-	-	-
	(5.38)	(-)	(-)	(-)
Total	9.25	239.46	20.23	-
	(5.38)	(139.80)	(11.77)	(-)
ix. Share options exercised***				
Dr. Om Prakash Manchanda - Director	-	0.20	-	-
	(-)	(29.53)	(-)	(-)
Mr. Rajat Kalra - Company Secretary****	-	-	-	-
	(-)	(-)	(-)	(-)
Total	-	0.20	-	-
	(-)	(29.53)	(-)	(-)
x. Purchase of property, plant and equipment				
Dr. Vandana Lal – Director	-	8.00	-	-
	(-)	(-)	(-)	(-)
Total	-	8.00	-	-
	(-)	(-)	(-)	(-)

Notes to the Consolidated Financial Statements

(in ₹ million, unless otherwise stated)

B. Outstanding Balances at year end						
Particulars		Entities in which key managerial personnel can exercise significant influence	Key management personnel	Relatives of key management personnel	Other related parties	Grand Total
i. Other non-current assets						
Other advances*****						
Lal Pathlabs Foundation	31 March, 2019	-	-	-	0.10	0.10
(formerly Dr. Lal Pathlabs Welfare Trust)	31 March, 2018	(-)	(-)	(-)	(0.10)	(0.10)
Dr. Lal Pathlabs Limited Group Gratuity Trust	31 March, 2019	-	-	-	0.10	0.10
(formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)	31 March, 2018	(-)	(-)	(-)	(0.10)	(0.10)
Total	31 March, 2019	-	-	-	0.20	0.20
	31 March, 2018	(-)	(-)	(-)	(0.20)	(0.20)
ii. Loans						
Mr. Ved Prakash Goel - Chief Financial Officer	31 March, 2019	-	2.44	-	-	2.44
	31 March, 2018	(-)	(-)	(-)	(-)	(-)
iii. Other financial assets						
Security deposits						
Eskay House HUF - Dr. Arvind Lal	31 March, 2019	0.64	-	-	-	0.64
	31 March, 2018	(0.64)	(-)	(-)	(-)	(0.64)

*The remuneration to the key managerial personnel and their relatives does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Parent Company as a whole.

*** Shares directly issued to the employees by the Company/EWT Trust @ ₹ 10.00 (Previous year @ ₹ 110.80) per equity share of ₹ 10/- each.

**** The amount is less than ₹ 0.01 million.

***** Represents contribution towards corpus fund. Amount is included in advance recoverable under other non-current assets.

52. Share based payments

52.1 Employee Share Option Plan-2010

52.1.1 Details of employee share based plan of the Company

The shareholders of the Parent Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2010' ("ESOP 2010") at the Annual General Meeting held on 20 August, 2010 to grant a maximum of 3,808,960 options to specified categories of employees of the Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. The Parent Company had granted 3,730,340 options till the year ended 31 March, 2015, all of which have all been vested as at 31 March 2019. As per resolution passed on 21 August, 2015, the Company approved to cease any further grants under the ESOP 2010.

The following ESOP 2010 tranches were in existence during the current year:

Grant date	Number	Expiry date	Exercise price (in ₹)	Fair Value at grant date (in ₹)
1 September, 2010	2,972,160	Refer Note 1 below	110.80	168.92
23 January, 2015	162,180	Refer Note 1 below	311.30	490.42

Note 1: All options vest after 48-60 months from date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date on which the Parent Company's shares were listed on a recognised stock exchange in India or a period of 10 years from date of respective vesting, whichever period ends later. Options not exercised within exercise period lapses.

52.1.2 Fair value of share options granted in the year

There were no options granted during the years ended 31 March, 2019 and 31 March, 2018.

52.1.3 Movements in share options during the year

The reconciliation of share options outstanding at the beginning and end of the year:

Particulars	2018-19		2017-18	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	154,116	292.52	420,676	178.47
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	8,866	110.80	266,560	110.80
Expired during the year	-	-	-	-
Balance at end of year	145,250	306.79	154,116	292.52

52.1.4 Share options exercised

The following share options were exercised during the year:

Grant Date	Number exercised	Exercise date	Share price at exercise date (in ₹)
1 September, 2010	8,866	17 May, 2018	875.25
23 January, 2015	-	-	-

52.1.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year has a weighted average exercise price of ₹ 306.79 (as at 31 March, 2018: ₹ 295.52) and a weighted average remaining contractual life of 8.29 years (as at 31 March, 2018: 9.29 years)

52.2 Restricted Share Option Plan

52.2.1 Details of employee share based plan of the Company

The shareholders of the Parent Company approved 'Dr. Lal PathLabs Employees Restricted Stock Unit Plan 2016' ('RSU 2016') at the Annual General Meeting held on 28 July, 2016 to grant a maximum of 12,44,155 Restricted Stock Units ("RSUs") to key employees and directors of the Parent Company. Each RSU granted and vested shall entitle the holder to acquire 1 equity share of ₹ 10 each. Under RSU 2016, for the performance year 2016-17, options of ₹ 10 each granted to eligible employees is 225,000 out of which 6,225 options were forfeited on non satisfaction of vesting conditions. For the performance year 2017-18, options of ₹ 10 each granted to eligible employees is 225,716 and 9,602 options were forfeited on non satisfaction of vesting conditions.

Further, for the performance year 2018-19, options of ₹ 10 each granted to eligible employees is 219,132 and 29,366 options were forfeited on non satisfaction of vesting conditions. The Parent Company has accounted for the expense of options proportionately for the period under employee cost on the basis of weighted average fair value.

The following share- based payment arrangements were in existence during the current and prior years:

Option series	Number	Grant date	Expiry date	Exercise price (in ₹)	Fair Value at grant date (in ₹)
Series 1	203,400	29 July, 2016	Refer Note 1 below	10	943.00
Series 2	3,600	1 August, 2016	Refer Note 1 below	10	953.59
Series 3	8,000	21 September, 2016	Refer Note 1 below	10	1,182.34
Series 4	10,000	10 October, 2016	Refer Note 1 below	10	1,030.56
Series 5	214,716	7 August, 2017	Refer Note 1 below	10	795.15
Series 6	11,000	8 February, 2018	Refer Note 1 below	10	854.73
Series 7	210,132	10 August, 2018	Refer Note 1 below	10	908.45
Series 8	9,000	6 November, 2018	Refer Note 1 below	10	855.73

Note 1: All options vest after 1 year but within 4 years of date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date of respective vesting or such other shorter period as may be decided by the

Nomination and Remuneration Committee from time to time. Options not exercised within the exercise period lapse.

52.2.2 Fair value of share options granted in the year

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Option Series	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7	Series 8
Grant date share price	961.75	972.50	1,201.35	1,049.65	814.25	873.40	939.45	886.75
Exercise price (in ₹)	10	10	10	10	10	10	10	10
Expected Volatility	31.58%	31.58%	31.58%	31.58%	31.48%	21.71%	22.33%	25.66%
Option life	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years
Dividend yield	0.18%	0.18%	0.15%	0.17%	0.22%	0.20%	0.35%	0.37%
Risk-free interest rate	7.32%-7.36%	7.29%-7.35%	6.90%-7.18%	6.76%-6.96%	6.65%-6.96%	7.73%-8.03%	7.99%-8.19%	7.92%-8.01%

52.2.3 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	2018-19		2017-18	
	Number of options	Weighted average exercise price	Number of options (in ₹)	Weighted average exercise price (in ₹)
Balance at beginning of year	411,298	10.00	218,775	10.00
Granted during the year	219,132	10.00	225,716	10.00
Forfeited during the year	28,498	10.00	9,602	10.00
Exercised during the year	53,276	10.00	23,591	10.00
Expired during the year	-	-	-	-
Balance at end of year	548,656	10.00	411,298	10.00

52.2.4 Share options exercised during the year

The following share options were exercised during the year.

Option series	Number exercised	Exercise date	Share price at exercise date (In ₹)
Series 1	37,357	Various dates	Various prices
Series 2	726	Various dates	Various prices
Series 3	2,000	Various dates	Various prices
Series 4	2,500	Various dates	Various prices
Series 5	10,693	Various dates	Various prices
Series 6	-	-	-
Series 7	-	-	-
Series 8	-	-	-

52.2.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year have weighted average exercise price of ₹ 10 (as at 31 March, 2018: ₹ 10) and a weighted average remaining contractual life of 6.45 years (as at 31 March, 2018: 6.68 years)

53. Subsequent to year end, the Parent Company has received a notice dated 22 April, 2019 from the Office of the Commissioner, CGST Gurugram, contending to show cause why service tax (including cess) for an amount of ₹ 2,295.13 million and interest and penalty for the period October, 2013 to June, 2017 should not be levied on the operations of the Company.

The Parent Company is in the process of submitting its response and based on the solicitor/ expert's opinion taken, the management believes that the grounds of the show cause notice are not tenable and hence no provision is considered necessary.

54. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
55. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.
56. Disclosure pursuant to section 186 of the Companies Act 2013:

Sr. No.	Nature of the transaction (loans given/ Investment made/ guarantee given/ security provided)	As at 31 March, 2019	As at 31 March, 2018
1	Loan and advances	-	-
2	Other advances	-	-
3	Guarantees	-	-
4	Current investments	Refer Note 12	Refer Note 12

57. The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 17 May, 2019.

For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Chairman and Managing Director]

Dr. Om Prakash Manchanda
(DIN: 02099404)
[CEO and Whole Time Director]

Ved Prakash Goel
[Chief Financial Officer]

Rajat Kalra
[Company Secretary]

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DR. LAL PATHLABS LIMITED

Corporate Identity Number: L74899DL1995PLC065388

Regd. Office: Block-E, Sector-18, Rohini, New Delhi – 110085

Corporate Office: 12th Floor, Tower B, SAS Tower,
Medicity, Sector-38, Gurugram - 122001

Website: www.lalpathlabs.com; E-Mail cs@lalpathlabs.com

Phone: +91 124 3016500 | Fax: +91 124 4234468

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting ("AGM") of the members of Dr. Lal PathLabs Limited ("the Company") will be held on Monday, August 12, 2019 at 10:30 A.M. at the Air Force Auditorium, Subroto Park, New Delhi – 110010, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone financial statements of the Company for the Financial Year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the Financial Year ended March 31, 2019 and the reports of the Auditors thereon.
2. To declare dividend of ₹ 3.5/- per equity share for the Financial Year ended March 31, 2019.
3. To appoint a Director in the place of Mr. Rahul Sharma (DIN: 00956625), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 including the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Somya Satsangi (DIN: 07275574), who was appointed as an Additional Independent Director of the Company w.e.f. February 8, 2019 and who holds office until the date of the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three consecutive years commencing from February 8, 2019."

5. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 including the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s)

thereof, for the time being in force), Dr. Archana Lal Erdmann (DIN: 08432506), who was appointed as an Additional Director of the Company w.e.f. May 17, 2019 and who holds office until the date of the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable provisions/statute as may be applicable from time to time, the Company hereby ratifies the remuneration of ₹ 60,000/- (Rupees Sixty Thousand Only) plus applicable taxes and out of pocket expenses payable to M/s. A.G. Agarwal & Associates (Firm Registration No. 000531), Cost Accountants, appointed as Cost Auditors of the Company for the Financial Year 2019-20.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board
For **Dr. Lal PathLabs Limited**

Rajat Kalra
Company Secretary and Legal Head
Membership No: A-16947

Place: New Delhi
Date: May 17, 2019

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

Proxies submitted on behalf of the Companies/Bodies Corporate etc., must be supported by an appropriate resolution/authority letter as may be applicable.

The proxy holder shall provide ID proof at the time of attending the Meeting.

2. Members are requested to note that pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the board or governing body resolution/ Power of Attorney authorizing the representatives to attend and vote at the Annual General Meeting at least 48 hours before the AGM.
5. Members/proxies are requested to kindly take note of the following:
 - (i) Copies of the Annual Report will not be distributed at the venue of the meeting;
 - (ii) Attendance Slip, as sent herewith, is required to be produced at the venue duly filled-in and signed, for attending the meeting;
 - (iii) In all correspondence with the Company and/or the R&T Agent (Link Intime India Private Limited), Folio No./DP ID and Client ID no. must be quoted;
 - (iv) No gift or gift coupons will be distributed at the meeting;
 - (v) In case of joint holders, only such joint holder who is named first in the order of names will be entitled to vote;
 - (vi) The copy of attendance slip & proxy form is attached herewith.
6. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business(es) to be transacted at the AGM is annexed hereto.
7. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 are available for inspection at the Registered Office as well as the Corporate Office of the Company during normal business hours on all working days upto the date of the AGM.

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which directors are interested under Section 189 will be made available for inspection by members of the Company at the AGM.
8. The Register of Members and Share Transfer Books will remain closed from Tuesday, August 06, 2019 to Monday, August 12, 2019 (both days inclusive).
9. The dividend on equity shares as recommended by the Directors of the Company for the financial year ended March 31, 2019, if declared at the AGM, will be paid on or after Wednesday, August 21, 2019 to those members whose names appear on the Register of Members as on Monday, August 05, 2019. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Monday, August 05, 2019 as per the details furnished by the depositories viz. National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
10. Electronic copy of the Notice convening the 25th AGM of the Company, Annual Report along with the Attendance Slip and Proxy Form are being sent to the Members who have registered their e-mail ids with the Company / Depository Participant(s). For Members who have not registered their e-mail ids or who opt to receive the aforesaid documents in physical form, hard copies shall be sent in the permitted mode. The Notice along with the Attendance Slip and Proxy Form and Annual Report for Financial Year 2018-19 shall also be available on the Company's website www.lalpathlabs.com.
11. A Certificate received from the Auditors of the Company that Employee Stock Option Schemes have been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed at the relevant Annual General Meeting of the Company shall be placed at the ensuing AGM and is open for inspection at the registered office as well as corporate office of the Company during office hours on any working day upto the date of AGM.
12. The shareholders at the 23rd AGM, approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W - 100018), as the Statutory Auditors, for a period of five (5) years i.e. from the conclusion of the 23rd AGM till the conclusion of 28th AGM of the Company subject to ratification of the appointment by the shareholders at every Annual General Meeting.

However, pursuant to the notification dated May 07, 2019, issued by the Ministry of Corporate Affairs, the requirement for ratification of Statutory Auditors at every Annual General Meeting has been done away with.

The Statutory Auditors M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, have vide their letter dated June 15, 2019, confirmed that they have not been disqualified to act as Statutory Auditors of the Company and that their continuation is within the maximum company ceiling limit as prescribed under Section 141 of Companies Act, 2013 / relevant statute.
13. Members who have not registered their E-Mail ID so far or have changed their E-Mail ID are requested to update the same with the RTA of the Company / Depository Participant(s) for receiving all future communication(s) including Annual Report, Notices, Circulars etc. from the Company electronically.
14. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to maintain bank details of its Members for the purpose of payment of Dividend etc. Members are requested to register/

update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode, to enable expeditious credit of the dividend to their bank accounts electronically.

15. Members who have not encashed their Dividend amount/warrants/IPOs refund till date are requested to do so. Details of unclaimed dividend amount/ IPO refund amounts is available on the website of the Company and can be accessed at <https://www.lalpathlabs.com/investor/unclaimed-unpaid-amount.aspx>.
16. The Securities and Exchange Board of India (SEBI) vide its notification dated November 30, 2018 mandated that, except in case of transmission or transposition, securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. In view of this and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company /RTA for registration of transfer of securities.
18. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-13 to the RTA of the Company. Further, members desirous of cancelling/varying nomination pursuant to Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14 to the RTA of the Company. These forms will be made available on request.
19. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard for General Meetings (SS-2) in respect of director(s) recommended for re-appointment is appended hereunder, after point no. 31.
20. Members are requested to send their queries, if any on the financials or operations of the Company, to reach the Company Secretary at the Company's Registered/Corporate Office, at least 10 days before the AGM, so that the information can be compiled in advance.
21. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies

(Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ("Amended Rules 2015"), and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility of voting through electronic means ("remote e-voting") on all the resolutions set forth in this notice, through e-voting services provided by Central Depository Services (India) Limited ("CDSL").

22. The facility for physical voting through Ballot Paper shall be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through 'Ballot Paper'.
23. The members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
24. The remote e-voting period commences on Thursday, August 08, 2019 at 10:00 A.M. and ends on Sunday, August 11, 2019 at 5:00 P.M. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Monday, August 05, 2019 ("the cut-off date") may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
25. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii) above.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for Dr. Lal PathLabs Limited on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL'S mobile app "m-Voting" available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting from your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

26. The Board of Directors of the Company has appointed M/s PDS & CO. (Company Secretaries) as Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

27. The Chairman of the AGM shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
28. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and provide not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or in his absence, a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
29. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.lalpathlabs.com and on the website of CDSL immediately after the result declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
30. Members can also provide their feedback on the Shareholders Services of the Company by filling the **"Shareholders Satisfaction Survey"** attached to this notice and emailing the same at cs@lalpathlabs.com through their registered e-mail ID or sending the signed copy at the Corporate Office of the Company at 12th Floor, Tower B, SAS Tower, Medicity, Sector-38, Gurugram – 122001.

Your feedback will help the Company in improving its Shareholders Service Standards.
31. Route map to reach at the venue for the Annual General Meeting is attached with this Notice.

Brief Profile of Directors seeking re-appointment/appointment in the 25th Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard for General Meetings (SS-2) are as mentioned below:

Particulars	Mr. Rahul Sharma	Ms. Somya Satsangi	Dr. Archana Lal Erdmann
DIN	00956625	07275574	08432506
DOB	14-09-1960	14-01-1970	23-04-1981
Date of First Appointment to the Board	July 22, 2005	February 8, 2019	May 17, 2019
Brief Resume, Age and Nature of Expertise in specific functional areas	Mr. Rahul Sharma, Aged about 58 years, is a non-executive Director on our Board. He studied Mathematics at the University of Delhi and commerce at the Kakatiya University. He has about 25 years of experience in the field of human resources. Mr. Rahul is presently the Chairman and Managing Director of HYDRIO, a technology enabled end-to-end recruiting solutions and on-boarding platform. He has over 26 years of experience covering the human resources sector and executive recruiting. Previously he was a Partner at Executive Access, a leading executive search firm in Asia. He joined the firm in 1993 and was a key senior member of the firm's Asia Pacific Banking and Finance executive recruiting and consulting practice. Prior to Executive Access, he was with State Bank of India. He joined the bank as a Probationary Officer in 1987 and went onto manage a variety of portfolios in India and Japan. His sporting achievements in cricket include representing Delhi in the Ranji Trophy and also captaining and representing Hong Kong in One Day Internationals. He has been a Director of our Company since 2005, and is a member of our Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee.	Ms. Somya Satsangi, 49 years, holds a Bachelor of Science in Chemistry (Honors) from University of Delhi. She is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. She has also completed courses in Corporate Finance (Mergers and Acquisitions) at IIM, Ahmedabad and Change Management Strategy at London Business School. Ms. Satsangi brings 27 years of rich experience in Business Consulting and IT industry having worked with Amrop India, CA Technologies, TCS and Arthur Andersen across Europe, India and the US in varied senior management roles encompassing Business Development, Strategy and Operations. She also advises start-ups, mentoring founders to evolve business models. Ms. Satsangi is an Independent Director of our Company and is a chairperson of Risk Management Committee.	Archana Lal Erdmann holds an MBBS degree (Bachelor of Medicine and Bachelor of Surgery) from Bharati Vidyapeeth Medical College, Pune and completed M.D. & DNB (Pathology) from Sri Ramachandra University, Chennai, Tamil Nadu. Dr. Archana is an American board certified Geneticist, and completed fellowships in Clinical Cytogenetics and Clinical Molecular Genetics from Stanford University School of Medicine, California, USA. Dr. Archana brings 10 years of experience in laboratory genetics and genomics testing with a focus on research for genetic tests for both inherited and acquired genetic diseases, developing next generation sequencing-based tests for genotyping tumors, clinical variant curation, and expanding the scope of genetic testing with the goal of identifying patients eligible for novel targeting therapies.
Shareholding in the Company either directly or in form of beneficial interest for any other person	20,197 Equity Shares	Nil	19,89,061 Equity Shares
Relationship with other Directors & KMP's	None	None	Dr. Archana Lal Erdmann is the daughter of (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal, Promoters and Directors of the Company.

Particulars	Mr. Rahul Sharma	Ms. Somya Satsangi	Dr. Archana Lal Erdmann
No. of Meetings of the Board attended during the year	As mentioned in the Corporate Governance Report	As mentioned in the Corporate Governance Report	Not Applicable
Directorships held in other Companies	None	None	Genecode Health Private Limited
Membership / Chairmanship of Committees of other companies	None	None	None
Remuneration sought to be paid/last drawn	Remuneration sought to paid In accordance with the Shareholders approval dated October 10, 2018, the Company proposes to pay commission to the Non-Executive Directors in such amounts or proportion and in such manner, as the Board of Directors may from time to time determine, based on performance of the Company and performance evaluation of each such Director and subject to a maximum of ₹ 10,00,000/- (Ten Lakhs) per annum per Director, if such director is not a Chairperson of any Board Committee and an additional ₹ 2,50,000/- (Two Lakhs Fifty Thousand) per annum for each Board Committee in which any such Director is a chairperson.		
	Remuneration last drawn As mentioned in the Corporate Governance Report	Remuneration last drawn As mentioned in the Corporate Governance Report	Remuneration last drawn Not Applicable
Terms and conditions of appointment/ re-appointment	Mr. Sharma is proposed to be re-appointed as a Director, liable to retire by rotation	As per the resolution at item no. 4 of this AGM Notice, Ms. Somya Satsangi is proposed to be appointed as an Independent Director, not liable to retire by rotation, for a term of 3 years.	As per the resolution at item no. 5 of this AGM Notice, Dr. Archana Lal Erdmann is proposed to be appointed as a Director, liable to retire by rotation.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.4

On the recommendation of the Nomination and Remuneration Committee, Ms. Somya Satsangi was appointed as an Additional (Independent) Director of the Company effective February 8, 2019 and pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act"), she will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed as Independent Director of the Company.

The Board considers that it is in the interest of the Company to continue to receive the benefit of Ms. Somya Satsangi's advise and guidance and accordingly recommends her appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of three consecutive years commencing from February 8, 2019.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Somya Satsangi for the office of Director of the Company.

The Company has received from Ms. Somya Satsangi (i) Consent to act as Director in Form DIR-2; (ii) Intimation in Form DIR-8, to the effect that she is not disqualified under Section 164(2) of the Act; (iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Act; and (iv) a certificate stating that she is not debarred from appointment pursuant to any order of SEBI or any other Authority.

Further, in the opinion of the Board, Ms. Somya Satsangi fulfills the conditions specified in the Act and Rules made thereunder for her appointment as an Independent Director of the Company and is independent of the Management. A copy of the letter of appointment of Ms. Somya Satsangi setting out the terms and conditions of her appointment shall be available for inspection at the Registered Office as well as the Corporate Office of the Company during normal business hours on all working days upto the date of the Annual General Meeting.

Save and except Ms. Satsangi, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of members by way of an ordinary resolution.

ITEM NO.5

On the recommendation of the Nomination and Remuneration Committee Dr. Archana Lal Erdmann was appointed as an Additional (Non-Executive) Director of the Company effective May 17, 2019 and pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act"), she holds office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed as a Director of the Company.

The Board considers that it is in the interest of the Company to receive the benefit of Dr. Archana Lal Erdmann's advise and guidance and accordingly recommends her appointment as a Director, liable to retire by rotation.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Dr. Archana Lal Erdmann for the office of Director of the Company.

The Company has received from Dr. Archana Lal Erdmann (i) Consent to act as Director in Form DIR-2; (ii) Intimation in Form DIR-8, to the effect that she is not disqualified under Section 164(2) of the Act; and (iii) a certificate stating that she is not debarred from appointment pursuant to any order of SEBI or any other Authority.

Dr. Archana Lal Erdmann is the daughter of (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal, Promoters and Directors of the Company therefore Dr. Archana Lal Erdmann, (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal may be deemed to be interested in the resolution set out at item no. 5 of the Notice, to the extent of their shareholding interest in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of members by way of an ordinary resolution.

ITEM NO.6

The Board of Directors of the Company in their meeting held on May 17, 2019, on recommendation by the Audit Committee, appointed M/s. A.G. Agarwal & Associates (Firm Registration Number: 000531), Cost Accountants, as the Cost Auditors for the Financial Year 2019-20 at a remuneration of ₹ 60,000 (Rupees Sixty Thousand only) plus applicable taxes and out of pocket expenses.

As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the cost auditors is to be ratified by the members of the Company.

The Board considers the remuneration payable to the Cost Auditors as fair and recommends the resolution contained in Item no. 6 of the accompanying notice for approval of the members as an Ordinary Resolution.

None of the Directors or KMP's or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of members by way of an ordinary resolution.

By Order of the Board
For **Dr. Lal PathLabs Limited**

Rajat Kalra
Company Secretary
Membership No: A-16947

Place: New Delhi
Date: May 17, 2019



DR. LAL PATHLABS LIMITED

Corporate Identity Number: L74899DL1995PLC065388

Regd. Office: Block-E, Sector-18, Rohini, New Delhi – 110085

Corporate Office: 12th Floor, Tower B, SAS Tower, Medicity Sector-38, Gurugram - 122001

Website: www.lalpathlabs.com, E-Mail: cs@lalpathlabs.com, Phone: +91 124 3016500 | Fax: +91 124 4234468

ATTENDANCE SLIP

25th Annual General Meeting

Monday, August 12, 2019

DP ID - Client ID / Folio No.:

No. of shares held:

Name of the Member / Proxy: BLOCK Letters)

Address of the Member:

I certify that I am/We are member(s)/proxy for the member(s), of the Company.

I/We hereby record my/our presence at the 25th Annual General Meeting of the Company on Monday, the 12th day of August 2019 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010.

.....
Signature of the Member/Proxy



DR. LAL PATHLABS LIMITED

Corporate Identity Number: L74899DL1995PLC065388

Regd. Office: Block-E, Sector-18, Rohini, New Delhi – 110085

Corporate Office: 12th Floor, Tower B, SAS Tower, Medicity Sector-38, Gurugram - 122001

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PROXY FORM

25th Annual General Meeting

Monday, August 12, 2019

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014]

Name of the member(s):

Registered Address:

E-mail ID:

DP ID - Client ID / Folio No.:

I/We being the holder(s) of shares of Dr. Lal PathLabs Limited, hereby appoint:

1. Name:

Address:

E-mail ID:

Signature:.....failing him/her

2. Name:

Address:

E-mail ID:

Signature:.....failing him/her

3. Name:

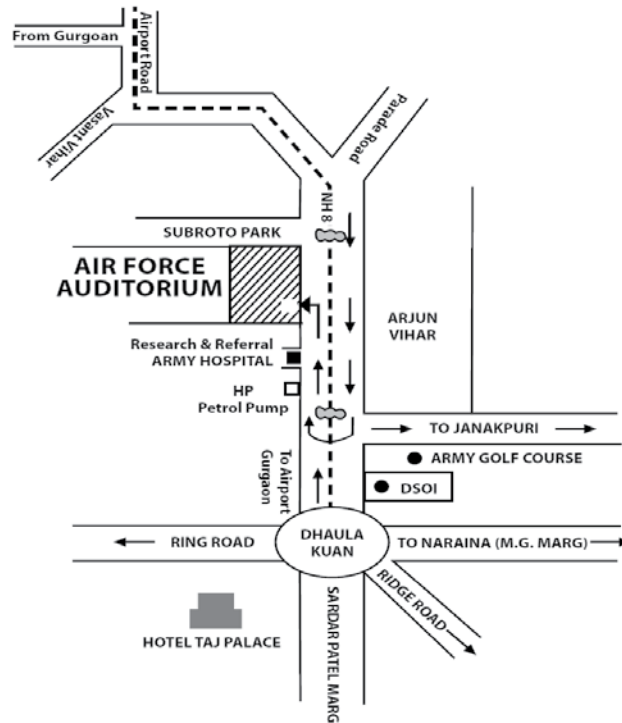
Address:

E-mail ID:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Monday, the 12th day of August 2019 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Route map of the venue of 25th Annual General Meeting of Dr. Lal PathLabs Limited



Venue: Air Force Auditorium Subroto Park, New Delhi - 110 010

Landmark: Adjacent to Research & Referral, Army Hospital

Resolution No.	Resolution Description	For*	Against*
Ordinary Business(es)			
1.	Adoption of the audited standalone financial statements of the Company for the Financial Year ended March 31, 2019 together with the reports of the Directors and Auditors thereon and the consolidated audited financial statements of the Company for the Financial Year ended March 31, 2019 and the reports of the Auditors thereon.		
2.	Declaration of dividend of ₹ 3.50/- per equity share for the Financial Year ended March 31, 2019.		
3.	Re-appointment of Mr. Rahul Sharma (DIN: 00956625) as a Director of the Company, liable to retire by rotation.		
Special Business(es)			
4.	Appointment of Ms. Somya Satsangi (DIN: 07275574) as an Independent Director of the Company for a term of Three (3) years.		
5.	Appointment of Dr. Archana Lal Erdmann (DIN: 08432506) as a Director of the Company, liable to retire by rotation.		
6.	Ratification of the remuneration of M/s. A.G. Agarwal & Associates (Firm Registration No. 000531), Cost Auditors of the Company for the Financial Year 2019-20.		

Signed this day of 2019

Signature of the shareholder(s)

Signature of the Proxy Holder(s)

Affix
Revenue
Stamp

Notes:

- *1 Please put a "X" in the Box in the appropriate column. If you leave 'For' or 'Against' column blank in respect of any or all of the resolutions, your proxy will be entitled to vote in the matter as he/she thinks appropriate.
2. 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 Annual General Meeting.
3. The proxy form should be signed across the revenue stamp as per specimen signature(s) registered with the Company / Depository Participant.



DR. LAL PATHLABS LIMITED
Regd. Office: Block-E, Sector-18, Rohini, New Delhi – 110085
Website: www.lalpathlabs.com; E-Mail cs@lalpathlabs.com
Phone: +91 124 3016500 | Fax: +91 124 4234468

SHAREHOLDER SATISFACTION SURVEY

Dear Member,

As part of our constant endeavour to improve shareholder service, we seek your feedback on this Shareholder's Satisfaction Survey. Please spare a few minutes of your valuable time to fill this questionnaire.

Name of Sole/First Shareholder :

DP ID & Client ID/Folio Number :

Email ID :

Kindly rate your responses on specified service areas listed below on the following scale:

S.No	Area	Rating				
		5	4	3	2	1
1.	Overall Service Rating of RTA					
2.	Response to queries/grievances by Company/RTA					
3.	Receipt of various documents from the Company i.e. Annual Report, ECS Intimation etc.					
4.	Quality of disclosures to Stock Exchanges/on Company Website					
5.	Quality and content of Annual Report					
5- Excellent ; 4-Very Good ; 3-Good ; 2-Satisfactory; 1-Need Improvement						

Do you have any grievance which has not been addresses so far : ☐ Yes ☐ No

If yes, please provide a brief summary of the grievance.

.....
.....

Any suggestions for improving the quality of Investor Services

.....
.....

(SIGNATURE OF THE MEMBER)

THANK YOU FOR YOUR SUPPORT. YOUR FEEDBACK IS IMPORTANT TO US.



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Our Network



**Widespread National
Footprint with a Network
of 200 Labs, 2569 Patient Service
Centres and 6426 Pick-up-Points.
The trust of 17.6 million customers.**

Dr. Lal PathLabs Limited

Corporate Office: 12th floor, Tower B, SAS Tower, Medicity,
Sector-38, Gurugram - 122001, Haryana. Tel: 0124-3016500 | Fax: 0124-42344668

Registered Office: Block-E, Sector-18, Rohini, New Delhi- 110085



CUSTOMER CARE: 011-39885050

Website: www.lalpathlabs.com