Dr Lal PathLabs

July 11, 2018

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051.

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Sub: Notice of 24th Annual General Meeting (AGM)

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations")

Dear Sir / Madam,

Please find enclosed Annual Report for the Financial Year 2017-18 along with the Notice convening the 24th Annual General Meeting ("AGM") of the Company scheduled to be held on Monday, August 13, 2018 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi – 110010.

We request you to kindly take the same on record.

Thanking You,

Yours faithfully,

For **Dr. Lal PathLabs Limited**

Dr. Lal PathLabs Limited

Rajat Kalra
Company Secretary & Legal Head

Encl: As Above

ANNUAL REPORT

2017-2018

Dr Lal PathLabs

Facts about us

Dr Lal PathLabs has a robust infrastructure at its core with a vast network that comprises a National Reference Laboratory at New Delhi, Kolkata Refrerence Lab at Kolkata and **191 other clinical laboratories, 2153 patient service centres, 4316 strong manpower and 5624 pickup points** that enable greater efficiencies and prompt diagnostic services to reach people.

- An exhaustive range of **pathology, radiology** and **cardiology** tests.
- **Close to 7 decades of experience in the world of diagnostics**
- **Trust of over 15 million customers**
- The specialty tests being promoted are mainly from high-end Molecular Diagnostics, Cytogenetics, Flowcytometry, Immunohistochemistry & Microbiology departments

  New tests introduced in the market with special focus on creating brand identity

  - 21 Rare disease genetic tests in the field of Neurology (Neuropro) covering Myotonic dystrophy, Ataxia & Mitochondrial Disorders in collaboration with CSIR-IGIB as our technology transfer partner
  - High End NGS & liquid Biopsy testing under the Oncology portfolio (Oncopro)
  - PD-L1 qualitative Immunohistochemical assay - assessment of Non-Small Cell Lung Cancer (NSCLC) and other tumors. PD-L1 expression is used to guide immunotherapy decisions.
  - Sate of the art, LIQUID BIOPSY, ct DNA, EGFR test for detection of mutation in exons 19,20,21 & T790M required in lung cancer treatment diagnosis
  - ONCOPRO LIQUID BIOPSY 73 Gene Panel with MSI for detection of somatic mutations and for personalized medicine using circulating tumor DNA (ctDNA)
  - HEREDITARY CANCER RISK Panel for assessing the risk of hereditary cancer. The test covers 98 genes targeting 25 hereditary cancers. The genes selected are based on the NCCN guidelines and peer reviewed literature
  - SwasthFit packages introduced for providing enhanced value to customers availing combination of tests.

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From the Chairman's Desk

Dear Shareholders,

As a leading consumer healthcare brand, we believe that Dr. Lal PathLabs (DLPL) is the vanguard of transformation in the diagnostics industry. The largely un-organized sector is in the process of transitioning gradually to a more formalized set-up spurred in part, by the advent of last year's GST implementation. We find that our hub-and-spoke model lends itself well to these dynamics, wherein we are charting our growth as per our strategic imperatives in an evolving landscape. FY18 has served as a sterling example of how a well-trusted, established chain like DLPL can continue to create scale and brand equity in the face of multiple headwinds.

As we move forward, there are a few trends that we see emerging; the formal sector is expected to witness healthy competitive intensity from fund-backed players, who are seeking to accelerate growth. This trend, however is moderating and will instead serve to expand the ambit of the branded chains overall. The other trend is of greater regulatory oversight from both a pricing and compliance point of view. We see DLPL traversing these realities with confidence too, stemming from the trust the name inspires.

Looking at a macro perspective, the coming decades will see greater public spending on healthcare through dedicated and broad-based schemes aimed at the most vulnerable sections of society. Both Central and State Governments have created programs to formalize the delivery of services. The National Health Protection Mission (NHPM), a part of Ayushman Bharat, which intends to provide targeted health coverage to approximately 500 million of Economically Weaker Section (EWS) citizens comes under the umbrella of the Government's stellar health initiative. As an established chain, we see a role for ourselves in this scenario.

A methodical approach to expanding our network has helped to create scale and in-line with our strategic vision, we will stay on this path. We firmly believe that volume growth is the prime driver of the operation and our initiatives are lined-up to make that possible.

Over the coming months, we seek to increase volumes by way of expansion from the East and Central regions given that we have commissioned the Reference Laboratory at Kolkata and the traction building up in the wellness & preventive portfolio through bundled packages, under the umbrella brand name SwasthFit which provide greater value to our customers. This will be in addition to growth that will be realized from higher sampling across our existing network where we are adding capacity as per plan.

At this opportunity, I would also like to place on record my sincere thanks to all our well-wishers, associates, vendors, customers, employees and members of the Board who over several years 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 masses.

Warm Regards

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

A word from CEO & Whole-time Director

As we exit Financial Year 2018, I am glad to share with you that we have overcome numerous headwinds during the year, and with our disciplined approach, we have delivered a healthy performance, with revenues growing at 15.8% and earnings after tax at 10.4%. It is heartening to note that the revenue growth has been driven by patient volume growth of 15% from 13.3 million to 15.2 million while samples processed grew by 18.5% from 29.3 million to 34.7 million YoY.

With the introduction of GST, the country progressed to a single-nation single-taxation regime; the diagnostics sector, being exempt from GST, consequently had to bear additional expenses towards higher input costs which could not be offset against output GST. Despite these additional costs we have largely been able to protect our margins.

I am also pleased to inform you that our infrastructure has been strengthened with the launch of our Kolkata Reference Laboratory (KRL) which commenced operations in Q4 2018. With this, our infrastructure now comprises 193 clinical laboratories, 2,153 patient service centres (PSCs) and 5,624 pick up points (PUPs) as on March 31, 2018. We will continue to build our infrastructure to get widespread presence and improve our accessibility within and around our selected geographies. We expect the presence of KRL will help in catering to the requirement from Northeast as well as Eastern regions of India and the neighbouring international markets.

Our efforts are always centered at driving growth through volumes and test-mix rather than through upward price revisions. I am also glad to share with you that our initiative to focus on the wellness segment and bundled packages, under the Umbrella brand name SwasthFit, is gaining momentum and this has been favorable in improving the number of samples per patient. Our business model will continue to focus on productivity improvement to have competitive pricing and use of consumer facing technology to build customer traffic. Focus on specialised high end tests, taken up over last few quarters are also yielding results particularly in North India including UP. This is also helping to increase samples per patient which have increased from 2.21 in FY'17 to 2.28 in FY'18.

Given the huge potential, we have decided to explore new channels that would augment the pace of our growth. With this vision in mind, DLPL continues to target expansion in the Southern and Western states with a focused city approach where we are continuously building both presence and visibility in centres identified for growth in cities like Pune and Bengaluru.

We are mindful of managing costs, optimising productivity and maintaining focus on service and quality, through our patient-centric approach. Our confidence in the model and the opportunity at large is driving us to expand our scale at an optimal pace as we implement our strategic vision of being able to bring our brand uniformly to patients across the country.

On this positive note, I would like to thank all our stakeholders for believing in us and being an integral part of our journey. I would also like to specially offer my appreciation to our Board for its continued guidance and for giving us the benefit of their rich experience. I also extend our gratitude to the innumerable investors, employees, vendors and patients for placing their trust in the DLPL brand. As a growing organisation, I am optimistic about delivering a performance that is commensurate with our position as a leading player in the diagnostics space.

Warm Regards

Dr. Om Prakash Manchanda
CEO & Whole-time Director

Board of Directors

Dr. Om Prakash Manchanda
CEO & Whole-time Director

Mr. Rahul Sharma
Non-Executive Director

Dr. Vandana Lal
Whole-time Director

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

Mr. Arun Duggal
Independent Director

Dr. Saurabh Srivastava
Independent Director

Mr. Anoop Mahendra Singh
Independent Director

Mr. Harneet Singh Chandhoke
Independent Director

Mr. Sunil Varma
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

Link Intime India Private Limited
44 Community Center, 2nd Floor,
Naraina Industrial Area, Phase I,
Near PVR, Naraina, New Delhi - 110 028
Ph: +91 – 11 – 4141 – 0592
Fax: +91 – 11 – 4141 – 0591

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12th Floor, Tower B, SAS Tower,
Medicity, Sector-38, Gurgaon -122 001
Ph: + 91 – 124 – 3016 – 500
Fax: +91 – 124 – 4234 – 468

Registered Office

Block E, Sector - 18, Rohini,
New Delhi – 110 085
Ph: + 91 – 11 – 3024 – 4149
Fax: +91 – 11 – 2788 – 2134

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report on the business and operations of your Company along with the audited statement of accounts for the year ended March 31, 2018.

FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2018 is summarized below:

Particulars	Year ended March 31, 2018 (in ` million)	Year ended March 31, 2017 (in ` million)	Year ended March 31, 2018 (in ` million)	Year ended March 31, 2017 (in ` million)
	Consolidated	Consolidated	Standalone	Standalone
Total Income	10,881.38	9,399.21	10,555.53	9,101.58
Total Expenses	8,268.23	7,030.97	8,002.35	6,789.02
Profit/(Loss) before Tax (PBT)	2,613.15	2,368.24	2,553.18	2,312.56
Profit/(Loss) after Tax (PAT)	1,717.85	1,555.89	1,679.82	1,524.81

FINANCIAL PERFORMANCE

During the year under review, the consolidated income of the Company increased to ` 10,881.38 million compared to ` 9,399.21 million in the previous year, registering growth of 15.8%. Net profit after tax for the group increased to ` 1,717.85 million from ` 1,555.89 million representing a growth of 10.4%.

During the year under review, the standalone income of the Company increased to ` 10,555.53 million compared to ` 9,101.58 million in the previous year, registering growth of 16%. The standalone profit after tax for the year increased by 10.2% to ` 1,679.82 million compared to ` 1,524.81 million in the previous year.

CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company for the Financial Year 2017-18, are prepared in compliance with applicable provisions of the Companies Act, 2013, 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 ` 1.50/- per equity share of face value of ` 10/- each. In addition, your Directors are pleased to recommend a dividend of ` 3/- per equity share of face value of ` 10/- each as final dividend for the Financial Year 2017-18, 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 ` 4.50/- 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.

TRANSFER TO RESERVES

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

CHANGES IN SHARE CAPITAL

During the Financial Year 2017-18, the paid - up equity share capital of the Company has been increased from ` 83,06,61,840/- to ` 83,33,27,440/- pursuant to allotment of 2,66,560 Equity Shares of ` 10/- each under the Employee Stock Option Plan 2010 of the Company.

UPDATE ON SCHEME OF AMALGAMATION OF DELTA RIA AND PATHOLOGY PRIVATE LIMITED WITH THE COMPANY

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.

Subsequently, the Scheme was filed before the Hon'ble New Delhi Bench of the National Company Law Tribunal ('Hon'ble Tribunal' or 'NCLT'). The Company in compliance with the directions issued by the Hon'ble Tribunal vide its order dated December 14, 2017 convened meetings of Equity Shareholders and Unsecured Creditors on February 10, 2018 at PHD Chambers of Commerce, No. 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016, for approving the said scheme of Amalgamation.

The Scheme was approved by the requisite majority of Equity Shareholders and Unsecured Creditors of the Company in their respective meetings held on February 10, 2018.

The Company subsequently filed a second motion application for approving the said Scheme of Amalgamation before the NCLT on February 23, 2018 and the NCLT has vide its order dated April 17, 2018 fixed the date of hearing as July 02, 2018.

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-Regulations-FY-18.pdf.

SUBSIDIARIES

A report on the performance and financial position of each of the subsidiaries for the year ended March 31, 2018 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 policy may be accessed on the website of the Company https://www.lalpathlabs.com/investor/policies-and-programs.aspx.

During the year under review, Dr. Lal Path Labs Bangladesh Private Limited become a subsidiary of the Company as a result of the acquisition of its 70% stake by 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 Report provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

No material changes and commitments, other than disclosed as part of this report, affecting the financial position of the Company have occurred between March 31, 2018 and the date of the report.

PUBLIC DEPOSITS

During the Financial Year 2017-18, 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 till the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

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:

Dr. Vandana Lal, Whole Time Director 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 herself for reappointment. Appropriate resolution for her re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM. The Brief profile of Dr. Vandana Lal and other related information has been detailed in the Notice convening the 24th AGM of your Company.

II. Re-appointment of Independent Directors:

The term of office of Mr. Arun Duggal, Mr. Anoop Mahendra Singh, Mr. Harneet Singh Chandhoke, Mr. Sunil Varma and Dr. Saurabh Srivastava, as Independent Directors expires on August 20, 2018. The Board of Directors based on performance evaluation of all the above Independent Directors, recommends their re-appointment to the shareholders for a second term of five (5) consecutive years commencing from August 21, 2018. Brief profile of all the above Independent Directors and other related information has been detailed in the Notice convening the 24th AGM of your Company

Your Company has received declarations from all the Independent Directors 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

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:

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. Dilip Bidani - Chief Financial Officer; and
5. Mr. Rajat Kalra - Company Secretary

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 performance evaluation of its own performance, the Directors individually as well as the evaluation of all Committees of the Board for the Financial Year 2017-18. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, 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

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 Policy is set out as Annexure 4 and forms an integral part of this Annual Report.

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 2017-18 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, 2018, 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, 2018 and of the profit and loss of the Company for the Financial Year ended March 31, 2018;

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 the 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, 2018, 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. 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. 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 2018-19 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 2017-18.

The Secretarial Audit Report for the Financial Year ended March 31, 2018 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, 2018 in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as Annexure 6 and forms an integral part of this Annual Report.

RELATED PARTY TRANSACTIONS

In line 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/investor/policies-and-programs.aspx. 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 on a quarterly basis 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 Transactions 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 and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2018, are set out in Note 13, 15B and 16 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 risks in the internal and external environment, along with the cost of treating risks 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.

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 initiatives, 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 your Company has further formulated and adopted a policy on Corporate Social Responsibility. 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.

The 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 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, 2 (Two) complaints were received by the ICC, of which 1 (one) was disposed of and the other one was under review as of March 31, 2018.

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).
- Contract electricity demand of the building moderated biannually in accordance with operational demand, leading to reduction of fixed charges during lean period.
- 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.

II. Foreign exchange earnings and outgo

S. No.	Particulars	Amount (In ` Million)
1	Foreign Exchange Earnings	115.00
2	Foreign Exchange Outgo	37.18

DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

Your Company has in place an adequate internal financial control framework with reference to financial and operating controls.

During Financial Year 2017-18, 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 General Meetings (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: Mussoorie
Date: May 14, 2018

Annexure - 1 to Board's Report

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 March 31, 2018, the Board of Directors of Dr. Lal PathLabs Limited ("Company") have adopted this policy on Dividend Distribution.

2. Objectives & Scope

This Policy lays downs 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 endeavor 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 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 they 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 and 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~~

(All amounts in ` million)

S. No.	Name of Subsidiary	Date on which subsidiary was acquired	Country	Reporting Currency	Closing exchange rate against Indian Rupee as on March 31, 2018	% of Holding	Capital	Reserves & Surplus	Total Assets	Total Liabilites	Investments	Turnover	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)
1	Paliwal Diagnostics Private Limited	14/08/2008	India	INR	1	80%	0.16	116.91	147.60	30.53	-	248.22	57.39	15.78	41.61	-
2	Paliwal Medicare Private Limited	14/08/2008	India	INR	1	80%	0.10	47.48	50.81	3.23	-	44.66	17.59	4.88	12.71	-
3	APL Institute of Clinical Laboratory & Research Private Limited	27/02/2014	India	INR	1	100%	0.10	11.51	15.20	3.59	-	33.54	(2.38)	0.33	(2.71)	-
4	Delta Ria and Pathology Private Limited	21/12/2016	India	INR	1	100%	0.41	4.54	5.26	0.31	-	4.45	4.41	1.20	3.21	-
5	Dr. Lal Pathlabs Nepal Private Limited	23/08/2016	Nepal	INR*	0.622084	100%	25.05	(9.32)	22.74	7.01	-	30.23	(7.81)	(0.59)	(7.22)	-
6	Dr. Lal Path Labs Bangladesh Private Limited	16/10/2017	Bangladesh	INR**	0.78259	70%	14.50	3.07	29.18	11.61	-	7.67	(1.24)	0.33	(1.57)	-

* Functional Currency is NPR

** Functional Currency is BDT

Notes:

a. 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.

b. The reporting period for all the subsidiaries is March 31, 2018.

For and on behalf of the Board of Directors

(Hony) Brig. Dr. Arvind Lal
(DIN: 00576638)
[Chairman and Managing Director]

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

Mr. Dilip Bidani
[Chief Financial Officer]

Mr. Rajat Kalra
[Company Secretary]
Membership No.: A-16947

Place: Mussoorie
Date: 14 May, 2018

Annexure - 3 to Board's Report

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, 2018.

A. The ratio of the remuneration of each director 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	90:1
2.	Dr. Vandana Lal	Executive Director	72:1
3.	Dr. Om Prakash Manchanda	Executive Director & Chief Executive Officer	121:1
4.	Mr. Rahul Sharma	Non-Executive Director	-
5.	Mr. Arun Duggal	Independent Non-Executive Director	7:1
6.	Dr. Saurabh Srivastava	Independent Non-Executive Director	8:1
7.	Mr. Sunil Varma	Independent Non-Executive Director	7:1
8.	Mr. Anoop Mahendra Singh	Independent Non-Executive Director	6:1
9.	Mr. Harneet Singh Chandhoke	Independent Non-Executive Director	6:1

Note: The Non-Executive Director(s) are not entitled to any remuneration.

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	-
5.	Mr. Arun Duggal	Independent Non-Executive Director	25
6.	Dr. Saurabh Srivastava	Independent Non-Executive Director	25
7.	Mr. Sunil Varma	Independent Non-Executive Director	25
8.	Mr. Anoop Mahendra Singh	Independent Non-Executive Director	33.33
9.	Mr. Harneet Singh Chandhoke	Independent Non-Executive Director	33.33
10.	Mr. Dilip Bidani	Chief Financial Officer	6.5
11.	Mr. Rajat Kalra	Company Secretary	11.73

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

The percentage increase in the median remuneration of employees in the Financial Year is 2.02.

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, 2018 is 3,908.

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 **8.20%**	Average percentile increase in managerial personnel is **5.54%**	Not Applicable as Managerial Remuneration increase % is lower

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.

Annexure - 4 to Board's Report

NOMINATION AND REMUNERATION POLICY

Introduction

1. In terms of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, 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 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.

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.

h. "**Senior Management Personnel**" means, the personnel of the Company who are members of its core management team excluding Board of Directors and KMPs, comprising of all members of management one level below the Executive Directors including the functional heads.

In the Company's context, it covers the KMP's and any appointees at the "CxO" Level.

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 present composition of the Committee is:

1.	Mr. Arun Duggal	Chairman	Non-Executive Independent Director
2.	Mr. Harneet Singh Chandhoke	Member	Non-Executive Independent Director
3.	Mr. Saurabh Srivastava	Member	Non-Executive Independent Director
4.	Mr. Rahul Sharma	Member	Non-Executive Director

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 ethical standards Committee shall consider the 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 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 CEO & Whole Time Director in consultation with the Managing Director of the Company 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.

Section 178(2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every Director's performance.

In developing the methodology to be used for evaluation, on the basis of best standards and methods meeting international parameters, the Board / Committee may take the advice of Independent Professional Consultant(s).

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 in the Annual Report as part of the Board's report therein.

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.

Annexure - 5 to Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To
The Members
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, 2018 ("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, 2018 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, 2009;

(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, 1998; **(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 Regulations 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.

Adequate notice was 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.

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 Company convened the Equity Shareholders Meeting and Unsecured Creditors Meeting on 10th day of February, 2018 pursuant to the order dated December 14, 2017, passed by the National Company Law Tribunal, New Delhi Bench for approving the scheme of Amalgamation between the Dr. Lal PathLabs Limited ("Transferee Company") and Delta Ria and Pathology Private Limited ("Transferor Company") under Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013.

For **PDS & CO.**
Company Secretaries

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

Date: May 14, 2018
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. Whereever 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 14, 2018
Place: Delhi

Annexure - 6 to Board's Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on March 31, 2018

[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	14th 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 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase - I, Near PVR Naraina, New Delhi - 110028 Tel.: +91 11 4141 0592, Fax No.: +91 11 4141 0591, Website - www.linkintime.co.in Email: delhi@linkintime.co.in

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.	Delta Ria And Pathology Private Limited 77, Motia Talab, Near Tajul Masjid, Bhopal, Madhya Pradesh - 462001	U85110MP1993PTC007849	Subsidiary	100%	2(87)
5.	Dr. Lal PathLabs Nepal Private Limited K.M.C. No. 4, Chandol, Kathmandu, Nepal	-	Subsidiary	100%	2(87)
6.	Dr. Lal Path Labs Bangladesh Private Limited Haque Tower, 5th Floor, 44/9 West Panthapath, Dhakha-1205, Bangladesh	--	Subsidiary	70%	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	4,83,65,226	-	*4,83,65,226	58.22	4,78,48,562	-	4,78,48,562	57.42	(0.80)
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1)	**4,83,65,226**	**-**	***4,83,65,226**	**58.22**	**4,78,48,562**	**-**	**4,78,48,562**	**57.42**	**(0.80)**
(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)	**4,83,65,226**	**-**	***4,83,65,226**	**58.22**	**4,78,48,562**	**-**	**4,78,48,562**	**57.42**	**(0.80)**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	49,85,645	-	49,85,645	6.00	84,25,504	-	84,25,504	10.11	4.11
(b)	Financial Institutions / Banks	3,51,731	-	3,51,731	0.42	1,81,434	-	1,81,434	0.22	(0.20)
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	8,22,891	-	8,22,891	0.99	1,58,605	-	1,58,605	0.19	(0.80)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Others									
	Foreign Portfolio Investor	74,82,751	-	74,82,751	9.01	1,09,09,666	-	1,09,09,666	13.09	4.08
	Alternative Investment Funds	-	-	-	-	11,26,534	-	11,26,534	1.35	1.35
	Sub-Total B(1)	**1,36,43,018**	**-**	**1,36,43,018**	**16.42**	**2,08,01,743**	**-**	**2,08,01,743**	**24.96**	**8.54**

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	19,91,694	-	19,91,694	2.4	7,50,731	-	7,50,731	0.90	(1.5)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ` 1 lakh	17,97,353	8	17,97,361	2.16	28,89,801	1	28,89,802	3.47	1.31
	(ii) Individuals holding nominal share capital in excess of ` 1 lakh	9,06,498	-	9,06,498	1.09	13,03,888	-	13,03,888	1.56	0.47
(c)	Others									
	Foreign Company	1,44,19,671	-	1,44,19,671	17.36	83,16,772	-	83,16,772	9.98	(7.38)
	Employee Welfare Trust	15,43,668	-	15,43,668	1.86	10,54,452	-	10,54,452	1.27	(0.59)
	Trust	0	-	0	0	989	-	989	0.00	0.00
	Hindu Undivided Family	97,641	-	97,641	0.12	84,139	-	84,139	0.10	(0.02)
	Non Resident Indians (Non Repat)	57,344	-	57,344	0.07	76,638	-	76,638	0.09	0.02
	Non Resident Indians (Repat)	95,407	-	95,407	0.11	1,65,870	-	1,65,870	0.20	0.09
	Foreign Nationals	-	-	-	-	6	-	6	0.00	0.00
	Foreign Portfolio Investors (Individual)	-	-	-	-	50	-	50	0.00	0.00
	Clearing Member	1,48,656	-	1,48,656	0.18	39,102	-	39,102	0.05	(0.13)
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
	Sub-Total B(2)	**2,10,57,932**	**8**	**2,10,57,940**	**25.35**	**1,46,82,438**	**1**	**1,46,82,439**	**17.62**	**(7.73)**
	Total B=B(1)+B(2)	**3,47,00,950**	**8**	**3,47,00,958**	**41.78**	**3,54,84,181**	**1**	**3,54,84,182**	**42.58**	**0.80**
	Total (A+B)	**8,30,66,176**	**8**	**8,30,66,184**	**100**	**8,33,32,743**	**1**	**8,33,32,744**	**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)	**8,30,66,176**	**8**	**8,30,66,184**	**100**	**8,33,32,743**	**1**	**8,33,32,744**	**100.00**	**-**

** Includes 1,00,000 (One Lakh) Equity Shares sold by Archana Lal (Part of Promoter Group) in the open market on March 31, 2017. These shares however were not debited from her Demat Account on March 31, 2017.*

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	2,69,72,884	32.47	0	2,65,56,220	31.87	0	(0.60)
2	Dr. Vandana Lal	1,59,31,893	19.18	0	1,59,31,893	19.12	0	(0.06)
3	Eskay House (HUF)	16,81,774	2.02	0	16,81,774	2.02	0	0.00
4	Dr. Archana Lal	*20,89,061	2.51	0	19,89,061	2.39	0	(0.12)
5	Mr. Anjaneya Lal	16,89,614	2.03	0	16,89,614	2.03	0	0.00
	Total	**4,83,65,226**	**58.22**	**0**	**4,78,48,562**	**57.42**	**0**	(0.80)

** Includes 1,00,000 (One Lakh) Equity Shares sold by Archana Lal (Part of Promoter Group) in the open market on March 31, 2017. These shares however were not debited from her Demat Account on March 31, 2017.*

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	01.04.2017	2,69,72,884	32.37	2,69,72,884	32.37
	Transfer	24.11.2017	(4,16,664)	(0.50)	2,65,56,220	31.87
	At the end of the year	31.03.2018	-	-	2,65,56,220	31.87
2.	Dr. Vandana Lal	01.04.2017	1,59,31,893	19.18	1,59,31,893	19.18
	At the end of the year	31.03.2018	-	-	1,59,31,893	19.12
3.	Eskay House (HUF)	01.04.2017	16,81,774	2.02	16,81,774	2.02
	At the end of the year	31.03.2018	-	-	16,81,774	2.02
4.	Dr. Archana Lal	01.04.2017	*20,89,061	2.51	19,89,061	2.39
	At the end of Year	31.03.2018	-	-	19,89,061	2.39
5.	Mr. Anjaneya Lal	01.04.2017	16,89,614	2.03	16,89,614	2.03
	At the end of the year	31.03.2018	-	-	16,89,614	2.03

** Includes 1,00,000 (One Lakh) Equity Shares sold by Archana Lal (Part of Promoter Group) in the open market on March 31, 2017. These shares however were not debited from her Demat Account on March 31, 2017.*

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	01.04.2017	76,87,394	9.25	76,87,394	9.25
	At the end of the year	31.03.2018	-	-	76,87,394	9.22
2.	SBI BLUE CHIP FUND	01.04.2017	36,30,010	4.37	36,30,010	4.37
	Transfer Buy	28.04.2017	3,15,000	0.38	39,45,010	4.75
	Transfer Buy	07.07.2017	7,60,500	0.91	47,05,510	5.65
	Transfer Buy	17.11.2017	74,590	0.09	47,80,100	5.74
	Transfer Sell	01.12.2017	(21,639)	(0.03)	47,58,461	5.71
	Transfer Sell	08.12.2017	(9,875)	(0.01)	47,48,586	5.70
	Transfer Sell	22.12.2017	(70,691)	(0.08)	46,77,895	5.61

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	05.01.2018	(17,600)	(0.02)	46,60,295	5.59
	Transfer Sell	12.01.2018	(10,26,039)	(1.23)	36,34,256	4.36
	Transfer Sell	19.01.2018	(1,12,591)	(0.14)	35,21,665	4.23
	Transfer Sell	26.01.2018	(89,459)	(0.11)	34,32,206	4.12
	Transfer Sell	02.02.2018	(2,59,340)	(0.31)	31,72,866	3.81
	Transfer Sell	09.02.2018	(40,000)	(0.05)	31,32,866	3.76
	Transfer Sell	16.02.2018	(30,000)	(0.04)	31,02,866	3.72
	Transfer Sell	16.03.2018	(57,777)	(0.07)	30,45,089	3.65
	At the end of the year	31.03.2018	-	-	30,45,089	3.65
3	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA PLUS	01.04.2017	-	-	-	-
	Transfer Buy	07-07-2017	7,34,565	0.88	7,34,565	0.88
	Transfer Buy	01-09-2017	15,46,219	1.86	22,80,784	2.74
	Transfer Buy	27-10-2017	11,48,095	1.38	34,28,879	4.11
	Transfer Buy	03-11-2017	32,624	0.04	34,61,503	4.15
	Transfer Sell	26-01-2018	(4,00,000)	(0.48)	30,61,503	3.67
	Transfer Buy	02-02-2018	4,14,068	0.50	34,75,571	4.17
	Transfer Sell	09-03-2018	(4,00,000)	(0.48)	30,75,571	3.69
	Transfer Sell	16-03-2018	(1,00,000)	(0.12)	29,75,571	3.57
	At the end of the year	31.03.2018	-	-	29,75,571	3.57
4	UTI - EQUITY FUND	01.04.2017	3,90,364	0.47	3,90,364	0.47
	Transfer Buy	05-05-2017	23,000	0.03	4,13,364	0.50
	Transfer Buy	12-05-2017	28,000	0.03	4,41,364	0.53
	Transfer Buy	23-06-2017	15,000	0.02	4,56,364	0.55
	Transfer Buy	30-06-2017	18,000	0.02	4,74,364	0.57
	Transfer Buy	07-07-2017	43,000	0.05	5,17,364	0.62
	Transfer Buy	14-07-2017	10,000	0.01	5,27,364	0.63
	Transfer Buy	21-07-2017	10,000	0.01	5,37,364	0.64
	Transfer Buy	04-08-2017	10,012	0.01	5,47,376	0.66
	Transfer Buy	25-08-2017	11,000	0.01	5,58,376	0.67
	Transfer Buy	08-09-2017	10,000	0.01	5,68,376	0.68
	Transfer Buy	22-09-2017	15,500	0.02	5,83,876	0.70
	Transfer Buy	06-10-2017	1,300	0.00	5,85,176	0.70
	Transfer Buy	13-10-2017	41,000	0.05	6,26,176	0.75
	Transfer Buy	20-10-2017	13,000	0.02	6,39,176	0.77
	Transfer Buy	27-10-2017	60,000	0.07	6,99,176	0.84
	Transfer Buy	03-11-2017	33,000	0.04	7,32,176	0.88
	Transfer Buy	10-11-2017	43,000	0.05	7,75,176	0.93
	Transfer Buy	17-11-2017	1,54,508	0.19	9,29,684	1.12
	Transfer Buy	24-11-2017	3,08,000	0.37	12,37,684	1.49
	Transfer Buy	01-12-2017	1,46,000	0.18	13,83,684	1.66

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	08-12-2017	1,08,500	0.13	14,92,184	1.79
	Transfer Buy	15-12-2017	53,000	0.06	15,45,184	1.85
	Transfer Buy	22-12-2017	36,500	0.04	15,81,684	1.90
	Transfer Buy	29-12-2017	19,000	0.02	16,00,684	1.92
	Transfer Buy	12-01-2018	20,500	0.02	16,21,184	1.95
	Transfer Buy	19-01-2018	95,000	0.11	17,16,184	2.06
	Transfer Buy	02-02-2018	13,000	0.02	17,29,184	2.08
	Transfer Buy	16-02-2018	10,000	0.01	17,39,184	2.09
	Transfer Buy	16-03-2018	7,000	0.01	17,46,184	2.10
	Transfer Buy	23-03-2018	18,000	0.02	17,64,184	2.12
	Transfer Buy	31-03-2018	18,000	0.02	17,82,184	2.14
	At the end of the year	31.03.2018	-	-	17,82,184	2.14
5	FRANKLIN TEMPLETON INVESTMENT FUNDS	01.04.2017	-	-	-	-
	Transfer Buy	12-01-2018	8,32,000	1.00	8,32,000	1.00
	Transfer Buy	02-02-2018	6,50,800	0.78	14,82,800	1.78
	At the end of the year	31.03.2018	-	-	14,82,800	1.78
6	LO FUNDS - EMERGING HIGH CONVICTION	01.04.2017	-	-	-	-
	Transfer Buy	26-05-2017	3,02,160	0.36	3,02,160	0.36
	Transfer Buy	02-06-2017	2,47,840	0.30	5,50,000	0.66
	Transfer Buy	09-06-2017	65,900	0.08	6,15,900	0.74
	Transfer Buy	16-06-2017	54,100	0.06	6,70,000	0.80
	Transfer Buy	23-06-2017	30,000	0.04	7,00,000	0.84
	Transfer Buy	07-07-2017	25,000	0.03	7,25,000	0.87
	Transfer Buy	14-07-2017	75,000	0.09	8,00,000	0.96
	Transfer Buy	21-07-2017	50,000	0.06	8,50,000	1.02
	Transfer Buy	28-07-2017	29,552	0.04	8,79,552	1.06
	Transfer Buy	04-08-2017	20,448	0.02	9,00,000	1.08
	Transfer Buy	01-09-2017	55,000	0.07	9,55,000	1.15
	Transfer Buy	08-09-2017	45,000	0.05	10,00,000	1.20
	Transfer Buy	17-11-2017	50,000	0.06	10,50,000	1.26
	Transfer Buy	05-01-2018	20,000	0.02	10,70,000	1.28
	Transfer Buy	12-01-2018	30,000	0.04	11,00,000	1.32
	Transfer Buy	19-01-2018	50,000	0.06	11,50,000	1.38
	Transfer Buy	26-01-2018	37,000	0.04	11,87,000	1.42
	Transfer Buy	02-02-2018	13,000	0.02	12,00,000	1.44
	Transfer Buy	16-03-2018	50,000	0.06	12,50,000	1.50
	At the end of the year	31.03.2018	-	-	12,50,000	1.50
7	DR LAL PATHLABS EMPLOYEE WELFARE TRUST	01.04.2017	15,48,903	1.86	15,48,903	1.86
	Transfer Sell	12-05-2017	(5,235)	(0.01)	15,43,668	1.85
	Transfer Sell	01-09-2017	(3,488)	(0.00)	15,40,180	1.85

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	22-09-2017	(8,082)	(0.01)	15,32,098	1.84
	Transfer Sell	29-09-2017	(1,659)	(0.00)	15,30,439	1.84
	Transfer Sell	06-10-2017	(98)	(0.00)	15,30,341	1.84
	Transfer Sell	27-10-2017	(2,766)	(0.00)	15,27,575	1.83
	Transfer Sell	03-11-2017	(701)	(0.00)	15,26,874	1.83
	Transfer Sell	24-11-2017	(1,89,996)	(0.23)	13,36,878	1.60
	Transfer Sell	01-12-2017	(87,165)	(0.10)	12,49,713	1.50
	Transfer Sell	08-12-2017	(66,605)	(0.08)	11,83,108	1.42
	Transfer Sell	15-12-2017	(4,265)	(0.01)	11,78,843	1.41
	Transfer Sell	19-01-2018	(171)	(0.00)	11,78,672	1.41
	Transfer Sell	23-02-2018	(1,21,880)	(0.15)	10,56,792	1.27
	Transfer Sell	09-03-2018	(122)	(0.00)	10,56,670	1.27
	Transfer Sell	23-03-2018	(268)	(0.00)	10,56,402	1.27
	Transfer Sell	31-03-2018	(1,950)	(0.00)	10,54,452	1.27
	AT THE END OF THE YEAR	31-03-2018	-	-	10,54,452	1.27
8	INDIA WHIZDOM FUND	01.04.2017	4,41,300	0.53	4,41,300	0.53
	Transfer Buy	07-04-2017	87,540	0.11	5,28,840	0.64
	Transfer Buy	19-05-2017	40,986	0.05	5,69,826	0.68
	Transfer Buy	01-09-2017	1,00,000	0.12	6,69,826	0.80
	Transfer Buy	27-10-2017	50,000	0.06	7,19,826	0.86
	AT THE END OF THE YEAR	31-03-2018	-	-	7,19,826	0.86
9	WASATCH EMERGING INDIA FUND	01.04.2017	1,90,207	0.23	1,90,207	0.23
	Transfer Buy	14-04-2017	7,595	0.01	1,97,802	0.24
	Transfer Buy	28-04-2017	6,845	0.01	2,04,647	0.25
	Transfer Buy	05-05-2017	6,201	0.01	2,10,848	0.25
	Transfer Buy	12-05-2017	11,287	0.01	2,22,135	0.27
	Transfer Buy	19-05-2017	44,505	0.05	2,66,640	0.32
	Transfer Buy	02-06-2017	12,770	0.02	2,79,410	0.34
	Transfer Buy	16-06-2017	16,175	0.02	2,95,585	0.35
	Transfer Buy	21-07-2017	36,195	0.04	3,31,780	0.40
	Transfer Buy	28-07-2017	10,720	0.01	3,42,500	0.41
	Transfer Buy	11-08-2017	58,903	0.07	4,01,403	0.48
	Transfer Buy	01-09-2017	65,188	0.08	4,66,591	0.56
	Transfer Buy	03-11-2017	1,09,394	0.13	5,75,985	0.69
	Transfer Buy	24-11-2017	38,082	0.05	6,14,067	0.74
	Transfer Buy	05-01-2018	52,890	0.06	6,66,957	0.80
	Transfer Buy	12-01-2018	20,072	0.02	6,87,029	0.82
	AT THE END OF THE YEAR	31-03-2018	-	-	6,87,029	0.82
10	SANJEEVINI INVESTMENT HOLDINGS	01.04.2017	6,43,078	0.77	6,43,078	0.77
	Transfer Sell	31-03-2018	(13,700)	(0.02)	6,29,378	0.76
	AT THE END OF THE YEAR	31-03-2018	-	-	6,29,378	0.76

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	01.04.2017	2,69,72,884	32.47	2,69,72,884	32.47
	Decrease in shareholding during the year	24.11.2017	(4,16,664)	(0.50)	2,65,56,220	31.87
	At the end of the year	31.03.2018	-	-	2,65,56,220	31.87
2.	Dr. Vandana Lal	01.04.2017	1,59,31,893	19.18	1,59,31,893	19.18
	At the end of the year	31.03.2018	-	-	1,59,31,893	19.12
3.	Dr. Om Prakash Manchanda	01.04.2017	6,67,490	0.80	6,67,490	0.80
	Increase in shareholding during the year	17.05.2017	2,66,560	0.32	9,34,050	1.12
	Decrease in shareholding during the year	24.05.2017 to 26.05.2017	(85,533)	0.10	8,48,517	1.02
	Decrease in shareholding during the year	09.06.2017 to 12.06.2017	(28,517)	0.03	8,20,000	0.98
	Decrease in shareholding during the year	31.08.2017 to 01.09.2017	(75,000)	0.09	7,45,000	0.89
	Decrease in shareholding during the year	08.09.2017 to 12.09.2017	(28,200)	0.03	7,16,800	0.86
	Increase in shareholding during the year	24.11.2017	4,16,664	0.50	11,33,464	1.36
	At the end of the Year	31.03.2018	-	-	11,33,464	1.36
4.	Mr. Rahul Sharma	01.04.2017	20,197	0.02	20,197	0.02
	At the end of the year	31.03.2018	-	-	20,197	0.02
5.	Mr. Arun Duggal	01.04.2017	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2018	-	-	Nil	Nil
6.	Mr. Anoop Mahendra Singh	01.04.2017	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2018	-	-	Nil	Nil
7.	Mr. Harneet Singh Chandhoke	01.04.2017	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2018	-	-	Nil	Nil
8.	Mr. Sunil Varma	01.04.2017	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2018	-	-	Nil	Nil
9.	Dr. Saurabh Srivastava	01.04.2017	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2018	-	-	Nil	Nil
10.	Mr. Dilip Bidani	01.04.2017	15,929	0.02	15,929	0.02
	Decrease in shareholding during the year	19.05.2017 to 23.05.2017	(1,200)	0.00	14,729	0.02
	Decrease in shareholding during the year	26.05.2017 to 23.08.2017	(1,900)	0.00	12,829	0.02
	Decrease in shareholding during the year	23.08.2017 to 04.09.2017	(1,750)	0.00	11,079	0.01
	Decrease in shareholding during the year	05.09.2017 to 08.09.2017	(1,250)	0.00	9,829	0.01
	Increase in shareholding during the year	22.09.2017	2,681	0.00	12,510	0.02
	Decrease in shareholding during the year	14.11.2017 to 08.12.2017	(1,500)	0.00	11,010	0.01
	Decrease in shareholding during the year	27.02.2018 to 28.02.2018	(1,200)	0.00	9,810	0.01
	At the end of the year	31.03.2018	-	-	9,810	0.01
11.	Mr. Rajat Kalra	01.04.2017	Nil	Nil	Nil	Nil
	At the end of the year	31.03.2018	-	-	Nil	Nil

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
Indebtness 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	2,12,90,724	1,70,18,356	2,70,77,435	6,53,86,515
	(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)	-	-	83,066	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- As a % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify (Performance Linked Incentive)	-	-	-	-
	Total	2,12,90,724	1,70,18,356	2,71,17,035	6,54,26,115
	Ceiling as per the Act	10% of net profits of the Company			

**Does not include a non-cash (stock related) perk of ` 20,80,10,096/- for exercise of Stock options vested till November 30, 2014.*

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	
Fee for attending Board & Committee Meetings	5,50,000	4,00,000	5,00,000	4,50,000	6,50,000	25,50,000
Commission	12,50,000	10,00,000	10,00,000	12,50,000	12,50,000	57,50,000
Others, please specify	-	-	-	-	-	-
Total (1)	18,00,000	14,00,000	15,00,000	17,00,000	19,00,000	83,00,000

2. Non - Executive Directors

(Amount in `)

Particulars of Remuneration	Name of Directors	Total
	Mr. Rahul Sharma	
Fee for attending Board & Committee Meetings	-	-
Commission	-	-
Others, please specify	-	-
Total (2)	-	-
Total Managerial Remuneration(1+2)	83,00,000	
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. Dilip Bidani, Chief Financial Officer	Mr. Rajat Kalra, Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,11,25,808	27,89,569	1,39,15,377
	(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 during the year)	11,000	3,000	
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As a % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify (Performance Linked Incentive)	-	-	-
	Total	1,11,65,408	27,89,569	1,39,54,977

**Does not include a non-cash (stock related) perk of ` 21,73,487/- for exercise of Stock options.*

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type		Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fee imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A.	**Company**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
B.	**Directors**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
C.	**Other Officers in Default**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

Annexure - 7 to Board's Report

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.	The CSR Policy spells 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 complete CSR policy of the company is available at http://www.lalpathlabs.com/pdf/brochures/CSR-policy.pdf
2.	The Composition of the CSR Committee	**S. No.** / **Name** / **Category** / **Position** 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)	1,833.60
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above, in ` million)	36.67
5.	Details of CSR spent during the Financial Year 2017-18	a. Total amount to be spent for the Financial Year 2017-18 (in ` million): 36.67 b. Amount unspent if any (In ` million): 11.64 c. Manner in which the amount spent during the Financial Year : As per Annexure attached
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	During the year under review, the Company identified Preventive Healthcare and Skill Development as part of its CSR initiative. The Company's initiatives usually involve setting the foundation of programs at a small scale to learn from on-ground realities and then putting an enhanced sustainable model to ensure maximum benefit to the community. For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. However, to speed up the process and to start a strategic and impactful CSR, company started hiring CSR professionals and now in process to initiate projects in identified areas as per CSR policy.
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**

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

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

Date: May 14, 2018
Place: Mussoorie

ANNEXURE - Details of Expenditure

Report on CSR Activities of FY 2017-18								(in ` million, unless otherwise stated)
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		Cumulative expenditure up to the reporting period	Amount Spent Direct or through the Implementing Agency
					Direct Expenditure	Overheads		
1	Donation to CSR Trust*	Healthcare, Education Support to poor people, Support to animals, Water and Sanitation, Environment, Skill Development etc.	Delhi, Varanasi, Gurugram	25.00	25.00		25.00	CSR Trust
2	Donation to Indian Cancer Society	Healthcare	Delhi, Gurugram	0.03	0.03		0.03	Directly
		Total		**25.03**	**25.03**		**25.03**	
		Projects completed by CSR Trust is as follows:						
1	Distributed socks and caps to poor people in Gurez (Jammu and Kashmir) through Indian Army	Support Poor People	Other - Jammu & Kashmir	0.91	0.87	0.04	0.91	
2	Medical Camp for poor people	Healthcare	Delhi - NCR	0.21	0.20	0.01	0.21	
3	Blood Tests For Sports Persons	Healthcare	Delhi - NCR	0.52	0.50	0.02	0.52	
4	Sponsored education of one girl child at Pipliya Village, Jodhpur, Rajasthan	Education	Other - Jodhpur, Rajasthan	0.02	0.02	0.00	0.02	
5	Supported school children for Mid-Day Meals	Education	Delhi - NCR	0.19	0.18	0.01	0.19	
6	Distributed blankets to poor people	Support poor people	Delhi - NCR	0.05	0.05	0.00	0.05	
7	Capacity Building Program for School Management Committees, community & Mothers in MCD Primary Schools in Delhi	Education	Delhi - NCR	0.27	0.26	0.01	0.27	
8	Supporting for stray dogs and promoting the cause on Social Media / FB	Support to animals	Delhi - NCR	0.15	0.15	0.00	0.15	
9	Installation of clean drinking water plant in one school in Mewat Haryana	Water and Sanitation	Other - Mewat, Haryana	0.35	0.34	0.01	0.35	
10	Help the poor people for medical check-up and testing	Healthcare	Delhi - NCR	0.18	0.17	0.01	0.18	
11	Supported to establishment of center of excellence for Research on Clean Air	Environment	Delhi	2.58	2.50	0.08	2.58	
12	Supported for campaign on blood pressure & body mass index on 4 Bharat Petrol Pumps in Delhi & Gurugram	Healthcare	Other - Delhi, Gurugram & Mewat	0.63	0.61	0.02	0.63	
13	Supported to purchase of laptop bags & charger for charity	Education	Delhi - NCR	0.01	0.01	0.00	0.01	
14	Supported to the Leprosy affected families for medical examination, treatment and counselling	Healthcare	Delhi - NCR	0.41	0.40	0.01	0.41	
15	Supported to an NGO to generate fund for schoolchildren through Airtel Delhi Half Marathon	Education	Delhi - NCR	0.01	0.01	0.00	0.01	
16	Skill development programme for unemployed youths in the area of Healthcare	Skill Development	Gurugram	7.96	7.71	0.25	7.96	
17	Generate awareness on NCD, screening and testing in association with Government	Healthcare	Other - Varanasi,UP	5.39	5.22	0.17	5.39	
18	Supported to the army men children's education and other causes through Soldierathon	Education	Delhi	0.52	0.50	0.02	0.52	
		Total		**20.36**	**19.70**	**0.66**	**20.36**	

Industry structure and developments

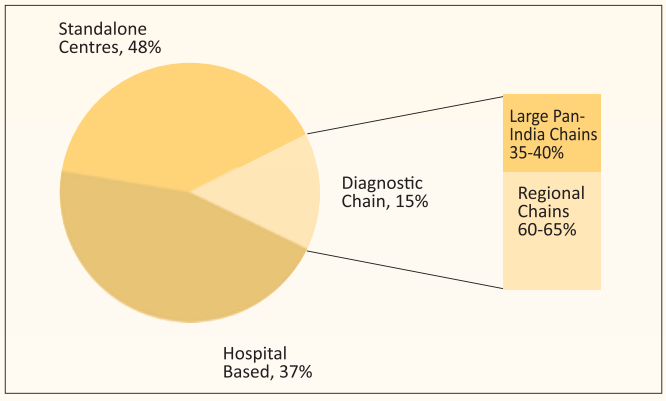
The healthcare industry saw a renewed interest and investments growth during the year. The Union Government has also increased its allocation for Healthcare and Family Welfare by nearly ` 55000 million[1] and the importance of this sector is well understood and exemplified in the new proposals outlined this year. This includes the National Health Protection Mission (NHPM) under which over 100 million poor and vulnerable families would be covered for secondary and tertiary care hospitalization and opening of 150,000 health and wellness centres. While the Indian healthcare market is estimated to touch USD 280 bn by 2020[2] and USD 372 bn by 2022, it is estimated that diagnostics including imaging based diagnostic services would grow at 14-16% over the next couple of years[2] and touch around USD 12 bn by 2020.

The Government has also announced a campaign to eradicate tuberculosis in India by 2025 and to this end, grass root level plans are under execution. It is also pertinent to note that the focus on affordable healthcare is increasing and the Governments both at Centre and State level are taking initiatives in this direction to make healthcare both accessible and affordable.

Rapid growth in the industry is therefore expected to continue and is further being driven by various factors including:

- Increase in evidence-based treatments
- Wide gap between demand-supply
- Changing disease profiles and drug resistance
- Increase in health insurance coverage including newly announced schemes like NHPM
- Need for greater health coverage as population and life expectancy increases
- Rising income levels make quality healthcare services more affordable coupled with tax incentives for availing medical insurances
- Demand for lifestyle diseases-related healthcare services
- Increase in preventive health check ups
- Mobile and digital based delivery systems including aggregators

As is the case with most sectors, the diagnostic industry has a pre-dominance of unorganized players due to absence of stringent regulations and low entry barriers. Diagnostic chains command about 15% share. Within this pie, large nationwide chains, such as Dr Lal PathLabs enjoy a 35-40% share. There are multiple formats in which diagnostic business can operate; firstly as 'standalone centres' offering basic testing, 'hospital based centres' -where some of the work may yet get outsourced to third-party laboratories and lastly 'diagnostic chains' -which have an all-India network and offer a complete suite of services.



Diagnostic chains prefer a hub-and-spoke approach in order to reach out to a wider customer base. A typical arrangement will have a combination of a Reference Laboratory, Satellite Laboratories and Collection Centres or Patient Service Centres. In addition the network caters to picking up samples from other labs, hospitals and clinics who are not equipped to test all samples and therefore need to outsource such tests.

Diagnostics essay the role of an intermediary, bearing information that can be used for correct diagnosis and treatment. It gets broadly classified into imaging diagnostics or radiology -that identifies anatomical and physiological changes in the body and pathology services -that involves testing of samples of blood, tissues, urine, stools and other fluids etc from the body.

Typically pathology services account for the larger share within diagnostics, given it has gained prominence as the preferred mode for testing a number of conditions. Within pathology it is the biochemistry related tests that represent a greater share (approx. 36% in value[3]) -these pertain to determination of changes in chemical composition of body fluids in response to underlying disease. Given the rising prevalence of chronic conditions like diabetes and cardio-vascular problems a far greater number of tests are getting prescribed and consequently blood sugar and lipid profile tests have come to occupy a dominant share within the diagnostics industry.

Thus we see significant growth potential in the industry in the near future.

Opportunities and Threats

While there is confidence around the opportunity for growth in the diagnostics industry, there are a number of emerging competitors both in the form of organized and unorganized players mostly at the regional level. Some regional competitors are also gradually emerging as national players. There is also the emergence of aggregators who are offering digital shopping and customer engagement platforms for healthcare services. This leads not only into intensified competition but also results in competitive pricing pressures and margin erosion.

[1] Union Budget 2018 allocation of ` 52800 cr for FY 2018-19 vs ` 47353 cr for FY 2017-18
[2] IBEF Healthcare Study April 2018
[3] Crisil Research

Outlook

The diagnostics industry is witnessing a great deal of visibility and interest with more organized players driving regional growth. This is also resulting in gradual shift of the market from unorganized to more organized players thereby driving quality and efficiency standards. This sector has also attracted investments further fuelling competition but at the same time improving industry standards.

India still has large rural markets which are either under served or not served at all by diagnostics and this provides the opportunity for growth at the bottom of the pyramid although at significantly lower price points. In the urban markets too there are pockets of growth opportunities given the overall awareness on health care and health attitudes which result in more frequent testing for chronic diseases.

Risk and concerns

Competition and pricing

As mentioned earlier, the intensified competition poses a risk of pricing pressures and margin dilution. In some markets the price table itself is lower than other markets while cost structures for national players are largely similar across the country, which in turn results in margin dilution. Being a fragmented industry with low barriers to entry, if we are unable to maintain our brand equity and succumb to pricing pressures in our relatively weaker markets, we would find it difficult to maintain and grow market shares. Pricing control also poses a risk particularly in times of epidemics wherein state governments impose pricing restrictions in the larger interest of society. We have seen such instances in the recent past in the wake of swine flu, dengue and chikungunya epidemics. With renewed focus on providing affordable healthcare solutions, the government machinery is also active in pursuing this objective aggressively.

Technology and digital platforms from aggregators are also posing a new competitive threat from the demand generation side offering pricing options to retail customers. While this may pose a revenue risk initially, in the longer term we believe the diagnostic chains offering better quality and service will command a premium for their offerings.

Healthcare in general and diagnostics in particular is also attracting the attention of investors who are making significant investments in the sector looking for quick gains by capturing market shares through pricing initiatives particularly in the 'BtoB' segment.

Slow network expansion

As part of our growth strategy, we plan to construct and open several new clinical laboratories, including regional reference laboratories and patient service centers in India. Our new Reference lab in Kolkata commenced operations in January 2018. The significant capital investments necessary to construct clinical laboratories, particularly regional reference laboratories — due to their size, is likely to have a material impact on our results of operations particularly in the initial post-opening period, as the costs will tend to be front ended before growth accelerates. Further, slower integration may also cause further margin pressure and therefore we need to ensure that costs are controlled and do not mount rapidly despite inflationary trends.

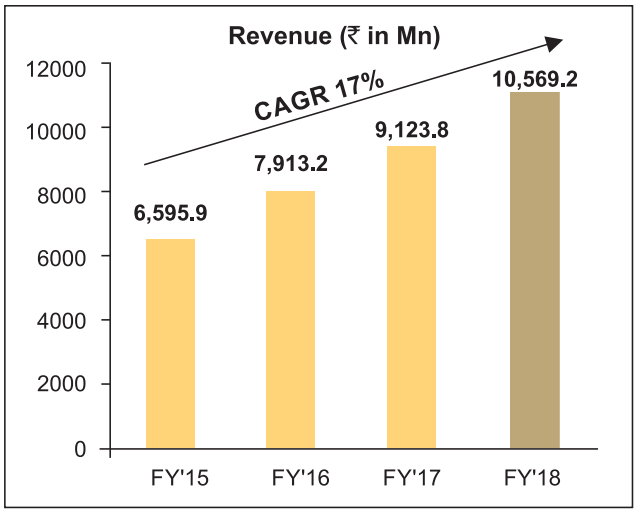
New Technologies

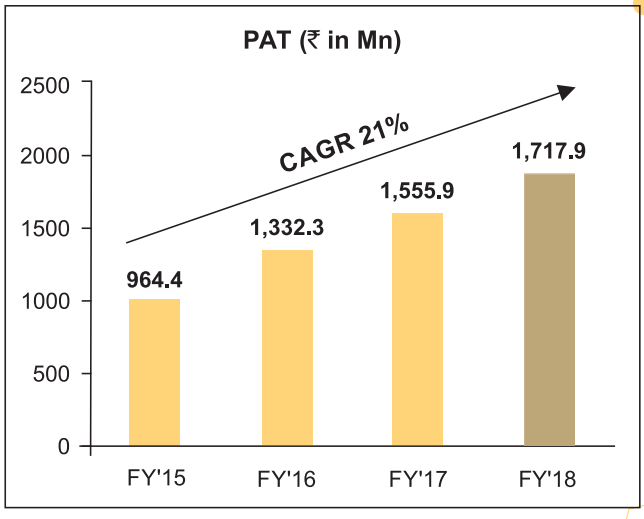
Technology adaptation has been one of our strengths and we have successfully rolled out new tests on contemporary technology platforms in the past. With continuous availability of new technologies, we need to remain competitive by ensuring swift adoption and adaptation of such new technologies with focus on benefits and returns.

Other risk factors

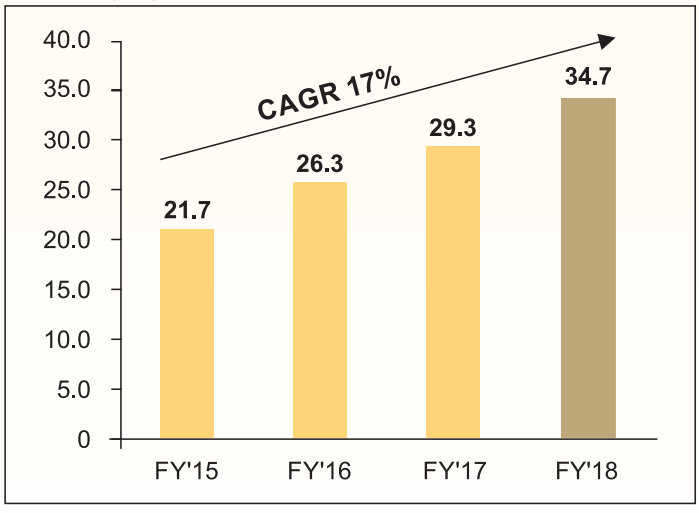
We have also listed out numerous risk factors in our prospectus issued in December 2015 during our IPO, many of these risks continue and we are constantly evaluating our options to address these in order to remain competitive.

Financial and Operational highlights

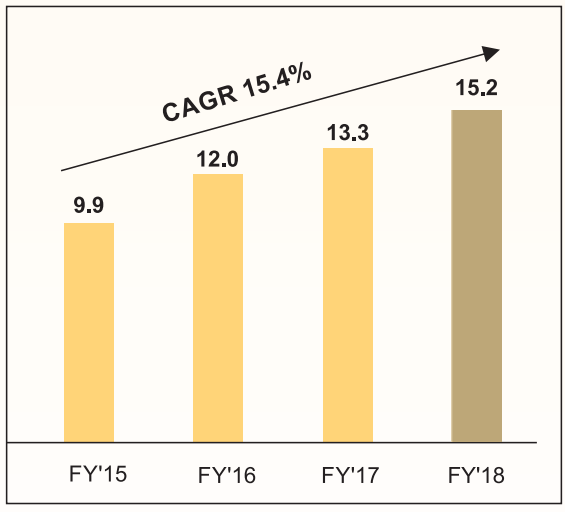




No. of Test (Mn)



No. of Patients (Mn)



Revenue

The year ended March 31, 2018 saw the company consolidated revenues increase 15.8% to ` 10569.2 mn (standalone ` 10240.4 mn). This was driven mainly by volume growth of 15%, supported by improved price mix realization of around 0.7%. The improved price realization was contributed by increased number of tests per patient serviced and partially offset by price reductions in some segments.

Costs

We recognize that our future success hinges on our ability to manage our cost structure and optimize the cost of doing business.Driven by inflation and expansion of infrastructure and network, there was an overall cost increase of 17.6%. Our major cost items include cost of reagents, people cost, revenue share, logistics and infrastructure costs. These have been largely maintained at expected levels. We are continuing our efforts to keep our costs in check and ensure that we manage our business efficiently.

EBITDA

Consequent to the above, the consolidated EBITDA growth for the year was 12.2% after eliminating the impact of RSU/stock related compensation and CSR cost. Consequently the EBITDA margin has marginally decreased from 27% in FY17 to 26.3% in FY18.

PBT and PAT

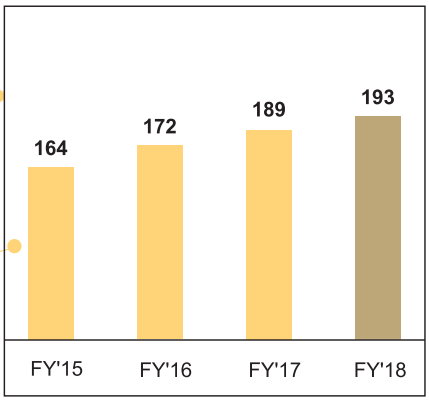
The growth in PBT consequent to the above was around 10.3%, which in turn increased PAT by 10.4% to ` 1717.9 mn (standalone ` 1679.8 mn) excluding other comprehensive income. Our Diluted EPS thus improved from ` 18.95 to ` 20.82 per equity share of ` 10 each; an improvement of 9.9%

Cash and Bank

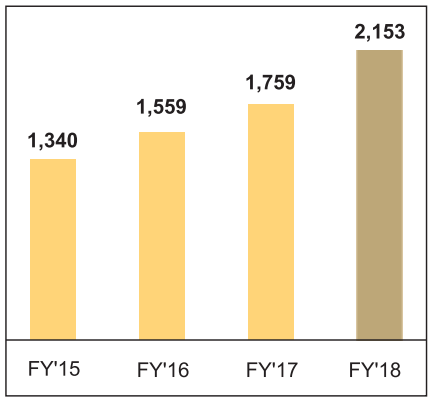
Our consolidated cash and cash equivalents increased from ` 3897 mn at the end of FY17 to ` 5506.3 mn at the end of FY18. This was driven by operating cash flow of ` 1970.6 mn post taxes and working capital changes. Capital expenditure consumed ` 624.6 mn as against ` 415.9 mn in the previous year. Income from cash surpluses in the form of interest and dividend earned on mutual funds increased from ` 289.8 mn to ` 248.1 mn.

Operational performance

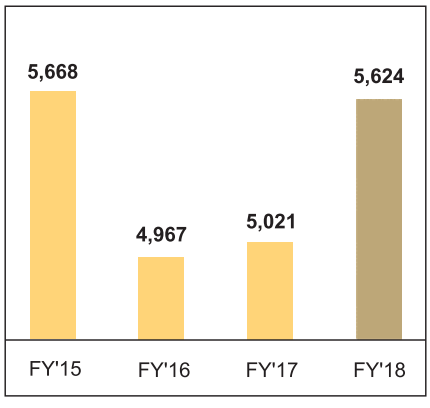
Nos of Labs, PSCs and PUPs



No. of Clinical Laboratories



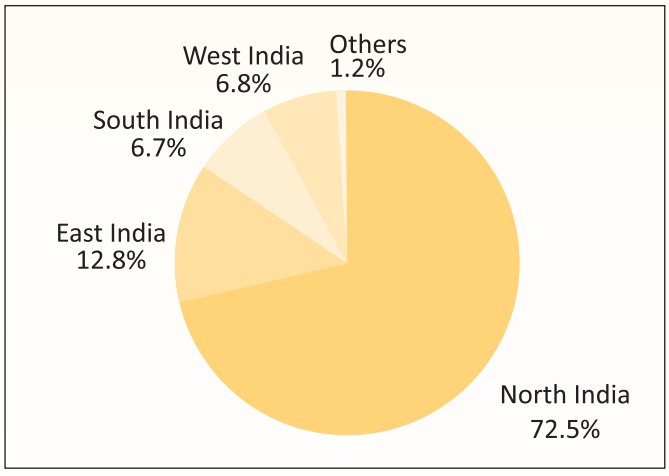
No. of PSCs



No. of PUPs

During the year our net lab count increased by 4 numbers, and PSCs increased by 394 numbers. The number of Pick up Points shows an increase of around 603 numbers which has helped to intensify our sample collection network.

Geography wise break up of business



Strategy for growth

Our growth strategy continues to be based on the following pillars:

- Continue to expand our presence in the markets in which we operate with a focus city approach in identified markets.
- Expand into other markets in India through strategic acquisitions and partnerships.
- Increase focus on bundled tests offering greater value to our customers
- Increase the breadth of our diagnostic healthcare testing and services platform.
- Continue our focus on providing our customers quality diagnostic and related healthcare tests and services with greater focus on improving customer experience.
- Leverage our network efficiencies to expand our management of hospital-based and other clinical laboratories.

Specifically, during the year we intensified our efforts around offering bundled tests to our customers and this has been well received with many customers opting for the bundled offerings. Our specialized tests offering has also been received well and is gaining traction.

Our new Regional Reference Laboratory in Kolkata commenced operations in January 2018 and this infrastructure will help us to grow the market in the Eastern states and gradually in neighbouring countries

Our focus will continue to drive revenue growth through volumes and test mix. Therefore our business model will continue to focus on productivity improvement to have competitive pricing and use of consumer facing technology to build traffic.

In the past year since April 2017, we had a net increase of 4 labs,nearly 400 PSCs and the number of active Pickup Points stands at 5624 as on March 31, 2018. Some labs were also closed and/or scaled down to PSCs, giving a net increase in lab count by 4 numbers. Our labs under Hospital lab management contracts have increased from 22 at the beginning of the financial year to 31 numbers at present.

Our investments in focus cities of Bengaluru and Pune are showing encouraging trends and we will build on this in the coming years. In addition we are also focusing on certain towns in UP which are likely to show high growth in coming months.

We had set up a specialized sales force for promoting high end tests a couple of years back. This has gained traction and we have been able to leverage this team to grow our portfolio of specialized tests.

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, 2018, the company has 4,316 employees including trainees and consultants on its payrolls and on the payrolls of its Subsidiary Company(ies). 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.

The Company has successfully initiated a management trainee program under which ten management graduates from top business schools have been inducted into the Company. This program aims to build a talent pipeline for future and act as a source for industry and business ready general management talent. We are continually focusing on building a talent pipeline and have invested in succession planning processes, internal job rotations and job enlargements.

We believe in proactively planning for the future growth and towards this end we have undertaken a major organization restructuring. A new organization vertical for Growth businesses has been created and the Company operations have been streamlined under a Chief Growth Officer.

The Company continues to invest in capability building and leadership development. To further the skills of the employees, trainings were provided in technical, behavioral and leadership area.

Sales force and customer service capability building has been a focus area and trainings have been designed and delivered through mobile learning, computer simulations and classroom programs.

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 process and evaluated the risk matrices for identified processes, updated our SOPs and taken appropriate actions to further improve the control systems. We have recently embarked upon an exercise to establish a framework for Enterprise Risk Management for which we expect will further strengthen our overall risk management environment. Our internal control system is supported by our Internal Auditors M/s Grant Thornton LLP, various regional audit firms and additionally our internal Control Assurance team has been augmented to further strengthen our control systems. 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 suggestions for improvement of control systems

FORWARD LOOKING STATEMENT

Except for the historical information contained herein, statement in this discussion which contains words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by forward-looking statements. These risks and uncertainty includes, but are not limited to, our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financials capabilities, technological implementation and changes, the actual growth in demand for our products and services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry. The company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof. These discussion and analysis should be read in conjunction with the company's financial statements included herein and notes thereto.

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, 2018.

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")
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, 2017 - March 31, 2018
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 193 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 for testing in India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (` Million)	833.33
Total Income (` Million)	10,555.53
Total profit after taxes (` Million)	1,679.82
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer to the **"Report on CSR Activities"** attached as annexure to the Board, forming part of the Annual Report.
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, forming part of the Annual Report.

SECTION C: OTHER DETAILS

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

   Yes, as on March 31, 2018, the Company has six (6) 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	
DIN	02099404
Name	Dr. Om Prakash Manchanda
Designation	CEO & Whole Time Director

b) Details of the BR head	
DIN	02099404
Name	Dr. Om Prakash Manchanda
Designation	CEO & Whole Time Director
Telephone number	+ 91-124-3016-500
e-mail id	op.manchanda@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

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	https://www.lalpathlabs.com/investor/policies-and-programs.aspx								
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 2017-18 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.

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

No complaints were received during the Financial Year 2017-18 relating to ethics, bribery or corruption.

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 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	3,908
Total number of employees hired on temporary/ contractual/casual basis	1,572
Number of permanent women employees	834
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?	2.90 %

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 2017-18	No of complaints pending as on end of the Financial Year 2017-18
1.	Child labour/forced labour/ involuntary labour	0	0
2.	Sexual harassment	2	1
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	56
(b)	Permanent Women Employees	-
(c)	Casual/Temporary/Contractual Employees	44.9
(d)	Employees with Disabilities	Nil

Principle 4

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

   The Company measures its performance based on the value that it brings to its stakeholders. For the Company, its prime responsibility is 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 address these concerns, monitor and ensure that they are addressed in a timely and efficient manner.

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

   The Company as its corporate responsibility believes in not only protecting the environment, but in uplifting the lives of the marginalized sections of the communities where it operates. The Company through its CSR arm is engaged in initiatives in this regard.

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 Ltd, 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.

The Company has donated socks and caps in Kashmir through Indian Army. Made donation towards Soldierathon, a marathon held in JLN Stadium on March 11, 2018 to help education of Martyr's Children and Wounded Warriors. It supported "The Lepra India Trust" for rehabilitation of Laprosy Patients. It also supported Saajha foundation focusing on home-based activities enabling parents, teachers, children etc. The Company donated blankets and others for children of Help Care Society and Govt. Boys Primary School, Nagina by providing Water Treatment Plant in the school, supported Posh Foundation as they are supporting injured animals in their shelter. LPL Welfare Trust has donated 8 laptops and 5 desktop computers for leprosy affected people.

The Company through the Welfare Trust also supported a research project at IIT Delhi (CERCA) with donation of ` 25,00,000/-. CERCA's (Centre of Excellence for Research on Clean Air) mission is to promote scientific research and analysis on Clean Air issues and provide actionable information for air quality improvement to Government, Industry and to Public. Multidisciplinary research projects to be undertaken by IIT Delhi faculty and in collaboration with other institutions in India and overseas on Ambient Air Quality and Indoor Air Quality.

The Company in every endeavor shall strive to undertake initiatives to engage with 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, efficiency in business operations to help reduce cost 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 and use of renewable energy.

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.

For further details on the initiatives undertaken by the Company, please refer to the Board's Report for the Financial Year 2017-2018 which can be accessed at https://www.lalpathlabs.com/investor/annual-reports.aspx.

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. National Health Insurance Administration ('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 CSR Trust, namely, Dr. Lal PathLabs Welfare Trust 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 -

Education and Skilling

1. Dr. Lal PathLabs Welfare Trust is running a skill development training center namely 'Centre for Excellence', the name itself is suggesting about the quality of our work. We are providing quality and standard training, as per norms, laid down by the Ministry of Skill Development, to unemployed underprivileged youth 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 the ideal for the course. During financial year 2017-18, we ran two batches and total number of candidates who got trained were 172.

2. Dr. Lal PathLabs supported to Soldierathon, a special edition of marathon instituted to commemorate the Indian Martyrs who have laid their lives for our country. It was a road running event slated to take place in the national capital - Delhi on March 11, 2018. Basic purpose of the event was to support for education of the Martyrs' children and wounded warriors.

3. Supported Saajha, a Delhi based NGO working with Government Primary Schools closely with School Management Committees (SMCs) and community to build a national level peer engagement platform of SMCs across the country. This would also enable collaboration among the SMCs at national level, which allow them to share learning experiences from across the country and advocacy with government to facilitate regulatory support to community engagement. With community they are focusing on raising awareness about parental and community engagement in children learning.

4. Supported Girl Child Education from Pipliya village Rajasthan by donating ` 20,000/-.

5. Dr. Lal PathLabs Welfare trust has provided 8 laptops and 5 desktop computers for leprosy affected people and their families for supporting Education.

Health and Wellness

6. Dr. Lal PathLabs in coordination with State Programme Management Unit (SPMU) - NHM Uttar Pradesh is implementing a project in Varanasi (UP) as part of NPCDCS initiative for assessment of risk factor by awareness, education and opportunistic screening at Community Health Centre and District Hospital level for the persons above the age of 30 years and all pregnant mothers. Such screening has involved simple clinical examination comprising of relevant questions and easily conducted physical measurements such as blood pressure, body weight, BMI and testing of venous blood sample for

random blood suger level and serum cholesterol. Target of the project is to examine one lakh patients in the Varanasi district (UP) and we have achieve the target.

7. Supported The Lepra Trust India, a Delhi based NGO, working for Leprosy affected families. The mere mention of leprosy continues to evoke fear and dread among people across the board. The adversities suffered by leprosy patients are multipronged including medical, social and psychological problems. Major activities and highlights of our support is as follows:

a) Provided a broad range of treatments and physiotherapy sessions alongside the Missionaries of Charity sisters at Seema Puri, East Delhi, and every Wednesday.

b) Medical examination and treatment on the streets at Lodhi Road environs by organizing street health camps from our mobile van with a doctor, helper and counselor, every Thursday. We also conduct medical examinations of leprosy patients at Majnu Ka Tila, North Delhi, organizing a health camp, every Saturday.

c) Provided counselling services both at Lodhi Road and Seemapuri, Delhi on Thursdays and Fridays to educate leprosy patients in groups and/or one on one, about hygiene, importance of regular treatment and a positive attitude towards life.

8. Dr. Lal Pathlabs participated in campaign on Blood Pressure with National CSR Network and covered 500+ people in the campaign.

Social Welfare

9. Dr Lal PathLabs supported to install a water treatment plant at a government Primary and Junior High School in Nagina, Mewat (Haryana). Total number of students at the school is 700+. It's an underserved area and minority dominated. Implementation and knowledge partner was Piramal Sarvajal, an organization, seeded by the Piramal Foundation in 2008, is a mission driven social enterprise which designs and deploys innovative solutions for creating affordable access to safe drinking water in underserved areas. The water treatment plant is locally operated but centrally managed. While Piramal is a purification technology organization, they leverage cloud based technology for greater operational oversight.

10. Distributed Socks and Caps in Gurej, Kashmir through Indian Army. Donated 5000 woolen socks & woolen monkey caps worth ` 866,250/-.

11. Donated blankets for children to Help Care Society.

12. Dr. Lal Pathlabs supported Posh Foundation as they are supporting injured animals in their shelter by donating ` 145,200/-.

13. Dr. Lal Pathlabs believes in supporting research and development to bring about future development and progress of the society and thus supported a research project at IIT Delhi with donation of `. 25,00,000/-

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 indirectly or through its CSR Trust, viz. Dr. Lal PathLabs Welfare Trust.

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 INR 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?

There are no material consumer cases/customer complaints outstanding as at the end of Financial 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?

None

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

Yes

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 following 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:

a. Appropriate size and composition of the Board with each Director bringing in expertise in a different area;

b. Systematic information flow to the Directors to enable them to effectively discharge their fiduciary duties;

c. Ethical business conduct by the management and employees;

d. Appropriate systems and processes for internal controls on all operations; and

e. 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, 2018, 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 2017-18, their attendance at Board Meetings held during the Financial Year 2017-18 and at the last Annual General Meeting and the number of Directorship and Committees Chairmanship/ Membership held by them as on March 31, 2018 are given hereunder:

Name of Director	Category#	Attendance Particulars			No. of other Directorships and Committee Memberships/ Chairmanships		
		Board Meetings		Last AGM held on 20.07.2017	Other Directorships*	Committee Memberships**	Committee Chairmanships**
		Held	Attended				
(Hony) Brig. Dr. Arvind Lal (DIN: 00576638)	Chairman & PED	4	4	Yes	8	Nil	Nil
Dr. Vandana Lal (DIN: 00472955)	PED	4	4	Yes	4	Nil	Nil
Dr. Om Prakash Manchanda (DIN: 02099404)	ED	4	4	Yes	1	Nil	Nil
Mr. Rahul Sharma (DIN: 00956625)	NE	4	4	Yes	Nil	Nil	Nil
Mr. Arun Duggal (DIN: 00024262)	IDNE	4	3	Yes	6	5	1
Mr. Anoop Mahendra Singh (DIN: 01963056)	IDNE	4	4	No	Nil	Nil	Nil
Mr. Harneet Singh Chandhoke (DIN: 02758084)	IDNE	4	4	No	Nil	Nil	Nil
Mr. Sunil Varma (DIN: 01020611)	IDNE	4	4	Yes	1	Nil	Nil
Dr. Saurabh Srivastava (DIN: 00380453)	IDNE	4	3	Yes	10	4	1

#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 Indian Public Companies have only been considered.*

Number of Board Meetings

During the Financial Year 2017-18, 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 12, 2017
2	August 07, 2017
3	November 09, 2017
4	February 08, 2018

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, 2018 is as follows:

Name of Director	Nature of Directorship	No. of Equity Shares held
Mr. Rahul Sharma	Non-Executive Director	20,197
Mr. Arun Duggal	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_directors.pdf.

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 2017-18, Four (4) meetings of Audit Committee were held on May 11, August 07, November 09, 2017 and February 08, 2018.

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	3
Mr. Arun Duggal	IDNE	Member	3
Dr. Saurabh Srivastava	IDNE	Member	2

IDNE - Independent Non-Executive Director.

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

Terms of referennce

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

(a) 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;

(b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(c) Approval of payment to statutory auditors for any other services rendered by them;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

  (i) 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;

  (ii) Changes, if any, in accounting policies and practices and reasons for the same;

  (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

  (iv) Significant adjustments made in the financial statements arising out of audit findings;

  (v) Compliance with listing and other legal requirements relating to financial statements;

  (vi) Disclosure of any related party transactions; and

  (vii) Qualifications in the draft audit report.

(e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(f) 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;

(g) Review and monitor the auditor's independence and performance and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties;

(j) Scrutiny of inter-corporate loans and investments;

(k) Valuation of undertakings or assets of the company, wherever it is necessary;

(l) Evaluation of internal financial controls and risk management systems;

(m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) 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;

(o) Discussion with internal auditors of any significant findings and follow up there on;

(p) 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;

(q) 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;

(r) 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;

(s) To review the functioning of the whistle blower mechanism;

(t) 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;

(u) Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern; and

(v) 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 2017-18, Four (4) meetings of Nomination and Remuneration Committee were held on May 12, August 07, November 09, 2017 (Meeting was adjourned due to lack of Quorum and the re-scheduled meeting was held on November 16, 2017) and February 08, 2018.

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

Names of Members	Category	Position	No. of meetings attended
Mr. Arun Duggal	IDNE	Chairman	3
Mr. Harneet Singh Chandhoke	IDNE	Member	4
Mr. Rahul Sharma	NE	Member	4
Dr. Saurabh Srivastava	IDNE	Member	3

IDNE - Independent Non-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 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) 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 performance evaluation of its own performance, the Directors individually as well as the evaluation of all the Committees of the Board, for the Financial Year 2017-18. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, 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 2017-18, Four (4) meetings of Stakeholders Relationship Committee were held on May 12, August 07, November 09, 2017 and February 08, 2018.

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	3
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:

(i) 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;

(ii) 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;

(iii) 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; and

(iv) 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, 2018 are given in the table below:

Particulars	No. of Complaints
Number of Shareholders' complaints outstanding as at March 31, 2017	1
Number of shareholders' complaints received during the Financial Year	114
Number of shareholders' complaints solved to the satisfaction of shareholders during the Financial Year	115
Number of pending shareholders' complaints as at March 31, 2018	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 2017-18, One (1) meeting of Corporate Social Responsibility Committee was held on May 12, 2017.

The composition of the Corporate Social Responsibility Committee and the attendance details of the members are given below: -

Names of Members	Category	Position	No. of meetings attended
(Hony) Brig. Dr. Arvind Lal	Chairman & PED	Chairman	1
Mr. H.S. 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:

(i) 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.

(ii) Recommend the amount of expenditure to be incurred on the CSR activities referred in Schedule VII.

(iii) Monitor the CSR Policy of the Company from time to time.

(iv) Such other activities as the Board of Directors may determine from time to time.

VII. REMUNERATION OF DIRECTORS

The table below gives details of Remuneration of Directors for the Financial Year ended March 31, 2018.

(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	2,14,25,724	-	-	6,04,248	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	2,20,29,972
Dr. Vandana Lal	1,71,80,316	-	-	4,84,524	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	1,76,64,840
Dr. Om Prakash Manchanda	2,79,55,983	-	-	17,64,204	-	None, unless otherwise agreed by Board of Directors	5 years	5 months	*2,97,20,187
Mr. Rahul Sharma	-	-	-	-	-	-	-	-	-

(Amount in `)

Name of Director	Salary & Perquisites	Performance Linked Incentive	Commission	Contribution towards Provident Fund	Sitting Fees	Severance Fee	Service Contract	Notice Period	Total
Mr. Harneet Singh Chandhoke	-	-	10,00,000	-	5,00,000	-	-	-	15,00,000
Mr. Sunil Varma	-	-	12,50,000	-	4,50,000	-	-	-	17,00,000
Dr. Saurabh Srivastava	-	-	12,50,000	-	6,50,000	-	-	-	19,00,000
Mr. Arun Duggal	-	-	12,50,000	-	5,50,000	-	-	-	18,00,000
Mr. Anoop Mahendra Singh	-	-	10,00,000	-	4,00,000	-	-	-	14,00,000

**Does not include a non-cash (stock related) perk of ` 20,80,10,096/- for exercise of Stock options vested till November 30, 2014.*

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, 2018 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
July 29, 2016	82,677*	10	20,152	July 28, 2017
			20,669	July 28, 2018
			20,669	July 28, 2019
			20,670	July 28, 2020
August 07, 2017	83,066**	10	12,460	August 06, 2018
			16,613	August 06, 2019
			24,920	August 06, 2020
			29,073	August 06, 2021

**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.*

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.

VIII. 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
2016-17	July 20, 2017	10.30 AM	Air Force Auditorium, Subroto Park, New Delhi - 110 010	3
2015-16	July 28, 2016	10.30 AM	Air Force Auditorium, Subroto Park, New Delhi - 110 010	3
2014-15	September 29, 2015	3.00 PM	Eskay House, 54, Hanuman Road, New Delhi - 110001	2

Details of the National Company Law Tribunal Convened Meeting held during the Financial Year are as under:

A meeting of the equity shareholders of your Company was convened pursuant to an Order dated December 14, 2017 (**"Order"**), passed by the Hon'ble National Company Law Tribunal, New Delhi Bench (**"Hon'ble Tribunal" or "NCLT"**) for the purpose of approving the arrangement embodied in the Scheme of Amalgamation between Delta Ria and Pathology Private Limited ("Transferor Company") and Dr. Lal PathLabs Limited ("Transferee Company").

Financial Year	Date	Time	Venue	Purpose
2017-18	February 10, 2018	10.30 A.M.	PHD Chambers of Commerce, No.4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	To approve the scheme of amalgamation between Delta Ria and Pathology Private Lmited ('Transferor Company') with Dr. Lal PathLabs Limited ('Transferee Company')

Postal Ballot

During the Financial Year 2017-18, in terms of the directions issued by the Hon'ble Tribunal and 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 resolution through postal ballot:

Resolution: Pursuant to provision of Section 230-232 of the Companies Act 2013 read with relevant Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and NCLT Rules, 2016 and SEBI LODR Regulations and SEBI Circulars and other relevant provisions of applicable laws for approval of the Scheme of Amalgamation of Delta Ria and Pathology Private Limited ('Transferor Company') with Dr. Lal PathLabs Limited ('Transferee Company')

Date of Postal Ballot Notice	December 29, 2017
Cut-off Date of register of members for dispatch of notice	December 29, 2017
Voting Period	January 11, 2018 at 9:00 A.M. to February 9, 2018 at 5:00 P.M.
Date of passing resolution	February 10, 2018
Date of declaration of result	February 12, 2018

The Hon'ble Tribunal appointed Mr. Sunpreet Singh, Practicing Company Secretary, as Scrutinizer for conducting the voting process in a fair and transparent manner.

The details of voting pattern in respect of the Resolution passed through postal Ballot are as under:

Category	Mode of Voting	No. of shares held	No of Valid Votes Polled	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes in favour on Votes Polled	% of votes against on Votes Polled
Promoters and Promoter Group	E-voting		47,848,562	100	47,848,562	0	100	0
	Poll	47,848,562	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	47,848,562	47,848,562	100	47,848,562	0	100	0
Public-Institutions	E-voting		16,549,675	82.45	16,549,675	0	100	0
	Poll	20,071,290	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	20,071,290	16,549,675	82.45	16,549,675	0	100	0
Public-Non Institutions	E-voting		1,347,277	8.74	1,347,182	95	99.99	0.01
	Poll	15,412,892	68	0	66	2	97.06	2.94
	Postal Ballot		1,357	0	1,337	20	98.53	1.47
	Total	15,412,892	1,348,702	8.75	1,348,585	117	99.99	0.01
Total		**83,332,744**	**65,746,939**	**78.90**	**65,746,822**	**117**	**100.00**	**0.00**

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 directed by NCLT vide its Order and 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 https://www.evotingindia.com.

IX. 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.

X. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting:

The 24th Annual General Meeting of the Company is scheduled to be held as under:-

Date and Time: Monday, August 13, 2018 at 10.30 AM

Venue : Air Force Auditorium, Subroto Park, New Delhi - 110010

b. Financial Year

The company follows Financial Year from April 1 to March 31. The Current Financial Year of the Company is April 1, 2018 to March 31, 2019.

c. Dividend Payment Date: On or after August 30, 2018

d. 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

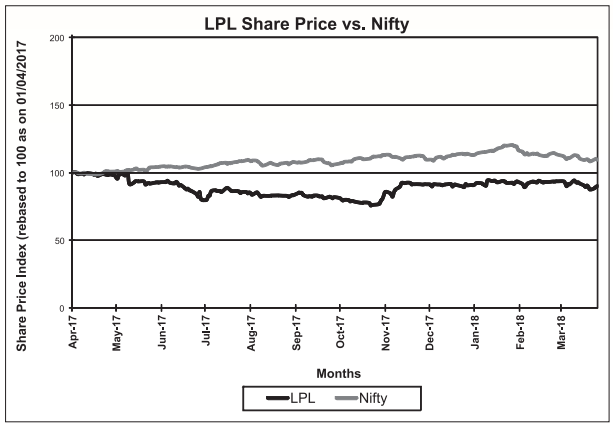
Listing fees for the Financial Year 2017-18 has been paid to both the Stock Exchanges.

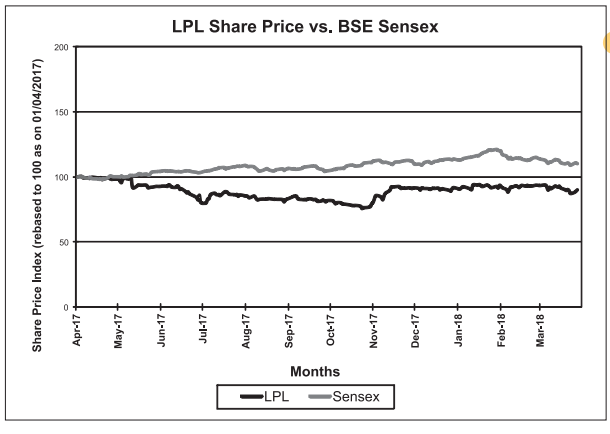
e. Market Price Data & Share price performance:

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 2017	994.00	944.40	993.25	941.35
May 2017	978.00	872.75	969.95	871.40
June 2017	920.00	773.30	919.80	780.00
July 2017	880.00	762.70	881.00	762.15
August 2017	856.90	775.05	858.00	775.00
September 2017	847.50	766.50	848.00	767.00
October 2017	801.45	717.65	801.85	723.05
November 2017	909.00	766.50	908.00	775.25
December 2017	904.00	831.00	906.00	855.05
January 2018	925.00	806.00	930.00	873.00
February 2018	920.00	854.45	924.95	851.20
March 2018	926.00	821.55	928.50	822.65

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





g. Registrar and Share Transfer Agent:

Link Intime India Private Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I,
Near PVR, Naraina,
New Delhi-110028
+91 11 4141 0592 | Fax: +91 11 4141 0591

h. 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.

i. Distribution of shareholding as on March 31, 2018:

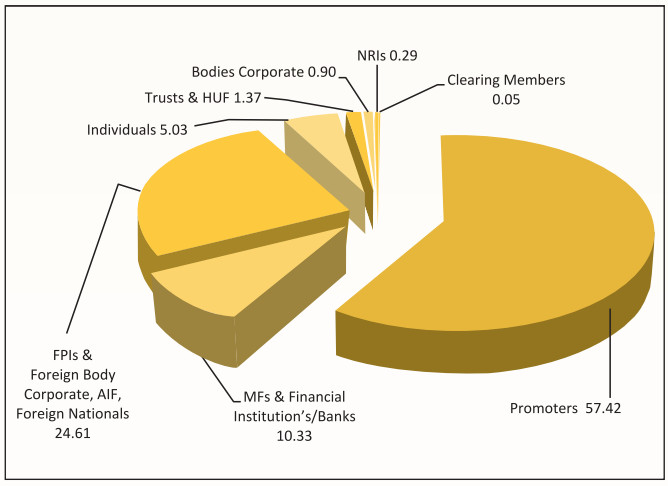
a) Distribution of Shareholding

Slab	Share Holders		No. of Shares	
	Number	% to total	Shares	% to total
1 - 500	46,395	98.30	25,72,978	3.09
501 - 1,000	414	0.88	3,03,878	0.36
1,001 - 2,000	165	0.35	2,26,251	0.27
2,001 - 3,000	49	0.10	1,19,872	0.14
3,001 - 4,000	18	0.04	63,370	0.08
4,001 - 5,000	11	0.02	51,174	0.06
5,001 - 10,000	28	0.06	2,04,818	0.25
10,001 - Above	115	0.24	7,97,90,403	95.75
Total	**47,195**	**100.00**	**8,33,32,744**	**100.00**

b) Categories of Equity Shareholders as on March 31, 2018

S. No.	Category	No of Shares held	% of Share holding
1	Promoter and Promoter Group	4,78,48,562	57.42
2	Mutual Fund & Financial Institution's/Banks	86,06,938	10.33
3	FPIs & Foreign Body Corporate/FIIs/AIF/ Foreign Nationals	2,05,11,633	24.61
4	Individuals	41,93,690	5.03
5	Trusts & HUF	11,39,580	1.37
6	Bodies Corporate	7,50,731	0.90
7	Non - Resident Indians	2,42,508	0.29
8	Clearing Members	39,102	0.05
Total		**8,33,32,744**	**100**

Graphic presentation of the Shareholding pattern as on March 31, 2018



j. 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, 2018. The equity shares of the Company are actively traded at BSE & NSE.

k. Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments

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

l. 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.

m. Plant Locations

The Company does not have any manufacturing or processing plants.

n. Address for Correspondence

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

XI. 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/investor/policies-and-programs.aspx

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.

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.

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. 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 on March 31, 2018.

f. 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/investor/policies-and-programs.aspx

g. 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 12, 2017 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 2017-18, 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. Separate Posts of Chairman and CEO

The Company has separate posts of Chairman and CEO. (Hony) Brig. Dr. Arvind Lal is the Chairman & Managing Director of the Company and Dr. Om Prakash Manchanda is the CEO & Whole Time Director of the Company.

v. 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.

XII. 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 2017-18.

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. 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

XIII. 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.

Annexures to Report on Corporate Governance for the Financial Year ended March 31, 2018

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, 2018.

Date: May 14, 2018
Place: Mussoorie

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

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 2017-18 and that to the best of our knowledge and belief:

  i. these statements do not contain any materially untrue statement or omit any material fact or 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.

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

Dilip Bidani
Chief Financial Officer

Date: May 14, 2018
Place: Mussoorie

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, 2018 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
Membership No. 6047
Certificate of Practice No. 6153

Date: May 14, 2018
Place: Delhi

STANDALONE FINANCIAL STATEMENTS

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited)** ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS 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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1 April, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as amended, audited by the predecessor auditor whose report for the year ended 31 March, 2017 and 31 March, 2016 dated 12 May, 2017 and 27 May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

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 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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 for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements- Refer note 37 to the standalone Ind AS 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 51 to the standalone Ind AS 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 52 to the standalone Ind AS financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/ CARO") 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)

Jitendra Agarwal
Partner
(Membership No. 87104)

Place: Mussoorie
Date: 14 May, 2018

"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 (formerly Dr. Lal PathLabs Private Limited)** ("the Company") as of 31 March, 2018 in conjunction with our audit of the standalone Ind AS 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, 2018, 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)

Jitendra Agarwal
Partner
(Membership No. 87104)

Place: Mussoorie
Date: 14 May, 2018

"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 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, Service Tax, Customs Duty, Goods and Service 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.

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.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Customs Duty, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.

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.

(c) There are no dues of Income Tax, Service Tax and Customs Duty as on 31 March, 2018 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.

(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 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-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)

Place: Mussoorie
Date: 14 May, 2018

Balance Sheet as at 31 March, 2018

(in ` million, unless otherwise stated)

Particulars	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Assets				
1. Non-current assets				
(a) Property, plant and equipment	**3**	1,516.51	1,032.83	977.16
(b) Capital work-in-progress	**3**	93.60	153.30	40.94
(c) Goodwill	**4**	10.80	10.80	8.30
(d) Other intangible assets	**5**	198.02	166.28	137.26
(e) Intangible assets under development	**5**	-	18.65	-
(f) Financial assets				
(i) Investments	**6**	331.24	313.15	115.90
(ii) Loans	**7**	0.50	0.50	0.74
(iii) Other financial assets	**8**	358.02	202.84	104.13
(g) Non-current tax assets (net)	**9**	76.38	56.98	170.38
(h) Deferred tax assets (net)	**10**	163.97	131.89	120.62
(i) Other non-current assets	**11**	112.89	116.15	128.55
Total non-current assets		**2,861.93**	**2,203.37**	**1,803.98**
2. Current assets				
(a) Inventories	**12**	266.53	171.35	140.84
(b) Financial assets				
(i) Investments	**13**	1,438.51	1,029.60	625.90
(ii) Trade receivables	**14**	401.81	402.55	348.56
(iii) Cash and cash equivalents	**15a**	620.83	259.74	253.82
(iv) Bank balances other than (iii) above	**15b**	2,442.57	2,087.49	1,813.93
(v) Loans	**16**	2.48	1.63	9.39
(vi) Other financial assets	**17**	790.30	479.18	302.95
(c) Other current assets	**18**	160.10	127.12	88.85
Total current assets		**6,123.13**	**4,558.66**	**3,584.24**
Total assets		**8,985.06**	**6,762.03**	**5,388.22**
Equity and liabilities				
1. Equity				
(a) Equity share capital	**19**	833.33	830.66	826.77
(b) Other equity	**20**	6,961.33	5,033.70	3,766.63
Total equity		**7,794.66**	**5,864.36**	**4,593.40**
2. Liabilities				
Non-current liabilities				
(a) Financial liabilties				
(i) Other financial liabilities	**21**	75.88	64.33	41.97
(b) Other non-current liabilities	**22**	3.65	7.57	9.77
Total non-current liabilities		**79.53**	**71.90**	**51.74**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	**23**	623.89	506.18	405.82
(ii) Other financial liabilities	**24**	256.47	154.20	163.78
(b) Provisions	**25**	84.15	66.40	65.61
(c) Current tax liabilities (net)	**9**	14.21	1.77	-
(d) Other current liabilities	**26**	132.15	97.22	107.87
Total current liabilities		**1,110.87**	**825.77**	**743.08**
Total liabilities		**1,190.40**	**897.67**	**794.82**
Total Equity and liabilities		**8,985.06**	**6,762.03**	**5,388.22**
See accompanying notes to the Standalone Ind AS Financial Statements	**1-53**			

In terms of our report of even date attached

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

Jitendra Agarwal
Partner

Place: Mussoorie
Date: 14 May, 2018

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]

Mr. Dilip Bidani
[Chief Financial Officer]

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

Mr. Rajat Kalra
[Company Secretary]

Statement of Profit and Loss for the year ended 31 March, 2018

(in ` million, unless otherwise stated)

Particulars		Notes	Year ended 31 March, 2018	Year ended 31 March, 2017
1.	**Income**			
	(a) Revenue from operations	**27**	10,240.43	8,818.75
	(b) Other income	**28**	315.10	282.83
	Total income		**10,555.53**	**9,101.58**
2.	**Expenses**			
	(a) Cost of materials consumed	**29**	2,193.13	1,912.48
	(b) Employee benefits expense	**30**	1,750.86	1,473.09
	(c) Finance costs	**31**	8.17	6.98
	(d) Depreciation and amortisation expense	**32**	310.45	264.40
	(e) Fees to collection centers/channel partners		1,275.30	1,001.28
	(f) Other expenses	**33**	2,464.44	2,130.79
	Total expenses		**8,002.35**	**6,789.02**
3.	**Profit before tax**		**2,553.18**	**2,312.56**
4.	**Tax expense**			
	(a) Current tax	**34**	907.15	795.02
	(b) Deferred tax	**10**	(33.79)	(7.27)
	Total tax expense		**873.36**	**787.75**
5.	**Profit for the period (A)**		**1,679.82**	**1,524.81**
6.	**Other comprehensive income**			
	- Items that will not be reclassified to profit or loss Remeasurement of the defined benefit obligations		4.94	(11.57)
	- Income tax relating to items that will not be reclassified to profit or loss	**10**	(1.71)	4.00
	Total other comprehensive income (B)		**3.23**	**(7.57)**
7.	**Total comprehensive income for the period (A+B)**		**1,683.05**	**1,517.24**
8.	**Earnings per equity share**	**35**		
	- Basic earnings per share (Face value of ` 10 each)		20.51	18.76
	- Diluted earnings per share (Face value of ` 10 each)		20.48	18.69
See accompanying notes to the Standalone Ind AS Financial Statements		**1-53**		

In terms of our report of even date attached

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

Jitendra Agarwal
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Place: Mussoorie
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[CEO and Whole Time Director]

Mr. Dilip Bidani
[Chief Financial Officer]

Mr. Rajat Kalra
[Company Secretary]

Cash Flow Statement for the year ended 31 March, 2018

(in ` million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2018	Year ended 31 March, 2017
Cash flows from operating activities			
Profit for the year		1,679.82	1,524.81
Adjustments for :			
Tax expense		873.36	787.75
Dividend income on current investments recognised in profit or loss		(60.74)	(60.26)
Dividend income from a subsidiary company recognised in profit or loss		(8.00)	(13.29)
Interest income recognised in profit or loss		(234.99)	(196.02)
Finance cost recognised in profit or loss		8.17	6.98
Expense recognised in respect of employee share based compensation		116.92	78.58
Sundry balances written back recognised in profit or loss		(2.55)	(3.23)
Depreciation and amortisation of non-current assets		310.45	264.40
Loss on disposal / discard of property, plant and equipment		2.01	3.77
Provision for impairment of trade receivables and advances		29.07	41.83
Bad debts and advances recovered		-	(0.63)
Security deposits amortisation recognised in profit or loss		6.09	(4.28)
Bad debts and advances written off		7.39	6.77
Remeasurement of the defined benefit obligation		4.94	(11.57)
Operating profit before working capital changes		**2,731.94**	**2,425.61**
Changes in working capital:			
Adjustment for (increase)/decrease in operating assets:			
(Increase) in inventories		(95.18)	(30.51)
(Increase) in trade receivables		(35.72)	(102.20)
(Increase)/ decrease in loans		(0.85)	2.16
(Increase)/ decrease in other financial assets		31.46	(26.24)
(Increase) in other assets		(25.40)	(36.65)
Adjustment for increase/(decrease) in operating liabilities:			
Increase in trade payables		120.26	103.59
Increase in other financial liabilities		29.64	22.84
Increase in provisions		17.75	0.79
Increase/ (decrease) in other liabilities		31.01	(12.85)
Cash generated from operations		**2,804.91**	**2,346.54**
Income taxes paid		(914.11)	(679.85)
Net cash generated from operating activities (a)		**1,890.80**	**1,666.69**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(583.38)	(391.25)
Proceeds from disposal of property, plant and equipment		0.96	3.43
Payments for purchase of intangible assets		(79.64)	(100.76)
Dividend received from current investments		73.88	47.12
Dividend received from a subsidiary company		8.00	13.29
Interest received		193.59	186.24
Payments for business purchase		(10.20)	(6.25)

Cash Flow Statement for the year ended 31 March, 2018

(in ` million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2018	Year ended 31 March, 2017
Net cash outflow on acquisition of subsidaries		(18.09)	(187.05)
Payments for purchase of investments in mutual funds		(1,876.54)	(1,630.86)
Proceeds from sale of investments in mutual funds		1,454.48	1,240.30
Bank deposits placed with the banks		(2,919.38)	(3,060.74)
Bank deposits with banks encashed		2,382.90	2,711.11
Repayment by related parties		-	5.84
Fixed deposits placed with the body corporates		(285.62)	(175.33)
Net cash used in investing activities (b)		**(1,659.04)**	**(1,344.91)**
Cash flows from financing activities			
Proceeds from exercise of share options		29.78	39.12
Changes in escrow account		0.08	12.85
Proceeds from sale of treasury shares		414.96	-
Interest paid		(1.08)	(2.32)
Dividend paid on equity shares including dividend tax		(314.41)	(365.51)
Net cash generated from / (used in) financing activities (c)		**129.33**	**(315.86)**
Net increase in cash and cash equivalents (a+b+c)		**361.09**	**5.92**
Cash and cash equivalents at the beginning of the year	**15a**	259.74	253.82
Cash and cash equivalents at the end of the year	**15a**	**620.83**	**259.74**
Components of cash and cash equivalents			
Cash on hand		9.86	4.90
Balance with scheduled banks:			
- on current accounts		131.15	90.53
- on cash credit accounts		40.60	39.22
- deposits with maturity of less than 3 months		439.22	125.09
Cash and cash equivalents in cash flow statement:	**15a**	**620.83**	**259.74**
See accompanying notes to the Standalone Ind AS Financial Statements	**1-53**		

In terms of our report of even date attached

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

Jitendra Agarwal
Partner

Place: Mussoorie
Date: 14 May, 2018

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]

Mr. Dilip Bidani
[Chief Financial Officer]

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

Mr. Rajat Kalra
[Company Secretary]

Statement of Changes in Equity for the year ended 31 March, 2018

a. Equity share capital

(in ` million, unless otherwise stated)

Particulars	Amount
Balance at 1 April, 2016	**826.77**
Equity share capital issued against share options	3.89
Balance as 31 March, 2017	**830.66**
Equity share capital issued against share options	2.67
Balance as 31 March, 2018	**833.33**

b. Other equity

(in ` million, unless otherwise stated)

Particulars	Share application money pending allotment	Reserves and surplus						Total other equity
		Capital redemption reserve account	Share premium reserve	General reserve	Share options outstanding account	Treasury shares	Retained earnings	
Balance at 1 April, 2016	**7.31**	**4.45**	**860.29**	**324.10**	**7.18**	**(437.35)**	**3,000.65**	**3,766.63**
Profit for the year	-	-	-	-	-	-	1,524.81	**1,524.81**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(7.57)	**(7.57)**
Total comprehensive income for the year	-	-	-	-	-	-	**1,517.24**	**1,517.24**
Movement during the period on account of issue of equity shares	(7.31)	-	39.57	-	-		-	**32.26**
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(365.51)	**(365.51)**
Amount transferred from surplus balance in the Statement of Profit and Loss	-	-	-	145.00	-	-	(145.00)	**-**
Share options exercised during the year (Refer to note 20 and 49)	-	-	-	3.31	(7.85)	1.53	-	**(3.01)**
Employee share based compensation expense (Refer to note 30)	-	-	-	-	86.09	-	-	**86.09**
Balance at 31 March, 2017	**-**	**4.45**	**899.86**	**472.41**	**85.42**	**(435.82)**	**4,007.38**	**5,033.70**
Profit for the year	-	-	-	-	-	-	1,679.82	**1,679.82**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	3.23	**3.23**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,683.05**	**1,683.05**
Movement during the period on account of issue of equity shares	-	-	26.87	-	-	-	-	**26.87**
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(314.41)	**(314.41)**
Share options exercised during the year (Refer to note 20 and 49)	-	-	-	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	**-**	**4.45**	**926.73**	**488.71**	**179.37**	**(292.43)**	**5,654.50**	**6,961.33**
See accompanying notes to the Standalone Ind AS Financial Statements	**1-53**							

In terms of our report of even date attached

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

Jitendra Agarwal
Partner

Place: Mussoorie
Date: 14 May, 2018

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]

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(DIN: 02099404)
[CEO and Whole Time Director]

Mr. Rajat Kalra
[Company Secretary]

Notes to the Standalone Financial Statements

1 GENERAL INFORMATION

Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private 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 Company became a Public Limited Company with effect from 19 August, 2015 and consequently the name of the Company has changed from Dr. Lal PathLabs Private Limited to Dr. Lal PathLabs Limited. 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.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

In accordance with the notification dated 16 February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013.

The financial statements of the Company have been prepared in accordance with the Ind AS. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2016 (Transition Date).

Previous year figures in the financial statements have been restated in compliance to Ind AS.

Up to the year ended 31 March, 2017, the Company prepared the standalone financial statements in accordance with the Generally Accepted Accounting Principles ('Previous GAAP') applicable in India and the applicable accounting standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

In accordance with Ind AS 101-'First time Adoption of Indian Accounting Standards' ('Ind AS 101'), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS at 31 March, 2017, and 1 April, 2016 and of the Profit after tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31 March, 2017. Refer to note 50 for details of the said reconciliations and first time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

These 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:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
b) 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.
c) 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

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for trade allowances for deduction, rebates and other similar allowances. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

2.3.1 Laboratory income

Medical testing charges consists of fees received for various tests conducted in the field of pathology and radiology and are recognized on accrual basis when the samples are registered for the purpose of conducting the tests, net of discounts, if any.

2.3.2 Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company 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.

2.3.3 Income from units in mutual funds / Dividend from subsidiary companies

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.

2.4 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 financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), 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

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 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.

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.

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 & 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%.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

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

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, 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 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 realizable 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 financial statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the 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 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.

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 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument 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.

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 evidence 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.

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 49.

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 Earning per share

Basic earnings per share are 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 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 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 financial statements are included in the following notes:

Key sources of estimation uncertainty

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 opearting lease and finance lease. Hence, the Company has recorded the purchase of reagent in consumption cost with no element of rental /interest therein.

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.

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.

Fair value measurements and valuation processes

In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates (see note 46).

2A. Recent accounting pronouncements

The new Standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 115 Revenue from Contracts with Customers

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers', which is effective from 1 April, 2018. The new standard outlines a single comprehensive control-based model for revenue recognition and supersedes current revenue recognition guidance based on risks on rewards. The Company is evaluating the requirements of Ind AS 115 and its effect of the financial statements.

Ind AS 21 Foreign currency transactions and advance consideration:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the 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 amendment will come into force from 1 April, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect of the financial statements.

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 April, 2018. These amendments are not expected to have material effect on Company's financial statements.

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3 Property, plant and equipment

(in ` million, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Carrying amounts of :			
Freehold land	109.57	109.57	109.57
Leasehold land	81.41	81.41	81.41
Freehold buildings	1.25	1.39	1.55
Leasehold buildings	489.96	113.68	126.33
Plant and equipment	517.31	436.27	402.99
Computers	63.70	50.26	39.35
Furniture and fixtures	33.71	23.45	21.94
Vehicles	10.99	15.95	12.92
Leasehold improvements	208.61	200.85	181.10
	1,516.51	**1,032.83**	**977.16**
Capital work-in-progress	93.60	153.30	40.94
	1,610.11	**1,186.13**	**1,018.10**

	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, 2016	**109.57**	**81.41**	**1.55**	**126.33**	**402.99**	**39.35**	**21.94**	**12.92**	**181.10**	**977.16**
Additions	-	-	-	-	159.24	37.68	10.64	8.64	60.48	**276.68**
Disposals	-	-	-	-	(5.95)	(0.30)	(0.03)	(0.87)	(0.05)	**(7.20)**
Balance at 31 March, 2017	**109.57**	**81.41**	**1.55**	**126.33**	**556.28**	**76.73**	**32.55**	**20.69**	**241.53**	**1,246.64**
Additions				396.67	206.13	44.98	22.07	-	60.70	**730.55**
Disposals				-	(20.47)	(0.93)	(1.46)	-	(16.41)	**(39.27)**
Balance at 31 March, 2018	**109.57**	**81.41**	**1.55**	**523.00**	**741.94**	**120.78**	**53.16**	**20.69**	**285.82**	**1,937.92**
Accumulated depreciation										
Balance at 1 April, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Elimination on disposals of assets	-	-	-	-	-	-	-	-	-	**-**
Depreciation expenses	-	-	0.16	12.65	120.01	26.47	9.10	4.74	40.68	**213.81**
Balance at 31 March, 2017	**-**	**-**	**0.16**	**12.65**	**120.01**	**26.47**	**9.10**	**4.74**	**40.68**	**213.81**
Elimination on disposals of assets	-	-		-	(19.55)	(0.89)	(1.28)	-	(14.58)	**(36.30)**
Depreciation expenses	-	-	0.14	20.39	124.17	31.50	11.63	4.96	51.11	**243.90**
Balance at 31 March, 2018	**-**	**-**	**0.30**	**33.04**	**224.63**	**57.08**	**19.45**	**9.70**	**77.21**	**421.41**
Carrying amount										
Balance at 1 April, 2016	109.57	81.41	1.55	126.33	402.99	39.35	21.94	12.92	181.10	**977.16**
Additions	-	-	-	-	159.24	37.68	10.64	8.64	60.48	**276.68**
Disposals	-	-	-	-	(5.95)	(0.30)	(0.03)	(0.87)	(0.05)	**(7.20)**
Depreciation expenses	-	-	(0.16)	(12.65)	(120.01)	(26.47)	(9.10)	(4.74)	(40.68)	**(213.81)**
Balance at 31 March, 2017	**109.57**	**81.41**	**1.39**	**113.68**	**436.27**	**50.26**	**23.45**	**15.95**	**200.85**	**1,032.83**
Additions	-	-	-	396.67	206.13	44.98	22.07	-	60.70	**730.55**
Disposals	-	-	-	-	(0.92)	(0.04)	(0.18)	-	(1.83)	**(2.97)**
Depreciation expenses	-	-	(0.14)	(20.39)	(124.17)	(31.50)	(11.63)	(4.96)	(51.11)	**(243.90)**
Balance at 31 March, 2018	**109.57**	**81.41**	**1.25**	**489.96**	**517.31**	**63.70**	**33.71**	**10.99**	**208.61**	**1,516.51**

The Company has elected to continue with the carrying value of all of its property, plant and equipment 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.

4 Goodwill

(in ` million, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Cost or deemed Cost	10.80	10.80	8.30
Accumulated impairment loss	-	-	-
	10.80	**10.80**	**8.30**

	Year ended 31 March, 2018	Year ended 31 March, 2017
Cost or deemed cost		
Balance at the beginning of year	10.80	8.30
Additions on account of acquisitions	-	2.50
	10.80	**10.80**

Accumulated impairment loss	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
Balance at the end of year	-	-

The Company had, during the year ended 31 March, 2016, 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 ` 12.50 million (including goodwill of ` 8.30 million). During the year ended 31 March, 2017, an additional consideration of ` 2.50 million was paid and has been considered as Goodwill.

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, 2017: 11.50% per annum; as at 1 April, 2016: 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 22% per annum (as at March 31, 2017: 22% per annum; as at April 1, 2016: 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, 2018	As at 31 March, 2017	As at 1 April, 2016
Carrying amounts of :			
Computer software	192.98	158.18	126.10
Trademarks	5.04	8.10	11.16
	198.02	**166.28**	**137.26**
Intangible assets under development	-	18.65	-
	198.02	184.93	137.26

(in ` million, unless otherwise stated)

	Computer Software	Trademarks	Total
Cost or deemed cost			
Balance at 1 April, 2016	126.10	11.16	**137.26**
Additions	79.61	-	**79.61**
Balance at 31 March, 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**
Accumulated amortisation			
Balance at 1 April, 2016	-	-	**-**
Amortisation expense	47.53	3.06	**50.59**
Balance at 31 March, 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**
Carrying amount			
Balance at 1 April, 2016	126.10	11.16	**137.26**
Additions	79.61	-	**79.61**
Disposals	-	-	**-**
Amortisation expense	(47.53)	(3.06)	**(50.59)**
Balance at 31 March, 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**

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.

Financial assets (non-current)

6. Investments

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
A. Investments - Trade			
In Shares (Unquoted)			
In Subsidiary Companies			
12,800 (31 March, 2017: 12,800, 1 April, 2016: 11,200) equity shares of ` 10/- each fully paid up in Paliwal Diagnostic Private Limited. (Refer to note 41)	129.48	129.48	30.91
8,000 (31 March, 2017: 8,000, 1 April, 2016: 7,000) equity shares of INR 10/- each fully paid up in Paliwal Medicare Private Limited. (Refer to note 41)	52.18	52.18	12.64
10,000 (31 March, 2017: 10000, 1 April, 2016: 10,000) equity shares of ` 10/- each fully paid up in APL Institute of Clinical Laboratory & Research Private Limited.	72.35	72.35	72.35
4,110 (31 March, 2017: 4,110, 1 April, 2016: Nil) equity shares of ` 100/- each fully paid up in Delta Ria and Pathology Private Limited. (Refer to note 40 and 43)	34.09	34.09	-
4,00,000 (31 March, 2017: 4,00,000, 1 April, 2016: Nil) equity shares of NPR 100/- each fully paid up in Dr Lal PathLabs Nepal Private Limited. (Refer to note 42)	25.05	25.05	-
1,27,267 (31 March, 2017: Nil, 1 April, 2016: Nil) equity shares of BDT 100/- each fully paid up in Dr. Lal PathLabs Bangladesh Pvt. Ltd. (Refer to note 44)	18.09	-	-
Total	**331.24**	**313.15**	**115.90**
Aggregate carrying value of unquoted investments	**331.24**	**313.15**	**115.90**
Aggregate amount of impairment in value of investments	-	-	-

7 Loans

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Loans to employees (Unsecured, considered good)	0.50	0.50	0.74
Total	**0.50**	**0.50**	**0.74**

8 Other financial assets

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Security deposits	68.73	103.41	72.19
Surrender value of keyman insurance policy	39.45	35.23	31.25
Non-current bank balances	245.30	63.98	0.64
Interest accrued on loans, fixed deposits and others	4.54	0.22	0.05
Total	**358.02**	**202.84**	**104.13**

9 Non-current tax assets (net)

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Tax Assets			
Tax refund receivable	76.38	56.98	170.38
Tax Liabilities			
Income tax payable	(14.21)	(1.77)	-
Total	**62.17**	**55.21**	**170.38**

10 Deferred tax assets

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deferred tax assets	186.23	148.64	133.20
Deferred tax liabilities	(22.26)	(16.75)	(12.58)
Total	**163.97**	**131.89**	**120.62**

2017-18	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing Balance
Deferred tax assets on:					
Property, plant and equipment	69.97	4.76	-	-	74.73
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	**131.89**	**33.79**	**(1.71)**	**-**	**163.97**

2016-17	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing Balance
Deferred tax assets on:					
Property, plant and equipment	52.47	17.50	-	-	69.97
Goodwill	37.71	(19.17)	-	-	18.54
Short-term provisions- Leave encashment	13.38	6.39	-	-	19.77
Short-term provisions- Gratuity	3.56	(4.36)	4.00	-	3.20
Provision for impairment of trade receivables and advances	11.24	12.36	-	-	23.60
Disallowed expenditure	8.27	(3.40)	-	-	4.87
Others	6.57	2.12	-	-	8.69
Deferred tax liabilities on:					
Surrender value of keyman insurance policy	(10.82)	(1.38)	-	-	(12.20)
Fair valuation gains on mutual funds	-	(4.55)	-	-	(4.55)
Employee share options compensation	(1.76)	1.76	-	-	-
Total	**120.62**	**7.27**	**4.00**	**-**	**131.89**

11 Other non current assets

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Advances to related parties	0.20	0.20	0.20
Prepaid rent	111.33	112.63	124.20
Others	1.36	3.32	4.15
Total	**112.89**	**116.15**	**128.55**

12 Inventories

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Reagents, chemicals, surgicals and laboratory supplies	255.43	160.78	132.80
Stores and others	11.10	10.57	8.04
Total	**266.53**	**171.35**	**140.84**

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, 2018	As at 31 March, 2017	As at 1 April, 2016
Investment in mutual funds (unquoted) carried at fair value through profit or loss			
Baroda Pioneer Treasury Advantage Fund - Plan B Daily Dividend-Re-investment 143,973.23 (31 March, 2017 : 137,118.14 ; 1 April, 2016: 8,064.69) units of ` 1,000/- each	145.25	138.34	8.08
Reliance Banking & Psu Debt Fund - Direct Weekly Dividend Plan Reinvestment 7,257,742.36 (31 March, 2017: 6,960,046.35; 1 April, 2016: Nil) units of ` 10/- each	73.62	70.53	-
Reliance Medium Term Fund - Daily Direct Dividend Plan Dividend Reinvestment 3,132,672.75 (31 March, 2017: 2,990,619.69; 1 April, 2016: Nil) units of ` 10/- each	53.59	51.13	-

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
HDFC Short Term Opportunities Fund-Direct Plan-Growth Option 9,565,316.16 units (31 March, 2017 : 9,565,316.16; 1 April, 2016: Nil) of ` 10/- each	184.83	173.14	-
ICICI Prudential Savings Fund Direct Plan Daily Dividend 568,991.56 (31 March, 2017: 540,089.89 ; 1 April, 2016: Nil) units of ` 100/- each	57.03	54.50	-
ICICI Prudential Flexible Income Direct Plan Daily Dividend 1,189,605.85 (31 March, 2017: 393,776,89 ; 1 April, 2016: Nil) units of ` 100/- each	125.85	41.64	-
SBI Magnum Insta Cash Fund-Direct Plan-Daily Dividend 13,202.33 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 1,000/- each	22.11	-	-
Kotak Corporate Bond Fund Direct Monthly Dividend 27,460.13 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 1,000/- each	30.37	-	-
Axis Liquid Fund - Direct Plan - Daily Dividend Reinvestment 30,378.75 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 100/- each	30.41	-	-
ABSL Cash Plus- Daily Dividend--Direct Plan-Reivestment 756,913.19 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 100/- each	75.90	-	-
SBI Premier Liquid Fund Direct Plan-Daily Dividend 172,539.46 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 1,000/- each	173.10	-	-
ABSL Banking & PSU Debt Fund Weekly Dividend-Direct Plan Reinvestment 17,513,543.77 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 10/- each	184.82	-	-
Invesco India Ultra Short Term Fund - Direct Plan Daily Dividend 39,649.82 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 1,000/- each	40.42	-	-
UTI -Treasury Advantage Fund-Institutional Plan-Direct Plan-Daily Dividend Reinvestment 72,430.563 (31 March, 2017: 97,858.22; 1 April, 2016: 33,049.41) units of ` 1,000/- each	72.60	98.09	33.13
Axis Liquid Fund - Daily Dividend Reinvestment 100,507.73 (31 March, 2017: NIL ; 1 April, 2016: Nil) units of ` 1,000/- each	100.65	-	-
JM High Liquidity Fund (Direct) Daily Dividend Option 6,514,484.29 (31 March, 2017: 6,720,737.27 ; 1 April, 2016: 8,083,907.76) units of ` 10/- each	67.95	70.10	84.32
Birla Sunlife Saving Fund Daily Dividend Direct Plan Reinvestment Nil (31 March, 2017: 1,071,151.04 ; 1 April, 2016: 2,225,758.62) units of ` 100/- each	-	107.43	223.24
Reliance Money Manager Fund - Direct Plan Daily Dividend Option Nil (31 March, 2017: 90,256.61 ; 1 April, 2016: 85,691.16) units of ` 1,000/- each	-	90.93	86.05
JM Floater Long Term Fund (Direct) Daily Dividend Option Nil (31 March, 2017: 3,006,696.05 ; 1 April, 2016: Nil) units of ` 10/- each	-	30.10	-
Kotak Floater Short Term-Direct Plan Nil (31 March, 2017: 99,220.79; 1 April, 2016: Nil) units of ` 1,000/- each	-	100.37	-
SBI Savings Fund Regular Plan Growth Nil (31 March, 2017: 130,463.66; 1 April, 2016: Nil) units of ` 10/- each	-	3.31	-
HDFC Floating Rate Income Fund-Short Term Plan-Wholesale Option-Direct Plan-Dividend Reinvestment Nil (31 March, 2017: Nil; 1 April, 2016: 3,376,119.39) units of ` 10/- each	-	-	34.03
SBI Premier Liquid Fund-Direct Plan-Daily Dividend Reinvestment Nil (31 March, 2017: Nil ; 1 April, 2016: 92,092.43) units of ` 1,000/- each	-	-	92.39
UTI- Liquid Cash Plan Institutional Direct Plan Daily Dividend Reinvestment Nil (31 March, 2017: Nil ; 1 April, 2016: 56,883.33) units of ` 1,000/- each	-	-	57.99
Reliance Liquid Fund -Treasury Plan Direct Daily Dividend Option Dividend Reinvestment Nil (31 March, 2017: Nil ; 1 April, 2016: 4,366.27) units of ` 1,000/- each	-	-	6.67
Total	**1,438.51**	**1,029.60**	**625.90**

14 Trade receivables

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Trade receivables			
Secured, considered good	47.66	42.28	29.55
Unsecured, considered good	354.15	360.27	319.01
Unsecured, considered doubtful	86.42	62.80	26.83
	488.23	**465.35**	**375.39**
Less: Allowance for doubtful debts (expected credit loss allowance)	(86.42)	(62.80)	(26.83)
Total	**401.81**	**402.55**	**348.56**

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 Comany 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.

Age of receivables	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
0-90 days	366.19	341.58	313.93
90-180 days	55.29	70.59	37.88
180-360 days	38.10	39.06	15.52
More than 360 days	28.65	14.12	8.06
Total	**488.23**	**465.35**	**375.39**

Movement in the expected credit loss allowance	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at beginning of the year	62.80	26.83
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	23.62	35.97
Balance at end of the year	**86.42**	**62.80**

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, 2018	As at 31 March, 2017	As at 1 April, 2016
Balances with banks			
- in current accounts	131.15	90.53	134.82
- in cash credit accounts	40.60	39.22	25.20
Deposit with maturity of less than 3 months	439.22	125.09	87.39
Cash on hand	9.86	4.90	6.41
Total	**620.83**	**259.74**	**253.82**

15b Bank balances other than cash and cash equivalents

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Balance in escrow accounts*	1.58	1.66	14.51
Deposit with banks held as margin money deposits against guarantees	16.97	40.43	50.20
Deposit with maturity of 3-12 months	2,424.02	2,045.40	1,749.22
Total	**2,442.57**	**2,087.49**	**1,813.93**

*Escrow account includes application money recieved at the time of IPO.

16 Loans

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Loans to related parties	-	1.05	5.49
Loans to employees	2.48	0.58	3.90
Total	**2.48**	**1.63**	**9.39**

17 Other financial assets

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deposit with others	40.10	40.91	39.95
Deposit with Body Corporates	657.88	372.27	196.94
Interest accrued on deposits	92.32	66.00	66.06
Total	**790.30**	**479.18**	**302.95**

18 Other assets

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Balances with government authorities	19.00	0.61	0.45
Capital advances	16.64	12.32	14.83
Advances to suppliers	56.66	48.54	23.19
Other advances	7.98	6.14	5.94
Prepaid expenses	49.55	47.93	32.86
Prepaid rent	10.27	11.58	11.58
Total	**160.10**	**127.12**	**88.85**

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19 Equity Share Capital

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Equity share capital	**833.33**	**830.66**	**826.77**
Authorised			
10,79,00,000 equity shares of ` 10 each (as at 31 March, 2017: 10,79,00,000, equity shares of ` 10 each; as at 1 April, 2016: 84,860,325 equity shares of ` 10 each)*	1,079.00	1,079.00	848.60
Nil 0.01% convertible, participating preference shares of ` 10 each (as at 31 March, 2017: Nil ` 10 each; as at 1 April, 2016: 1,91,39,675 ` 10 each)**	-	-	191.40
Issued, subscribed and fully paid-up			
8,33,32,744 equity shares of ` 10 each (as at 31 March, 2017: 8,30,66,184, equity shares of ` 10 each; as at 1 April, 2016: 8,26,76,997 equity shares of ` 10 each)*	833.33	830.66	826.77
Refer notes below			

* Pursuant to the Scheme of Amalgamation ["the Scheme"] u/s 391/394 of the Companies Act, 1956 among the Company and its erstwhile wholly owned subsidiary Companies [Transferor Companies] and the approval of Registrar of Companies and National Company Law Tribunal of Delhi and Haryana, the authorised share capital of the amalgamted Companies has been merged with authorised share capital of the Company during the financial year ended 31 March 2017.

** The Authorised Preference Share Capital has been converted to authorised equity share capital during the year ended 31 March, 2017 and the required filing in accordance with filing of E-form SH7 with ROC, NCT of Delhi and Haryana was made in that year.

(i) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March, 2018, 31 March, 2017 and 1 April, 2016 is set out below:

(Amount in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity share capital						
At the beginning of the year	83,066,184	830.66	82,676,997	826.77	82,676,997	826.77
Issued during the year	266,560	2.67	389,187	3.89	-	-
Outstanding at the end of the year	**83,332,744**	**833.33**	**83,066,184**	**830.66**	**82,676,997**	**826.77**

(ii) Details of shares held by shareholders holding more than 5% of shares:

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	26,556,220	31.87%	26,972,884	32.47%	26,972,884	32.62%
(ii) Dr Vandana Lal	15,931,893	19.12%	15,931,893	19.18%	15,931,893	19.27%
(iii) West Bridge Crossover Fund, LLC	7,687,394	9.22%	7,687,394	9.25%	10,641,846	12.87%
(iv) Wagner Limited	-	-	6,089,199	7.33%	7,609,459	9.20%

(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

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Proposed dividend on equity shares for the year ended on 31 March 2018: ` 3.00 per share (31 March 2017: ` 1.70 per share and 1 April 2016: ` 2.45 per share)	250.00	141.21	202.72
Dividend distribution tax on proposed dividend	50.89	28.75	41.27
	300.89	**169.96**	**243.99**

(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:

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018 No. of Shares	As at 31 March, 2017 No. of Shares	As at 1 April, 2016 No. of Shares
Equity shares of ` 100 each bought back by the Company	-	3,722	17,265
Bonus equity shares of ` 10 each issued by the Company*	5,03,23,500	5,03,23,500	5,03,23,500
Bonus preference shares of ` 10 each issued by the Company*	2,49,67,800	2,49,67,800	2,49,67,800
Equity shares of ` 10 each issued on conversion of preference shares	2,66,32,320	2,66,32,320	2,66,32,320

* 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 30,22,024 (31 March 2017: 27,62,184, 1 April, 2016: 23,72,997) equity shares of ` 10 each (after considering issue of bonus shares and sub-division of shares of ` 100 each into ` 10 each), including 19,18,757 (31 March, 2017: 19,18,757, 1 April, 2016: 19,18,757) 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 38,08,960 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 49 for details of options granted, vested and issued under the ESOP 2010.

(b) The Company, vide resolution dated 11 May, 2015 approved 'Dr. Lal PathLabs Private Limited Employee Share Purchase Scheme 2015' ("ESPS 2015"), a performance based share purchase scheme entitling eligible employees to purchase equity shares of the Company. The number of equity shares entitled to be purchased by an employee under ESPS 2015 is calculated based on the employee's performance incentive during the year divided by the market value per equity share as on 1 April of every year. The shares shall be purchased by eligible employees from Dr. Lal PathLabs Employee Welfare Trust ("EWT Trust") under the ESPS 2015 and shall have a lock in period of 2 years from the end of the respective performance year. As per resolution passed on 29 July, 2016, the Company approved to cease further grants under the ESPS 2015. Refer to note 49 for details of shares issued to employees under ESPS 2015.

(c) 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 49 for details of RSUs granted, vested and issued under RSU 2016.

20 Other equity

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
General reserve	488.71	472.41	324.10
Share premium reserve	926.73	899.86	860.29
Share option outstanding account	179.37	85.42	7.18
Retained earnings	5,654.50	4,007.38	3,000.65
Capital redemption reserve account	4.45	4.45	4.45
Shares application money pending allotment	-	-	7.31
Treasury shares	(292.43)	(435.82)	(437.35)
Total	**6,961.33**	**5,033.70**	**3,766.63**

(i) General Reserve

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	472.41	324.10
Amount transferred from retained earnings	-	145.00
Addition on share options exercised*	16.30	3.31
Balance at the end of the year	**488.71**	**472.41**

*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) Share premium reserve

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	899.86	860.29
Additions during the year	26.87	39.57
Balance at the end of the year	**926.73**	**899.86**

(iii) Share option outstanding account

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	85.42	7.18
Compensation options granted during the year	116.92	86.09
Options exercised	(22.97)	(7.85)
Balance at the end of the year	**179.37**	**85.42**

The above reserve relates to share options granted by the Company to its employee share option plans. Further information about share based payments to employees is set out in Note 49.

(iv) Retained earnings

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	4,007.38	3,000.65
Profit for the period	1,679.82	1,524.81
Remeasurement of defined benefit obligation, net of income tax	3.23	(7.57)
Transfer to general reserve	-	(145.00)
Profit on sale of treasury shares	278.48	-
Less: Appropriations		
Final dividend on equity shares (2015-16)	-	(196.97)
Final dividend on equity shares (2016-17)	(139.04)	-
Tax on final equity dividend	(27.21)	(41.27)
Interim dividend on equity shares ` 1.50 per share (Previous year ` 1.30 per share)	(122.71)	(107.99)
Tax on interim equity dividend*	(25.45)	(19.28)
Balance at the end of the year	**5,654.50**	**4,007.38**

* Tax on interim equity dividend paid during the year is after adjusting corporate dividend tax of ` 1.63 million (previous year ended 31 March, 2017 ` 2.71 million) paid by a subsidiary company on dividend paid to the Company during the year.

In respect of the year ended 31 March, 2018, the directors propose that a dividend of ` 3.00 per share (previous year ended 31 March, 2017 ` 1.70 per share) 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 ` 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 for details of equity dividend declared.

(v) Capital redemption reserve account

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	4.45	4.45
Additions during the year	-	-
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.

(vi) Share application money pending allotment

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	-	7.31
Shares issued against application money	-	(7.31)
Balance at the end of the year	**-**	**-**

Share application money pending allotment represents the amount collected against the issue of shares.

(vii) Treasury shares

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	(435.82)	(437.35)
Change during the year	143.39	1.53
Balance at the end of the year	**(292.43)**	**(435.82)**

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 of the company.

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, 2018 aggregated to 10,54,098 equity shares (31 March, 2017: 15,43,668 equity shares and 1 April, 2016: 15,48,903 equity shares) of ` 10 each.

21 Other financial liabilities - non current

(In ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Security deposits	63.71	52.16	29.80
Payment obligation-leasehold land	12.17	12.17	12.17
Total	**75.88**	**64.33**	**41.97**

22 Other non-current liabilities

(In ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deferred revenue- security deposits	3.65	7.57	9.77
Total	**3.65**	**7.57**	**9.77**

23 Trade payables

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Total outstanding dues of micro enterprises and small enterprises	0.71	0.28	0.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	623.18	505.89	405.16
Total	**623.89**	**506.18**	**405.82**

Note:

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 ` 0.71 million (` 0.28 million on 31 March, 2017; ` 0.66 million on 1 April, 2016) 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)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a. Amounts payable to suppliers under MSMED (suppliers) as on 31 March, 2018			
Principal	0.71	0.28	0.66
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 31 March, 2018	-	-	-
e. Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	-	-	-

24 Other financial liabilities - current

(In ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Interest payable	-	0.25	0.45
Payable towards capital goods	130.13	38.34	43.89
Creditors agains business purchase	-	10.20	6.25
Share application money refundable	1.46	1.61	4.42
Payment obligation-leasehold land	1.53	1.53	1.53
Security deposits received	122.93	102.12	93.50
Other payables	0.42	0.15	13.74
Total	**256.47**	**154.20**	**163.78**

25 Short-term provisions

(In ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Provision for employee benefits			
- Provision for compensated absences	58.51	57.14	38.66
- Provision for gratuity (Refer note 46)	25.64	9.26	26.95
Total	**84.15**	**66.40**	**65.61**

26 Other current liabilities

(In ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Advances from customers	55.32	32.75	28.52
Statutory dues	69.88	59.99	76.03
Deferred revenue- security deposits	6.95	4.48	3.32
Total	**132.15**	**97.22**	**107.87**

27 Revenue from operations

(In ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Sale of services	10,240.10	8,817.92
Other operating revenues	0.33	0.83
Total	**10,240.43**	**8,818.75**

28 Other income

(In ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
a) Interest income from		
- Bank deposits (at amortised cost)	206.50	163.73
- Deposits with body corporate (at amortised cost)	17.58	18.70
- Income-tax refund	-	3.90
- Others	10.91	9.69
b) Dividend and interest income		
- Interest and dividends from investments (at FVTPL)	60.74	60.26
- Dividend income from a subsidiary company	8.00	13.29
c) Others		
- Surrender value of keyman insurance policy (at FVTPL)	5.76	5.44
- Sundry balances written back	2.55	3.86
- Net gain on foreign currency transactions	-	0.16
- Miscellaneous non operating income	3.06	3.80
Total	**315.10**	**282.83**

29 Cost of materials consumed

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Inventories at the beginning of the year	160.78	132.80
Add : Purchases	2,287.78	1,940.46
Less : Inventories at the end of the year	(255.43)	(160.78)
Total	**2,193.13**	**1,912.48**

30 Employee benefits expense

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Salaries, wages and bonus	1,489.32	1,274.03
Employee share based compensation	116.92	86.09
Contribution to provident and other funds	69.15	60.40
Gratuity expense	31.42	12.72
Staff welfare expenses	44.05	39.85
Total	**1,750.86**	**1,473.09**

31 Finance costs

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Interest on delayed payment of income tax	-	1.69
Interest others	8.17	5.29
Total	**8.17**	**6.98**

32 Depreciation and amortisation expense

(In ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Depreciation of property, plant and equipment	243.90	213.81
Amortisation of intangible assets	66.55	50.59
Total	**310.45**	**264.40**

33 Other expenses

(In ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Electricity and water charges	144.03	128.49
Rent	465.74	424.06
Rates and taxes	9.78	5.56
Insurance	30.17	25.20
Repairs and maintenance		
- Building	29.68	34.72
- Plant and equipment	47.82	35.28
- Others	140.17	125.43
Advertisement and sales promotion	323.21	229.99
Travelling and conveyance	265.48	243.12
Postage and courier	298.18	240.09
Communication costs	65.05	47.09
Commission to directors	6.82	6.00
Printing and stationery	76.76	64.95
Retainership fees to technical consultants	123.58	131.35
Director sitting fees	2.98	3.27
Legal and professional charges	105.56	89.88
Laboratory test charges	25.11	14.51
Payment to auditor (Refer details below)	7.55	15.17
Donation other than to political parties	0.16	0.16
Corporate social responsibility expense (Refer note 45)	25.03	18.75
Loss on disposal / discard of property, plant and equipment (net)	2.01	3.77
Provision for impairment of trade receivables and advances	29.07	41.83
Bad debts / advances written off (net)	7.39	6.77
Miscellaneous expenses	233.11	195.35
Total	**2,464.44**	**2,130.79**

Note:

(i) Payments to the auditor comprise *

As auditor:

Audit fees	4.48	7.59
Limited Review	1.42	5.18
Tax audit fees	0.35	1.73
Others	0.64	0.23
Reimbursement of expenses	0.65	0.44
Total	**7.55**	**15.17**

*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 2016-17 was 34.608% and for the fiscal year 2017-18 was 34.608 %.

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

(In ` million, unless otherwise stated)

	Year ended 31 March, 2018	Year ended 31 March, 2017
Current tax		
In respect of the current year	907.11	790.12
In respect of the prior years	0.04	4.90
	907.15	**795.02**
Deferred tax		
In respect of the current year	(40.22)	(3.48)
In respect of the prior years	6.43	(3.79)
	(33.79)	**(7.27)**
Total income tax expenses recognised in the current period	**873.36**	**787.75**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit before tax	**2,553.18**	**2,312.56**
Statutory tax rate	34.608%	34.608%
Income tax expenses calculated at 34.608% (2016-17: 34.608%)	883.60	800.33
Effect of expenses that are not deductible in determining taxable profit	8.72	5.16
Share option compensation	-	(1.94)
Non taxable income	(23.72)	(20.91)
Adjustments recognised in the current year in relation to taxes of previous years	6.47	1.11
Deferred tax on defined benefit obligation recognised in OCI	(1.71)	4.00
Income tax expenses recognised in profit or loss	**873.36**	**787.75**

34.2 Income tax recognised in other comprehensive income

(In ` million, unless otherwise stated)

	Year ended 31 March, 2018	Year ended 31 March, 2017
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(1.71)	4.00
	(1.71)	**4.00**

35 Earnings per share

(In ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit for the period - (in ` million)	1,679.82	1,524.81
Number of equity shares	83,332,744	83,066,184
Weighted average number of equity shares outstanding during the year	83,299,150	82,830,397
Weighted average shares held with the "Dr. Lal PathLabs Employee Welfare Trust	1,394,611	1,543,668
Dilutive impact of share options outstanding	106,356	284,812
Basic earnings per share of ` 10 each	20.51	18.76
Diluted earnings per share of ` 10 each	20.48	18.69
Face value per share - (in `)	10	10

35.1 Reconciliation of weighted average number of ordinary shares used a denominatior in calculating basic and diluted earnings per share

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Weighted average number of shares for calculating basic earnings per share	8,19,04,539	8,12,86,729
Add : share options outstanding	1,06,356	2,84,812
Weighted average number of shares for calculating dilutive earnings per share	8,20,10,895	8,15,71,541

36 Capital and other commitments

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	6.69	243.60	166.71
Other Commitments	-	-	-

37 Contingent liabilities*

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a) Claims against the Company not acknowledged as debts	59.80	59.80	59.80
b) Other claims against the Company not acknowledged as debts	18.40	15.70	13.07

* 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, allocate resources based on the analysis of the various performance indicator 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, 2018	Year ended 31 March, 2017
India	10,125.43	8,775.22
Outside India	115.00	43.53
Total	**10,240.43**	**8,818.75**

b) The Company's non-current assets (excluding financial assets, non-current tax assets, deferred tax assets and other non-current assets) broken down by location of customers is tabulated below:

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
India	1,818.93	1,381.86	1,163.66
Outside India	-	-	-
Total	**1,818.93**	**1,381.86**	**1,163.66**

c) Information about major customers

No single customers contributed more than 10% or more to the Company's revenue during the years ended 31 March, 2018 and 31 March, 2017.

39 Operating lease arrangements

The Company as a lessee

Office premises and equipment are obtained on operating lease. 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:

Payments recognised as an expenses

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Minimum lease payments	465.74	424.06
Sub-lease payments received	1.84	0.98

Non-cancellable operating lease commitments

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Not later than one year	107.13	111.07	108.28
Later than one year but not later than five years	47.60	96.51	85.81
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 premises. 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 2018, 31 March 2017 and 1 April 2016.

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 with the 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 of amalgamation is subject to approval by the National Company Law Tribunal and other statutory approvals.

41 During the year ended 31 March, 2017, the Company had acquired 10% additional equity stake in its existing two subsidiaries - Paliwal Diagnostic Private Limited (PDPL) and Paliwal Medicave Private Limited (PMPL). Pursuant to the acquisition, the Company holds 80% stake in both the subsidiaries. The Company had made payment of ` 137.77 million in previous year as consideration for purchase of additional stake.

42 During the year ended 31 March, 2017, the Company subscribed to the equity share capital of a wholly owned foreign subsidiary, Dr. Lal PathLabs Nepal Private Limited, Nepal, for a consideration of NRS 40.00 million (` 25.05 million) consisting of 4,00,000 Shares of NRS 100.

43 During the year ended 31 March, 2017, the Company has acquired 100% equity stake in "Delta Ria and Pathology Private Limited", engaged in the business of providing pathological diagnostics services in Bhopal, on a going concern basis for a purchase consideration of ` 34.09 Million. The Company had made payment of ` 23.80 million in previous year against consideration for purchase of Investment. The balance consideration was payable, along with 10% interest per annum which was paid in current year.

44 During the current year, the Company, as approved in the Board of Directors meeting, held on 7 August, 2017, has acquired 70% equity stake in "Dr. Lal PathLabs 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.

45 In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ` 25.03 Million (Previous year ` 18.75 Million) for CSR activities.

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
a) Gross amount required to be spent by the Company during the year	36.67	27.06
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	25.03*	18.75*

* Company has contributed ` 25.00 Million (Previous year ` 18.75 Million) to Dr. Lal PathLabs Welfare Trust which is carrying out Corporate Social Responsibility (CSR) activities as mentioned in Schedule VII of Companies Act 2013

46 Employee benefit plans

46.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for all its qualifying employees. Where empoyees 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 ` 45.06 million (for the year ended 31 March, 2017: ` 45.29 million) represents contributions payable to provident fund by the Company at rates specified in the rules of the plans. As at 31 March, 2018, contributions of ` 7.69 million (as at 31 March, 2017: ` 7.85 million) due in respect of 2017-2018 (2016-2017) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

46.2 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.

46.3 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.

46.4 Actuary assumptions - Gratuity:

Date of Valuation	Refer note below	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Discount rate	1	7.66%	7.13%	7.79%
Rate of salary increase	2	10-25%	6-12%	5-10%
Rate of return	3	7.66%	7.71%	7.79%
Retirement age		60 years	60 years	60 years
Attrition rate		10-17%	5-18%	2-18%
Mortality table		Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)

Notes:

1. 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.
2. 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.
3. 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.

46.5 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, 2018	Year ended 31 March, 2017
Service Cost :		
Current service cost	18.79	11.94
Past service cost and (gain)/loss from settlements	12.21	-
Net interest expense	0.42	0.78
Components of defined benefit costs recognised in employee benefit expenses	**31.42**	**12.72**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.46)	(0.20)
Actuarial (gains)/losses arising from changes in demographic assumptions	1.18	0.18
Actuarial (gains)/losses arising from changes in financial assumptions	9.06	7.74
Actuarial (gains)/losses arising from experience adjustments	(14.72)	3.85
Components of remeasurement	**(4.94)**	**11.57**
Total	**26.48**	**24.29**

46.6 Movements in the present value of the defined benefit obligation are as follows:

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening defined benefit obligation	88.54	63.66
Current service cost	18.79	11.94
Interest cost	6.72	5.15
Remeasurement (gains)/losses:		-
Actuarial gains and losses arising from changes in demographic assumptions	1.18	0.18
Actuarial gains and losses arising from changes in financial assumptions	9.06	7.74
Actuarial gains and losses arising from experience adjustments	(14.72)	3.85
Past service cost, including losses/(gains) on curtailments	12.21	-
Benefits paid	(5.87)	(3.98)
Closing defined benefit obligation	**115.91**	**88.54**

46.7 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, 2018	As at 31 March, 2017	As at 1 April, 2016
Present value of funded defined benefit obligation	115.91	88.54	63.66
Fair value of plan assets	90.27	79.28	36.71
Funded status			
Net liability arising from defined benefit obligation	**25.64**	**9.26**	**26.95**

46.8 Movements in the fair value of the plan assets are as follows :

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening fair value of plan assets	79.28	36.71
Interest income	6.30	4.37
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial gain/ (loss) on plan assets	0.46	0.20
Contributions from the employer	10.10	41.98
Benefits paid	**(5.87)**	**(3.98)**
Closing fair value of plan assets	**90.27**	**79.28**

Expected Contribution in respect of Gratuity for next year will be ` 48.44 million (For the year ended 31 March, 2017 ` 9.26 million)

46.9 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, 2018	As at 31 March, 2017	As at 1 April, 2016
Insurer managed funds	90.27	79.28	36.71

46.10 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, 2018	As at 31 March, 2017	As at 1 April, 2016
Discount rate			
- Impact due to increase of 100 basis points	(8.99)	(6.87)	4.67
- Impact due to decrease of 100 basis points	9.47	7.23	5.38
Salary increase			
- Impact due to increase of 100 basis points	7.48	5.71	3.95
- Impact due to decrease of 100 basis points	(6.42)	(4.90)	(3.75)
Withdrawal Rate			
- Impact due to 25% increase	(3.04)	(2.32)	(1.57)
- Impact due to 25% decrease	3.35	2.56	1.71

47 Related Party Disclosures

I. Names of related parties and related party relationship

a. Related parties where control exists

i. 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 (since August 23, 2016)
6 Delta Ria and Pathology Private Limited (since December 21, 2016)
7 Dr. Lal PathLabs Bangladesh Pvt. Ltd (since October 16, 2017)

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
5 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 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 Private Limited Group Gratuity Trust
(Trust to manage and administer gratuity liability of the company)

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II. **Transactions/Outstanding balances with related parties during the year**

(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
A. Transactions during the year						
i. Sale of services						
Paliwal Diagnostics Private Limited	6.53	-	-	-	-	**6.53**
	(4.04)	(-)	(-)	(-)	(-)	**(4.04)**
Dr. Lal PathLabs Nepal Private Limited	18.64	-	-	-	-	**18.64**
	(2.26)	(-)	(-)	(-)	(-)	**(2.26)**
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	4.08	-	-	-	-	**4.08**
	-	(-)	(-)	(-)	(-)	**(-)**
Dr. Lal PathLabs Welfare Trust	-	-	-	-	3.19	**3.19**
	-	(-)	(-)	(-)	(2.61)	**(2.61)**
Total	**29.25**	**-**	**-**	**-**	**3.19**	**32.44**
	(6.30)	**(-)**	**(-)**	**(-)**	**(2.61)**	**(8.91)**
ii. Purchase of services						
Paliwal Diagnostics Private Limited	6.18	-	-	-	-	**6.18**
	(0.17)	(-)	(-)	(-)	(-)	**(0.17)**
APL Institute of Clinical Laboratory & Research Private Limited	0.13	-	-	-	-	**0.13**
	(-)	(-)	(-)	(-)	(-)	(-)
Total	**6.31**	**-**	**-**	**-**	**-**	**6.31**
	(0.17)	**(-)**	**(-)**	**(-)**	**(-)**	**(0.17)**
iii. Sale of Store items						
Paliwal Diagnostics Private Limited	-	-	-	-	-	**-**
	(0.47)	(-)	(-)	(-)	(-)	**(0.47)**
Total	-	-	-	-	-	**-**
	(0.47)	**(-)**	**(-)**	**(-)**	**(-)**	**(0.47)**
iv. Fees to collection centers/channel partners						
Delta Ria and Pathology Private Limited	4.45	-	-	-	-	**4.45**
	(0.91)	(-)	(-)	(-)	(-)	**(0.91)**
Total	**4.45**	**-**	**-**	**-**	**-**	**4.45**
	(0.91)	**(-)**	**(-)**	**(-)**	**(-)**	**(0.91)**
v. Purchase of Property, plant and equipment						
APL Institute of Clinical Laboratory & Research Private Limited	-	-	-	-	-	**-**
	(0.52)	(-)	(-)	(-)	(-)	**(0.52)**
Total	-	-	-	-	-	-
	(0.52)	**(-)**	**(-)**	**(-)**	**(-)**	**(0.52)**

Notes to the Standalone Financial Statements

(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
vi. Compensation of Key Managerial Personnel and their relatives						
The remuneration of key managerial personnel during the year was as follows:						
- Short term employee benefits	-	-	86.27	2.16	-	**88.43**
	(-)	(-)	(85.73)	(2.96)	(-)	**(88.69)**
- Post employment benefits*	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	**(-)**
- Share based payments to employees**	-	-	210.18	-	-	**210.18**
	(-)	(-)	(299.97)	(-)	(-)	**(299.97)**
Total	**-**	**-**	**296.45**	**2.16**		**298.61**
	(-)	**(-)**	**(385.70)**	**(2.96)**		**(388.66)**
vii. Reimbursement of expenses						
Paliwal Diagnostics Private Limited	5.45	-	-	-	-	**5.45**
	(5.61)	(-)	(-)	(-)	(-)	**(5.61)**
Dr. Lal PathLabs Nepal Private Limited	0.02	-	-	-	-	**0.02**
	(0.54)	(-)	(-)	(-)	(-)	**(0.54)**
APL Institute of Clinical Laboratory & Research Private Limited	1.55	-	-	-	-	**1.55**
	(9.86)	(-)	(-)	(-)	(-)	**(9.86)**
Dr. Lal PathLabs International B.V.	0.88	-	-	-	-	**0.88**
	(0.66)	(-)	(-)	(-)	(-)	**(0.66)**
Dr. Lal PathLabs Welfare Trust	-	-	-	-	0.20	**0.20**
	(-)	(-)	(-)	(-)	(2.88)	**(2.88)**
Total	**7.90**	**-**	**-**	**-**	**0.20**	**8.10**
	(16.67)	**(-)**	**(-)**	**(-)**	**(2.88)**	**(19.55)**
viii. Repayment of expenses						
Paliwal Diagnostics Private Limited	5.45	-	-	-	-	**5.45**
	(5.61)	(-)	(-)	(-)	(-)	**(5.61)**
Dr. Lal PathLabs Nepal Private Limited	0.02	-	-	-	-	**0.02**
	(0.54)	(-)	(-)	(-)	(-)	**(0.54)**
APL Institute of Clinical Laboratory & Research Private Limited	1.55	-	-	-	-	**1.55**
	(15.56)	(-)	(-)	(-)	(-)	**(15.56)**
Dr. Lal PathLabs International B.V.	1.93	-	-	-	-	**1.93**
	(-)	(-)	(-)	(-)	(-)	**(-)**
Dr. Lal PathLabs Welfare Trust	-	-	-	-	0.20	**0.20**
	(-)	(-)	(-)	(-)	(2.88)	**(2.88)**
Total	**8.95**	**-**	**-**	**-**	**0.20**	**9.15**
	(21.71)	**(-)**	**(-)**	**(-)**	**(2.88)**	**(24.59)**

(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
ix. Contribution to Fund						
Dr. Lal PathLabs Welfare Trust	-	-	-	-	25.00	**25.00**
	(-)	(-)	(-)	(-)	(18.75)	**(18.75)**
Dr. Lal Pathlabs Private Limited Group Gratuity Trust	-	-	-	-	10.10	**10.10**
	(-)	(-)	(-)	(-)	(41.98)	**(41.98)**
Total	**-**	**-**	**-**	**-**	**35.10**	**35.10**
	(-)	**(-)**	**(-)**	**(-)**	**(60.73)**	**(60.73)**
x. Rent						
Dr. Vandana Lal – Director	-	-	1.06	-	-	**1.06**
	(-)	(-)	(1.01)	(-)	(-)	**(1.01)**
Central Clinical Laboratory	-	0.26	-	-	-	**0.26**
	(-)	(0.25)	(-)	(-)	(-)	**(0.25)**
Eskay House HUF - Dr. Arvind Lal	-	0.66	-	-	-	**0.66**
	(-)	(7.93)	(-)	(-)	(-)	**(7.93)**
Total	**-**	**0.92**	**1.06**	**-**	**-**	**1.98**
	(-)	**(8.18)**	**(1.01)**	**(-)**	**(-)**	**(9.19)**
xi. Professional fees						
Dr. Archana Lal (Daughter of Dr. Arvind Lal and Dr. Vandana Lal)	-	-	-	1.21	-	**1.21**
	(-)	(-)	(-)	(-)	(-)	**(-)**
Total	**-**	**-**	**-**	**1.21**	**-**	**1.21**
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
xii. Dividend paid						
(Hony) Brig. Dr. Arvind Lal - Chairman and Managing Director	-	-	86.31	-	-	**86.31**
	(-)	(-)	(101.15)	(-)	(-)	**(101.15)**
Dr. Vandana Lal – Director	-	-	50.98	-	-	**50.98**
	(-)	(-)	(59.74)	(-)	(-)	**(59.74)**
Dr. Om Prakash Manchanda - CEO and Whole time Director	-	-	2.47	-	-	**2.47**
	(-)	(-)	(3.37)	(-)	(-)	**(3.37)**
Mr. Dilip Bidani - Chief financial officer	-	-	0.04	-	-	**0.04**
	(-)	(-)	(0.06)	(-)	(-)	**(0.06)**
Dr. Archana Lal (Daughter of Dr. Arvind Lal and Dr. Vandana Lal)	-	-	-	6.36	-	**6.36**
	(-)	(-)	(-)	(8.40)	(-)	**(8.40)**
Mr. Anjaneya Lal (Son of Dr. Arvind Lal and Dr. Vandana Lal)	-	-	-	5.41	-	**5.41**
	(-)	(-)	(-)	(6.34)	(-)	**(6.34)**
Eskay House HUF - Dr. Arvind Lal	-	5.38	-	-	-	**5.38**
	(-)	(6.31)	(-)	(-)	(-)	**(6.31)**
Total	**-**	**5.38**	**139.80**	**11.77**	**-**	**156.95**
	(-)	**(6.31)**	**(164.32)**	**(14.74)**	**(-)**	**(185.37)**

Notes to the Standalone Financial Statements

(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
xiii. Dividend received						
Paliwal Diagnostics Private Limited	8.00	-	-	-	-	**8.00**
	(13.29)	(-)	(-)	(-)	(-)	**(13.29)**
Total	**8.00**	**-**	**-**	**-**	**-**	**8.00**
	(13.29)	**(-)**	**(-)**	**(-)**	**(-)**	**(13.29)**
xiv. Issue of shares						
Dr. Om Prakash Manchanda - Director***	-	-	29.53	-	-	**29.53**
	(-)	(-)	(42.66)	(-)	(-)	**(42.66)**
Total	**-**	**-**	**29.53**	**-**	**-**	**29.53**
	(-)	**(-)**	**(42.66)**	**(-)**	**(-)**	**(42.66)**

B. Outstanding Balances at year end

(in ` million, unless otherwise stated)

Particulars	Year Ended	Subsidiaries	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****							
Dr. Lal PathLabs Welfare Trust	31 March, 2018	-	-	-	-	0.10	**0.10**
	31 March, 2017	(-)	(-)	(-)	(-)	(0.10)	**(0.10)**
	1 April, 2016	(-)	(-)	(-)	(-)	(0.10)	**(0.10)**
Dr. Lal Pathlabs Private Limited Group Gratuity Trust	31 March, 2018	-	-	-	-	0.10	**0.10**
	31 March, 2017	(-)	(-)	(-)	(-)	(0.10)	**(0.10)**
	1 April, 2016	(-)	(-)	(-)	(-)	(0.10)	**(0.10)**
Total	**31 March, 2018**	**-**	**-**	**-**	**-**	**0.20**	**0.20**
	31 March, 2017	**(-)**	**(-)**	**(-)**	**(-)**	**(0.20)**	**(0.20)**
	1 April, 2016	**(-)**	**(-)**	**(-)**	**(-)**	**(0.20)**	**(0.20)**
ii. Trade receivables							
Dr. Lal PathLabs Nepal Private Limited	31 March, 2018	3.91	-	-	-	-	**3.91**
	31 March, 2017	(-)	(-)	(-)	(-)	(-)	**(-)**
	1 April, 2016	(-)	(-)	(-)	(-)	(-)	**(-)**
Dr. Lal PathLabs Bangladesh Pvt. Ltd	31 March, 2018	4.08	-	-	-	-	**4.08**
	31 March, 2017	(-)	(-)	(-)	(-)	(-)	**(-)**
	1 April, 2016	(-)	(-)	(-)	(-)	(-)	**(-)**
Total	**31 March, 2018**	**7.99**	**-**	**-**	**-**	**-**	**7.99**
	31 March, 2017	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
	1 April, 2016	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**

(in ` million, unless otherwise stated)

Particulars	Year Ended	Subsidiaries	Entities in which key managerial personnel can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
iii. Loans							
APL Institute of Clinical Laboratory & Research Private Limited	31 March, 2018	-	-	-	-	-	-
	31 March, 2017	(-)	(-)	(-)	(-)	(-)	(-)
	1 April, 2016	(5.18)	(-)	(-)	(-)	(-)	**(5.18)**
Dr. Lal PathLabs International B.V.	31 March, 2018	-	-	-	-	-	-
	31 March, 2017	(1.05)	(-)	(-)	(-)	(-)	**(1.05)**
	1 April, 2016	(0.39)	(-)	(-)	(-)	(-)	**(0.39)**
	31 March, 2018	**-**	**-**	**-**	**-**	**-**	**-**
	31 March, 2017	**(1.05)**	**(-)**	**(-)**	**(-)**	**(-)**	**(1.05)**
	1 April, 2016	**(0.39)**	**(-)**	**(-)**	**(-)**	**(-)**	**(0.39)**
iv. Other financial assets							
Security Deposits							
Eskay House HUF - Dr. Arvind Lal	31 March, 2018	-	0.64	-	-	-	**0.64**
	31 March, 2017	(-)	(0.64)	(-)	(-)	(-)	**(0.64)**
	1 April, 2016	(-)	(0.64)	(-)	(-)	(-)	**(0.64)**
Total	**31 March, 2018**	**-**	**0.64**	**-**	**-**	**-**	**0.64**
	31 March, 2017	**(-)**	**(0.64)**	**(-)**	**(-)**	**(-)**	**(0.64)**
	1 April, 2016	**(-)**	**(0.64)**	**(-)**	**(-)**	**(-)**	**(0.64)**
v. Share application money received pending allotment							
Dr. Om Prakash Manchanda - Director	31 March, 2018	-	-	-	-	-	-
	31 March, 2017	(-)	(-)	(-)	(-)	(-)	**(-)**
	1 April, 2016	(-)	(-)	(7.31)	(-)	(-)	**(7.31)**
Total	**31 March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**
	31 March, 2017	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
	1 April, 2016	**(-)**	**(-)**	**(7.31)**	**(-)**	**(-)**	**(7.31)**

* 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 related to RSU Plan, 2016

*** Shares directly issued to the employee by the Company @ Rs 110.80 per equity share of ` 10/- each.

**** Represents contribution towards corpus fund. Amount is included in advance recoverable under other non-current assets.

48 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, 2018, 31 March, 2017 and 1 April, 2016.

(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, 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	-	-	620.83	620.83	620.83
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	-	1,108.87	1,148.32	1,148.32
Total	**1,477.96**	**-**	**4,577.06**	**6,055.02**	**6,055.02**

Financial liabilities	FVTPL	FVTOCI	Amortised Cost	Total	Carrying Value
Trade payables	-	-	623.89	623.89	623.89
Other financial liabilities	-	-	332.35	332.35	332.35
Total	**-**	**-**	**956.24**	**956.24**	**956.24**

As at 31 March, 2017

(in ` million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised Cost	Total	Carrying Value
Investments	1,029.60	-	-	1,029.60	1,029.60
Trade receivables	-	-	402.55	402.55	402.55
Cash and cash equivalents	-	-	259.74	259.74	259.74
Bank balances other than cash and cash equivalents above	-	-	2,087.49	2,087.49	2,087.49
Loans	-	-	2.13	2.13	2.13
Other financial assets	35.23	-	646.79	682.02	682.02
Total	**1,064.83**	**-**	**3,398.70**	**4,463.53**	**4,463.53**

Financial liabilities	FVTPL	FVTOCI	Amortised Cost	Total	Carrying Value
Trade payables	-	-	506.18	506.18	506.18
Other financial liabilities	-	-	218.53	218.53	218.53
Total	**-**	**-**	**724.72**	**724.72**	**724.72**

As at 1 April, 2016

(in ` million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised Cost	Total	Carrying Value
Investments	625.90	-	-	625.90	625.90
Trade receivables	-	-	348.56	348.56	348.56
Cash and cash equivalents	-	-	253.82	253.82	253.82
Bank balances other than cash and cash equivalents above	-	-	1,813.93	1,813.93	1,813.93
Loans	-	-	10.13	10.13	10.13
Other financial assets	31.25	-	375.83	407.08	407.08
Total	**657.15**	**-**	**2,802.27**	**3,459.42**	**3,459.42**

Financial liabilities	FVTPL	FVTOCI	Amortised Cost	Total	Carrying Value
Trade payables	-	-	405.82	405.82	405.82
Other financial liabilities	-	-	205.75	205.75	205.75
Total	**-**	**-**	**611.57**	**611.57**	**611.57**

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, 2018	As at 31 March, 2017	As at 1 April, 2016		
Current investments:					
Investment in mutual funds*	1,438.51	1,029.60	625.90	Level II	NAV declared by respective Asset Management Companies.
Surrender value of keyman insurance policy	39.45	35.23	31.25	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 polices 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 approves financial risk policies comprising liquidity, foreign currency, interest rate and counterparty credit risk. The Company does not engage in 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 in line with Basel II norms.

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, 2018		
	<1 year	**1-3 Years**	**Total**
Non-current			
Other non current financial liabilities	-	75.88	**75.88**
Current			
Trade payables	623.89	-	**623.89**
Other current financial liabilities	256.47	-	**256.47**
Total	**880.36**	**75.88**	**956.24**

(in ` million, unless otherwise stated)

	As at 31 March, 2017		
	<1 year	**1-3 Years**	**Total**
Non-current			
Other non current financial liabilities	-	64.33	**64.33**
Current			
Trade payables	506.18	-	**506.18**
Other current financial liabilities	154.20	-	**154.20**
Total	**660.38**	**64.33**	**724.71**

(in ` million, unless otherwise stated)

	As at 1 April, 2016		
	<1 year	**1-3 Years**	**Total**
Non-current			
Other non current financial liabilities	-	41.97	**41.97**
Current			
Trade payables	405.82	-	**405.82**
Other current financial liabilities	163.78	-	**163.78**
Total	**569.60**	**41.97**	**611.57**

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(in ` million, unless otherwise stated)

Financial assets	As at 31 March, 2018		
	<1 year	1-3 Years	Total
Investments	1,438.51	-	**1,438.51**
Trade receivables	401.81	-	**401.81**
Cash and cash equivalents	620.83	-	**620.83**
Bank balances other than cash and cash equivalents above	2,442.57	-	**2,442.57**
Loans	2.48	0.50	**2.98**
Other financial asset	790.30	358.02	**1,148.32**
Total	**5,696.50**	**358.52**	**6,055.02**

(in ` million, unless otherwise stated)

Financial assets	As at 31 March, 2017		
	<1 year	1-3 Years	Total
Investments	1,029.60	-	**1,029.60**
Trade receivables	402.55	-	**402.55**
Cash and cash equivalents	259.74	-	**259.74**
Bank balances other than cash and cash equivalents above	2,087.49	-	**2,087.49**
Loans	1.63	0.50	**2.13**
Other financial asset	479.18	202.84	**682.02**
Total	**4,260.19**	**203.34**	**4,463.53**

(in ` million, unless otherwise stated)

Financial assets	As at 1 April, 2016		
	<1 year	1-3 Years	Total
Investments	625.90	-	**625.90**
Trade receivables	348.56	-	**348.56**
Cash and cash equivalents	253.82	-	**253.82**
Bank balances other than cash and cash equivalents above	1,813.93	-	**1,813.93**
Loans	9.39	0.74	**10.13**
Other financial asset	302.95	104.13	**407.08**
Total	**3,354.55**	**104.87**	**3,459.42**

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, reviewed annually and payable at call	100.00	-	100.00
Total	**100.00**	**-**	**100.00**

As at 31 March, 2017, 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, reviewed annually and payable at call	100.00	-	100.00
Total	**100.00**	**-**	**100.00**

As at 1 April, 2016, 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, 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, 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	551.14	-	887.37	**1,438.51**
Trade receivables	-	-	401.81	**401.81**
Cash and cash equivalents	-	439.22	181.61	**620.83**
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	132.42	**790.30**
	551.14	**3,538.09**	**1,607.27**	**5,696.50**
Total	**551.14**	**3,783.39**	**1,720.49**	**6,055.02**
Range of interest rate applicable	-	5.25% - 7.75%	-	

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	-	-	623.89	**623.89**
Other financial liabilities	-	-	256.47	**256.47**
	-	**-**	**880.36**	**880.36**
Total	**-**	**-**	**956.24**	**956.24**

The exposure of the Company's financial assets as at 31 March, 2017 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	-	63.98	138.86	**202.84**
	-	**63.98**	**139.35**	**203.33**
Current				
Investments	331.32	-	698.28	**1,029.60**
Trade receivables	-	-	402.55	**402.55**
Cash and cash equivalents	-	125.09	134.65	**259.74**
Bank balances other than cash and cash equivalents above	-	2,085.83	1.66	**2,087.49**
Loans	-	-	1.63	**1.63**
Other financial assets	-	372.27	106.91	**479.18**
	331.32	**2,583.19**	**1,345.68**	**4,260.19**
Total	**331.32**	**2,647.17**	**1,485.03**	**4,463.52**
Range of interest rate applicable	-	4.50% - 9.20%	-	

The exposure of the Company's financial liabilities as at 31 March, 2017 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	-	-	64.33	**64.33**
	-	**-**	**64.33**	**64.33**
Current				
Trade payables	-	-	506.18	**506.18**
Other financial liabilities	-	10.20	144.00	**154.20**
	-	10.20	650.18	**660.38**
Total	**-**	**10.20**	**714.51**	**724.71**

The exposure of the Company's financial assets as at 1 April, 2016 to interest rate risk is as follows:

(in ` million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.74	**0.74**
Other financial assets	-	0.64	103.49	**104.13**
	-	**0.64**	**103.49**	**104.87**
Current				
Investments	-	-	625.90	**625.90**
Trade receivables	-	-	348.56	**348.56**
Cash and cash equivalents	-	87.39	166.43	**253.82**
Bank balances other than cash and cash equivalents above		1,799.42	14.51	**1,813.93**
Loans	-	-	9.39	**9.39**
Other financial assets	-	196.94	106.01	**302.95**
	-	**2,083.75**	**1,270.80**	**3,354.55**
Total	**-**	**2,084.39**	**1,375.20**	**3,459.42**
Range of interest rate applicable	-	6.00% - 9.40%	-	

The exposure of the Company's financial liabilities as at 1 April, 2016 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	-	-	41.97	**41.97**
	-	**-**	**41.97**	**41.97**
Current				
Trade Payables	-	-	405.82	**405.82**
Other financial liabilities	-	6.25	157.53	**163.78**
	-	**6.25**	**563.35**	**569.60**
Total	**-**	**6.25**	**605.32**	**611.57**

Interest rate sensitivity analysis

The sensitivity analysis 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.

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Impact on profit or loss for the year for increase in interest rate	15.44	13.97
Impact on profit or loss for the year for decrease in interest rate	(15.44)	(13.97)

(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, 2018, 31 March, 2017 and 1 April, 2016 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 ` 3.04 million (for the year ended 31 March, 2017 would increase/ decrease by ` 3.01 million) as a result of the changes in net asset value of investment in mutual funds.

49 Share based payments

49.1 Employee Share Option Plan-2010

49.1.1 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 38,08,960 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 35,68,160 options till the year ended 31 March, 2014, all of which have all been vested before the transition date. The Company granted additional 1,62,180 options on 23 January, 2015 under ESOP 2010, of which interest as on the transition date. As per resolution passed on 21 August, 2015, the Company approved to cease any further grants under the ESOP 2010.

Details of grants unvested under ESOP 2010 are given below:

Grant date	Number	Expiry date	Exercise Price (in `)	Fair Value at grant date (in `)
01-09-2010	2,972,160	Refer Note 1 below	110.80	168.92
23-01-2015	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.

49.1.2 Fair value of share options granted in the year

There were no options granted during the years ended 31 March, 2017 and 31 March, 2018.

49.1.3 Movements in share options during the year

The reconciliation of share options outstanding at the beginning and end of the year:

	2017-18		2016-17	
	Number of Option	Weighted average exercise price (in `)	Number of Option	Weighted average exercise price (in `)
Balance at beginning of year	420,676	178.47	809,863	145.95
Granted during the year	-	-	-	-
Forfieted during the year	-	-	-	-
Exercised during the year	266,560	110.80	389,187	110.80
Expired during the year	-	-	-	-
Balance at end of year	154,116	292.52	420,676	178.47

49.1.4 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
01-09-2010	266,560	17-05-2017	891.15
23-01-2015	-	-	-

49.1.5 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 ` 295.52 (as at 31 March, 2017: ` 178.47) and a weighted average remaining contractual life of 9.29 years (as at 31 March, 2017: 9.32 years).

49.2 Employee Share Purchase Scheme

49.2.1 Details of employee share based plan of the Company

The Company, vide resolution dated 11 May, 2015 approved the Dr. Lal PathLabs Private Limited Employee Share Purchase Scheme 2015 ("ESPS 2015") which is a performance based plan entitling eligible employees to seek transfer of Equity Shares from the Employee Welfare Trust, which is determined upon evaluation of their performance during the year and the fair market value of the Equity Shares as on 1 April of every year. The transfers from the Employee Welfare Trust would be adjusted against a performance based amount which is determined in accordance with ESPS 2015 and transferred by the Company to the Employee Welfare Trust. The shares purchased under the Scheme by the employees shall have a lock in period of 2 years from the end of the respective performance year. ESPS 2015 came into effect on 1 April, 2014 and was terminated on 30 June, 2017.

The following share- based payment arrangements were in existence during the currend and prior years:

Option series	Number	Expiry date	Exercise Price (in `)	Fair Value at grant date (in `)
Series 1	7,997	-	-	923.30

49.2.2 Fair value of share options granted in the year

There were no options granted during the years ended 31 March, 2017 and 31 March, 2018.

49.2.3 Movements in share options during the year

The reconciliation of share options outstanding at the beginning and end of the year:

	2017-18		2016-17	
	Number of Option	Weighted average exercise price (in `)	Number of Option	Weighted average exercise price (in `)
Balance at beginning of year	-	-	-	-
Granted during the year	-	-	7,997	-
Forfieted during the year	-	-	-	-
Exercised during the year	-	-	5,325	-
Expired during the year	-	-	-	-
Shares adjusted towards TDS liability	-	-	2,672	-
Balance at end of year	-	-	-	-

49.2.4 Share options exercised during the year

No share options were exercised during the year.

49.3 Restricted Share Option Plan

49.3.1 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 2,25,000 out of which 6,225 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.

Further, for the performance year 2017-18, Options of ` 10 each granted to eligible employees is 2,25,716 and 9,602 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 currend and prior years:

Option series	Number	Grant date	Expiry date	Exercise Price (in `)	Fair Value at grant date (in `)
Series 1	203,400	29-07-2016	Refer Note 1 below	10	943.00
Series 2	3,600	01-08-2016	Refer Note 1 below	10	953.59
Series 3	8,000	21-09-2016	Refer Note 1 below	10	1,182.34
Series 4	10,000	10-10-2016	Refer Note 1 below	10	1,030.56
Series 5	214,716	07-08-2017	Refer Note 1 below	10	795.15
Series 6	11,000	08-02-2018	Refer Note 1 below	10	854.73

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 exercise period lapses.

49.3.2 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
Grant date share price	961.75	972.5	1201.35	1049.65	814.25	873.40
Exercise price (in `)	10	10	10	10	10	10
Expected Volatility	31.58%	31.58%	31.58%	31.58%	31.48%	21.71%
Option life	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%
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%

49.3.3 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	2017-18		2016-17	
	Number of Option	Weighted average exercise price (in `)	Number of Option	Weighted average exercise price (in `)
Balance at beginning of year.	218,775	10.00	-	-
Granted during the year	225,716	10.00	225,000	10.00
Forfieted during the year	9,602	10.00	6,225	10.00
Exercised during the year	23,591	10.00	-	-
Expired during the year	-	-	-	-
Balance at end of year	411,298	10.00	218,775	10.00

49.3.4 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	19,105	Various Dates	Various prices
Series 2	98	Various Dates	Various prices
Series 3	1,950	Various Dates	Various prices
Series 4	2,438	Various Dates	Various prices
Series 5	-	-	-
Series 6	-	-	-

49.3.5 Share options outstanding at the end of the year

The share option outstanding at the end of the year has a weighted average exercise price of ` 10 (as at 31 March, 2017: ` 10) and a weighted average remaining contractual life of 6.68 years (as at 31 March, 2017: 6.84 years)

50 First-time Ind AS adoption reconciliations

These are the Company's first Standalone Financial Statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the Standalone Financial Statements for the year ended 31 March 2018, the comparative information presented in these Standalone Financial Statements for the year ended 31 March, 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in Standalone Financial Statements prepared in accordance with the applicable accounting standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

The Company has prepared the opening balance sheet as per Ind AS as of 1 April , 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company. The Company has applied the following transition exemptions in Ind AS 101 :

(a) Deemed cost for property, plant and equipment and intangible assets

In accordance with Ind AS transitional provisions, the Company opted to consider previous GAAP carrying value of property, plant and equipment and other intangible assets as deemed cost on transition date.

(b) Business combination

In accordance with Ind AS transitional provisions, the Company opted not to restate business combinations which occurred prior to the transition date.

(c) Share based payments

The Company is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date.The Company has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants where the options have not been vested. Accordingly, these options have been measured at fair value as against intrinsic value under previous GAAP.

The excess of employee share based compensation expense measured using fair value over the cost recognised under previous GAAP using intrinsic value has been adjusted in 'Share option outstanding account', with the corresponding impact taken to the retained earnings as on the transition date.

(d) Leases

In accordance with Ind AS transitional provisions, the Company opted to determine whether an arrangement existing at the date of transition contains a lease on the basis of facts and circumstances existing at the date of transition rather than at the inception of the arrangement.

(e) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2016 (the transition date).

(f) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(g) Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

B Reconciliations between previous GAAP and Ind AS

1 Effect of Ind AS adoption on the balance sheet as at 31 March, 2017 and 1 April, 2016

(in ` million, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2017			As at 1 April, 2016		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance sheet
Non-current assets							
Property, plant and equipment	(g)	1,019.13	13.70	1,032.83	963.46	13.70	977.16
Capital work-in-progress		153.30	-	153.30	40.94	-	40.94
Goodwill	(e)	64.31	(53.51)	10.80	117.25	(108.95)	8.30
Other intangible assets		166.28	-	166.28	137.26	-	137.26
Intangible Assets under development		18.65	-	18.65	-	-	-
Financial assets							
Investments		313.15	-	313.15	115.90	-	115.90
Loans	(b) & (f)	0.54	(0.04)	0.50	0.84	(0.10)	0.74
Other financial assets	(b)	256.41	(53.57)	202.84	167.31	(63.18)	104.13
Non-current tax assets (net)		56.98	-	56.98	170.38	-	170.38
Deferred tax assets (net)	(k)	152.51	(20.62)	131.89	114.43	6.19	120.62
Other non-current assets	(b)	81.73	34.42	116.15	83.40	45.15	128.55
Total non-current assets		**2,282.99**	**(79.62)**	**2,203.37**	**1,911.17**	**(107.19)**	**1,803.98**
Current assets							
Inventories		171.35	-	171.35	140.84	-	140.84
Financial assets							
Investments	(i)	1,016.46	13.14	1,029.60	625.90	-	625.90
Trade receivables		402.55	-	402.55	348.56	-	348.56
Cash and cash equivalents	(f)	259.73	0.01	259.74	253.43	0.39	253.82
Bank balances other than cash and cash equivalent above		2,087.49	-	2,087.49	1,813.93	-	1,813.93
Loans	(f)	426.88	(425.25)	1.63	442.29	(432.90)	9.39
Other financial assets		479.18	-	479.18	302.95	-	302.95
Other current assets	(b)	116.36	10.76	127.12	78.09	10.76	88.85
Total current assets		**4,960.00**	**(401.34)**	**4,558.66**	**4,005.99**	**(421.75)**	**3,584.24**
Total assets		**7,242.99**	**(480.96)**	**6,762.03**	**5,917.16**	**(528.94)**	**5,388.22**
Equity							
Equity share capital		830.66	-	830.66	826.77	-	826.77
Other equity	(a), (d), (e) & (i)	5,420.04	(386.34)	5,033.70	3,967.01	(200.38)	3,766.63
Total equity		**6,250.70**	**(386.34)**	**5,864.36**	**4,793.78**	**(200.38)**	**4,593.40**
Non-current liabilities							
Financial liabilities							
Other financial liabilities	(c) & (g)	166.73	(102.40)	64.33	136.38	(94.41)	41.97
Other non-current liabilities	(c) & (d)	107.98	(100.41)	7.57	98.34	(88.57)	9.77
Total non-current liabilities		**274.71**	**(202.81)**	**71.90**	**234.72**	**(182.98)**	**51.74**
Current liabilities							
Financial liabilities							
Trade payables		506.18	-	506.18	405.82	-	405.82
Other financial liabilities	(c), (g) & (f)	50.49	103.71	154.20	68.69	95.09	163.78
Provisions	(a)	66.40	-	66.40	309.60	(243.99)	65.61
Current tax liabilities (net)		1.77	-	1.77	-	-	-
Other current liabilities	(c)	92.74	4.48	97.22	104.55	3.32	107.87
Total current liabilities		**717.58**	**108.19**	**825.77**	**888.66**	**(145.58)**	**743.08**
Total liabilities		**992.29**	**(94.62)**	**897.67**	**1,123.38**	**(328.56)**	**794.82**
Total equity and liabilities		**7,242.99**	**(480.96)**	**6,762.03**	**5,917.16**	**(528.94)**	**5,388.22**

2 Reconciliation of total equity as at 31 March, 2017 and 31 March, 2016

(in ` million, unless otherwise stated)

	As at 31 March, 2017	As at 1 April, 2016
Total equity (shareholders funds) under previous GAAP		
Share capital	830.66	826.77
Reserves and surplus	5,420.04	3,967.01
	6,250.70	**4,793.78**
Adjustment:		
Consolidation of ESOP Trust	(425.40)	(432.67)
Dividend reversal booked in previous GAAP	-	243.99
Impairment of goodwill in accordance with Ind AS 101 (net of tax)	(35.01)	(71.25)
Effect of measuring deposits (Loans and advances) at amortised cost value (net of tax)	(5.19)	(4.75)
Effect of fair valuation of investment (net of tax)	8.60	-
Reversal of lease equalisation reserve booked in previous GAAP (net of tax)	70.66	64.30
Total equity under Ind AS		
Equity share capital	830.66	826.77
Other equity	5,033.70	3,766.63
	5,864.36	**4,593.40**

3 Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended 31 March, 2017

(in ` million, unless otherwise stated)

	Note No.	Year ended 31 March, 2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations		8,818.75	-	8,818.75
Other income	(b) & (i)	260.01	22.82	282.83
Total income (A)		**9,078.76**	**22.82**	**9,101.58**
Cost of materials consumed		1,912.48	-	1,912.48
Employee benefit expense	(h) & (b)	1,479.00	(5.91)	1,473.09
Finance costs	(c) & (g)	2.13	4.85	6.98
Depreciation and amortisation expense	(e)	319.78	(55.38)	264.40
Fees to collection centers/channel partners		1,005.14	(3.86)	1,001.28
Other expenses	(b),(d) & (g)	2,131.21	(0.42)	2,130.79
Total expenses (B)		**6,849.74**	**(60.72)**	**6,789.02**
Profit before tax (A-B)		**2,229.02**	**83.54**	**2,312.56**
Tax expense				
Current tax		795.02	-	795.02
Deferred tax	(k)	(38.08)	30.81	(7.27)
Total tax expense		**756.94**	**30.81**	**787.75**
Profit for the period		**1,472.08**	**52.73**	**1,524.81**
Other comprehensive income				
i. Items that will not be reclassified to profit or loss		-	-	-
- Remeasurements of the defined benefit plans	(h)	-	(11.57)	(11.57)
ii. Income tax relating to items that will not be reclassified to profit and loss	(h)	-	4.00	4.00
Total other comprehensive income		-	**(7.57)**	**(7.57)**
Total comprehensive income for the year		**1,472.08**	**45.15**	**1,517.24**

4 Reconciliation of total comprehensive income for the year ended 31 March, 2017

(in ` million, unless otherwise stated)

	Year ended 31 March, 2017
Profit as per previous GAAP	**1,472.08**
Adjustments :	
Employee share options cost at fair value	(5.60)
Effect of actuarial (gain)/loss on employee defined benefit liability under other comprehensive income (net of tax)	7.57
Effect of measuring deposits (Loans and advances) at amortised cost value (net of tax)	(0.75)
Effect of measuring trade deposits (Other current liabilities) received at amortised cost value (net of tax)	0.31
Effect of fair valuation of investment (net of tax)	8.60
Reversal of amortisation of goodwill booked in previous GAAP (net of tax)	36.24
Reversal of lease equalisation reserve booked in previous GAAP (net of tax)	6.36
Total effect of transition to Ind AS	**52.73**
Profit for the period as per Ind AS	**1,524.81**
Other comprehensive income for the period	(7.57)
Total comprehensive income under Ind AS	**1,517.24**

5 Reconciliation of Cash flow statement

(in ` million, unless otherwise stated)

	Note no.	Year ended 31 March, 2017		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
Net cash generated by operating activities		1,670.00	(3.31)	1,666.69
Net cash used in investing activities		(1,338.78)	(6.13)	(1,344.91)
Net cash generated used in financing activities		(324.92)	9.06	(315.86)
Net increase in cash and cash equivalents		**6.30**	**(0.38)**	**5.92**
Cash and cash equivalents at the beginning of the year	(k)	253.43	0.39	253.82
Cash and cash equivalents at the end of the year	(k)	259.73	0.01	259.74
Net increase in cash and cash equivalents		**6.30**	**(0.38)**	**5.92**

Notes:

1. As the presentation requirements under previous GAAP differ from Ind AS, the previous GAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.
2. The financial information of the Company for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1 April, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as amended, audited by the predecessor auditor and have been restated to comply with Ind AS.

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Notes to the reconciliation

(a) Under the previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the Financial Statements were approved for issue were recognised in the Financial Statements as a liability. Under Ind AS, such dividends are recognised when approved by the members in the Annual General Meeting. The effect of this change is an increase in total equity with a corresponding decrease in provisions as on 31 March, 2017 and as on 1 April, 2016. This does not have any impact on the Statement of Profit and Loss for the year ended 31 March, 2017.

(b) Under the previous GAAP, deposits placed and loans to employees at below market interest rate were measured at transaction value, net of provisions, if any. Under Ind AS, they are measured at amortised cost using effective interest method, less impairment, if any. The effect of this change has resulted in an increase in equity as at 1 April, 2016 and 31 March, 2017. It has also increased other income and rental expenses for the year ended 31 March, 2017.

(c) Under the previous GAAP, deposits received were measured at transaction value, net of provisions, if any. Under Ind AS, they are measured at amortised cost using effective interest method, less impairment, if any. The effect of this change has resulted in an increase in equity as at 1 April, 2016 and 31 March, 2017. It has also resulted in a reduction in fee to collection centres and increase in interest cost for the year ended 31 March 2017.

(d) Under the previous GAAP, all rent escalations were equalised on a straight line basis over the operating lease period. Under Ind AS, rent escalations expected to compensate inflationary increases are not required to be equalised. The effect of this change has resulted in reversal of rent equalisation reserve to opening retained earnings as at 1 April 2016. Further, changes to rent equalisation reserve for the year ended 31 March, 2017 has been adjusted through rental expenses for the year.

(e) Under the previous GAAP, goodwill on business purchase and amalgamation was amortised on a straight line basis over a period of five years. Under Ind AS, such goodwill is carried at cost less accumulated impairment, if any. Also, on transition to Ind AS, goodwill is required to be assessed for impairment. Accordingly, on transition date, impairment losses on account of excess of goodwill over recoverable amount of the cash generating unit to the extent identified has been charged off against opening retained earnings as at 1 April, 2016.

Further, goodwill amortised under previous GAAP has been reversed in the statement of profit and loss for the year ended 31 March, 2017.

(f) The various transitional adjustments have deferred tax implications which have been account for by the Company. Deferred tax adjustments have been recognised in relation to the underlying transaction either in retained earnings or other comprehensive income, on the date of transition.

(g) Under the previous GAAP, advance rentals paid for land lease were disclosed under property, plant and equipment and amortised to profit and loss over the operating lease period. Under Ind AS, all lease arrangements are classified as operating or finance lease based on transfer of risks and rewards and the period of use relative to the economic life. The effect of this change has resulted in reclassification of amounts from property plant and equipment to other financial assets on transition date (1 April, 2016) and as at 31 March, 2017. Further, depreciation expenses for the year ended 31 March, 2017 has been reclassified to rental expenses.

(h) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability / asset is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. This change does not affect total equity, but there is a increase in profit before tax for the year ended 31 March, 2017.

(i) Under the previous GAAP, investment in mutual funds were classified as long-term or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be classified as at fair value through profit or loss (FVTPL) and measured at fair value. The resulting fair value changes of FVTPL investments are recognised in profit and loss. Accordingly, the fair value changes upto the transition date has been adjusted in opening retained earnings as at the date of transition and fair value changes for the year needed 31 March 2017 has been accounted for in Statement of Profit and Loss.

(j) Under previous GAAP, costs of equity settled share-based payments (ESOPs) was recognised using the intrinsic value method. Under Ind AS, such costs are recognised based on the fair value of ESOPs as on the grant date. The effect of this change has resulted in an increase of employee costs for the year ended 31 March 2017 with no change in equity.

(k) Under Ind AS, the financial statement of the Trust have been included in the financial statements of the Company as in substance the ESOP Trust functions as an extension of the Company. Consequently, the cash flow statement and balance sheet have changed to the extent of balances included in the Financial Statements from the trust.

Notes to the Standalone Financial Statements

51 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

52 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

53 The Standalone Financial Statements were approved by the Board of Directors and authorised for issue on 14 May, 2018.

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

(Hony) Brig. Dr. Arvind Lal	**Dr. Om Prakash Manchanda**	**Mr. Dilip Bidani**	**Mr. Rajat Kalra**
(DIN: 0576638)	(DIN: 02099404)	[Chief Financial Officer]	[Company Secretary]
[Chairman and Managing Director]	[CEO and Whole Time Director]		

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited)

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited)** (hereinafter referred to as "the Holding Company/ Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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 sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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 below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of 5 subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 72.40 million as at 31 March, 2018, total revenues of Rs. 75.89 million and net cash inflows amounting to Rs. 8.61 million for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS 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 sub-section (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 Ind AS 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 and the financial statements / financial information certified by the Management.

(b) The comparative financial information of the Group for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1 April, 2016 included in these consolidated Ind AS financial statements, have been prepared after adjusting the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as amended, to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose reports for the years ended 31 March, 2017 and 31 March, 2016 dated 12 May, 2017 and 27 May, 2016 respectively expressed an unmodified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries companies incorporated in India, referred in the Other Matters paragraph 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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 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 Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2018 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 subsidiary companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer note 38 to the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

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

Jitendra Agarwal
Partner
(Membership No. 87104)

Place: Mussoorie
Date: 14 May, 2018

"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 Ind AS financial statements of the Company as of and for the year ended 31 March, 2018, we have audited the internal financial controls over financial reporting of **Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private 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, 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 and 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, 2018, based on the criteria for internal 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 4 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies 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: Mussoorie
Date: 14 May, 2018

Consolidated Balance Sheet as at 31 March, 2018

(in ` million, unless otherwise stated)

Particulars	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Assets				
1. Non-current assets				
(a) Property, plant and equipment	**3**	1,597.88	1,079.09	1,016.45
(b) Capital work-in-progress	**3**	95.64	156.49	40.94
(c) Goodwill	**4**	312.17	278.77	115.95
(d) Other intangible assets	**5**	198.18	166.43	137.37
(e) Intangible assets under development	**5**	-	18.65	-
(f) Financial assets				
(i) Loans	**6**	0.58	0.44	0.73
(ii) Other financial assets	**7**	378.60	212.15	112.82
(g) Non-current tax assets (net)	**8**	93.53	70.10	181.68
(h) Deferred tax assets (net)	**9**	169.18	137.05	125.08
(i) Other non-current assets	**10**	112.89	116.16	128.56
Total non-current assets		**2,958.65**	**2,235.33**	**1,859.58**
2. Current assets				
(a) Inventories	**11**	273.35	179.07	145.15
(b) Financial assets				
(i) Investments	**12**	1,447.98	1,060.78	644.08
(ii) Trade receivables	**13**	411.56	418.03	363.06
(iii) Cash and cash equivalents	**14**	658.48	285.53	266.11
(iv) Bank balances other than (iii) above	**15**	2,476.58	2,109.62	1,834.89
(v) Loans	**16**	2.48	1.84	4.61
(vi) Other financial assets	**17**	798.64	480.61	303.38
(c) Other current assets	**18**	161.09	130.09	90.24
Total current assets		**6,230.16**	**4,665.57**	**3,651.52**
Total assets		**9,188.81**	**6,900.90**	**5,511.10**
Equity and liabilities				
1. Equity				
(a) Equity share capital	**19**	833.33	830.66	826.77
(b) Other equity	**20**	7,078.48	5,124.52	3,838.84
Equity attributable to owners of the Company		**7,911.81**	**5,955.18**	**4,665.61**
Non controlling interest	**21**	37.89	24.39	29.45
Total equity		**7,949.70**	**5,979.57**	**4,695.06**
2. Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	**22**	75.88	65.38	42.96
(b) Other non-current liabilities	**23**	3.65	7.57	9.77
Total non-current liabilities		**79.53**	**72.95**	**52.73**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	**24**	654.51	523.76	422.66
(ii) Other financial liabilities	**25**	269.61	155.18	164.02
(b) Provisions	**26**	87.07	69.14	67.71
(c) Current tax liabilities (net)	**8**	14.21	1.77	-
(d) Other current liabilities	**27**	134.18	98.53	108.92
Total current liabilities		**1,159.58**	**848.38**	**763.31**
Total liabilities		**1,239.11**	**921.33**	**816.04**
Total Equity and liabilities		**9,188.81**	**6,900.90**	**5,511.10**
See accompanying notes to the Consolidated Ind AS Financial Statements	**1-56**			

In terms of our report of even date attached

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

Jitendra Agarwal
Partner

Place: Mussoorie
Date: 14 May, 2018

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]

Mr. Dilip Bidani
[Chief Financial Officer]

Mr. Rajat Kalra
[Company Secretary]

Consolidated Statement of Profit And Loss for the year ended 31 March, 2018

(in ` million, unless otherwise stated)

Particulars		Notes	Year ended 31 March, 2018	Year ended 31 March, 2017
1.	**Income**			
	(a) Revenue from operations	**28**	10,569.18	9,123.83
	(b) Other income	**29**	312.20	275.38
	Total income		**10,881.38**	**9,399.21**
2.	**Expenses**			
	(a) Cost of materials consumed	**30**	2,260.26	1,970.78
	(b) Employee benefits expense	**31**	1,807.47	1,520.08
	(c) Finance costs	**32**	8.41	6.98
	(d) Depreciation and amortisation expense	**33**	330.61	275.37
	(e) Fees to collection centers/channel partners		1,275.52	1,001.01
	(f) Other expenses	**34**	2,585.96	2,256.75
	Total expenses		**8,268.23**	**7,030.97**
3.	**Profit before tax**		**2,613.15**	**2,368.24**
4.	**Tax expense**			
	(a) Current tax	**35**	929.32	820.44
	(b) Deferred tax	**9**	(34.02)	(8.09)
	Total tax expense		**895.30**	**812.35**
5.	**Profit for the period (A)**		**1,717.85**	**1,555.89**
6.	**Other comprehensive income**			
	- Items that will not be reclassified to profit or loss Remeasurement of the defined benefit obligations		5.54	(11.20)
	- Income tax relating to items that will not be reclassified to profit or loss		(1.89)	3.88
	- Items that may be reclassified to profit or loss Exchange differences on translation of foreign operations		(0.32)	(0.08)
	- Income tax in relation to the items that will be reclassified to profit or loss		-	-
	Total other comprehensive income (B)		**3.33**	**(7.40)**
7.	**Total comprehensive income for the period (A+B)**		**1,721.18**	**1,548.49**
	Profit for the year attributable to:			
	- Owners of the Company		1,707.65	1,545.88
	- Non-controlling interests		10.20	10.01
			1,717.85	**1,555.89**
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		3.36	(7.33)
	- Non-controlling interests		(0.03)	(0.07)
			3.33	**(7.40)**
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		1,711.01	1,538.55
	- Non-controlling interests		10.17	9.94
			1,721.18	**1,548.49**
8.	**Earnings per equity share**	**36**		
	- Basic earnings per share (Face value of ` 10 each)		20.85	19.02
	- Diluted earnings per share (Face value of ` 10 each)		20.82	18.95
See accompanying notes to the Consolidated Ind AS Financial Statements		**1-56**		

In terms of our report of even date attached

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

Jitendra Agarwal
Partner

Place: Mussoorie
Date: 14 May, 2018

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]

Mr. Dilip Bidani
[Chief Financial Officer]

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

Mr. Rajat Kalra
[Company Secretary]

Consolidated Cash Flow Statement for the year ended 31 March 2018

(in ` million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2018	Year ended 31 March, 2017
Cash flows from operating activities			
Profit for the year		1,717.85	1,555.89
Adjustments for :			
Tax expense		895.30	812.35
Dividend income on current investments recognised in profit or loss		(61.70)	(62.87)
Interest income recognised in profit or loss		(239.09)	(199.12)
Finance cost recognised in profit or loss		8.41	6.98
Expense recognised in respect of employee share based compensation		116.92	78.58
Sundry balances written back recognised in profit or loss		(2.55)	(3.39)
Depreciation and amortisation of non-current assets		330.61	275.37
Loss on disposal / discard of property, plant and equipment (net)		0.93	2.94
Provision for impairment of trade receivables and advances		30.14	42.88
Bad debts and advances recovered		-	(0.63)
Security deposits amortisation recognised in profit or loss		6.09	(4.14)
Bad debts and advances written off		7.82	6.89
Remeasurement of the defined benefit obligation		5.54	(11.20)
Exchange differences on translation of foreign operations		(0.32)	(0.08)
Operating profit before working capital changes		**2,815.95**	**2,500.45**
Changes in working capital:			
Adjustment for (increase)/decrease in operating assets:			
(Increase) in inventories		(94.28)	(33.92)
(Increase) in trade receivables		(31.49)	(102.67)
(Increase)/ decrease in loans		(0.78)	2.40
(Increase)/ decrease in other financial assets		33.51	(32.87)
(Increase) in other assets		(25.36)	(31.96)
Adjustment for increase/(decrease) in operating liabilities:			
Increase in trade payables		133.30	104.50
Increase in other financial liabilities		30.45	24.43
Increase in provisions		17.93	1.43
(Decrease)/increase in other liabilities		31.73	(12.59)
Cash generated from operations		**2,910.96**	**2,419.20**
Income taxes paid		(940.31)	(706.15)
Net cash generated by operating activities (a)		**1,970.65**	**1,713.05**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(624.62)	(415.89)
Proceeds from disposal of property, plant and equipment		2.66	5.12
Payments for purchase of intangible assets		(100.07)	(100.02)
Dividend received from current investments		74.46	48.45
Interest received		196.92	188.96
Payments for business purchase		(18.78)	(6.25)
Net cash outflow on acquisition of subsidaries		(4.44)	(162.12)
Payments for purchase of investments in mutual funds		(1,875.85)	(1,663.19)
Proceeds from sale of investments in mutual funds		1,476.19	1,260.08
Bank deposits placed with the banks		(2,990.54)	(3,088.84)
Bank deposits with banks encashed		2,426.94	2,737.31
Repayment by related parties		-	0.66
Fixed deposits placed with the body corporates		(285.62)	(175.33)
Net cash used in investing activities (b)		**(1,722.75)**	**(1,371.06)**

Consolidated Cash Flow Statement for the year ended 31 March 2018

(in ` million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2018	Year ended 31 March, 2017
Cash flows from financing activities			
Proceeds from exercise of share options		29.78	39.12
Changes in escrow account		0.08	12.84
Proceeds from sale of treasury shares		414.96	-
Interest paid		(1.32)	(2.32)
Dividend paid on equity shares including dividend tax		(318.45)	(372.21)
Net cash generated from / (used in) financing activities (c)		**125.05**	**(322.57)**
Net increase in cash and cash equivalents (a+b+c)		**372.95**	**19.42**
Cash and cash equivalents at the beginning of the year	**14**	285.53	266.11
Cash and cash equivalents at the end of the year	**14**	**658.48**	**285.53**
Components of cash and cash equivalents			
Cash on hand		12.18	5.38
Balance with scheduled banks:			
- on current accounts		147.70	105.93
- on cash credit accounts		40.60	39.22
- deposits with maturity of less than 3 months		458.00	135.00
Cash and cash equivalents in cash flow statement:	**14**	**658.48**	**285.53**
See accompanying notes to the Consolidated Ind AS Financial Statements	**1-56**		

In terms of our report of even date attached

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

Jitendra Agarwal
Partner

Place: Mussoorie
Date: 14 May, 2018

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]

Mr. Dilip Bidani
[Chief Financial Officer]

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

Mr. Rajat Kalra
[Company Secretary]

Consolidated Statement of Changes in Equity for the year ended 31 March, 2018

a. Equity share capital

(in ` million, unless otherwise stated)

Particulars	Amount
Balance at 1 April, 2016	**826.77**
Equity share capital issued against share options	3.89
Balance as 31 March, 2017	**830.66**
Equity share capital issued against share options	2.67
Balance as 31 March, 2018	**833.33**

b. Other equity

(in ` million, unless otherwise stated)

Particulars	Share application money pending allotment	Reserves and Surplus						Other comprehensive income	Attributable to owners of the Company	Non-controlling interests	Total
		Capital redemption reserve account	Share premium reserve	General reserve	Share options outstanding account	Treasury shares	Retained earnings	Foreign currency translation reserve			
Balance at 1 April, 2016	**7.31**	**4.45**	**860.29**	**328.51**	**7.18**	**(437.35)**	**3,068.45**	**-**	**3,838.84**	**29.45**	**3,868.29**
Profit for the period	-	-	-	-	-	-	1,545.88	-	**1,545.88**	**10.01**	**1,555.89**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(7.25)	(0.08)	**(7.33)**	**(0.07)**	**(7.40)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,538.63**	**(0.08)**	**1,538.55**	**9.94**	**1,548.49**
Movement during the period on account of issue of equity shares	(7.31)	-	39.57	-	-	-	-	-	**32.26**	**-**	**32.26**
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(368.21)	-	**(368.21)**	**(4.00)**	**(372.21)**
Amount transferred from surplus balance in the Statement of Profit and Loss	-	-	-	148.40	-	-	(148.40)	-	**-**	**-**	**-**
Share options exercised during the year (Refer to note 20 and 52)	-	-	-	3.31	(7.85)	1.53	-	-	**(3.01)**	**-**	**(3.01)**
Employee share based compensation expense (Refer to note 31)	-	-	-	-	86.09	-	-	-	**86.09**	**-**	**86.09**
Additional non-controlling interests arising on the acquisition of additional stake in subsidiaries (Refer to note 21)	-	-	-	-	-	-	-	-	**-**	**(11.00)**	**(11.00)**
Balance at 31 March, 2017	**-**	**4.45**	**899.86**	**480.22**	**85.42**	**(435.82)**	**4,090.47**	**(0.08)**	**5,124.52**	**24.39**	**5,148.91**
Profit for the period	-	-	-	-	-	-	1,707.65	-	**1,707.65**	**10.20**	**1,717.85**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	3.68	(0.32)	**3.36**	**(0.03)**	**3.33**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,711.33**	**(0.32)**	**1,711.01**	**10.17**	**1,721.18**

Consolidated Statement of Changes in Equity for the year ended 31 March, 2018

(in ` million, unless otherwise stated)

Particulars	Share application money pending allotment	Reserves and Surplus						Other comprehensive income	Attributable to owners of the Company	Non-controlling interests	Total
		Capital redemption reserve account	Share premium reserve	General reserve	Share options outstanding account	Treasury shares	Retained earnings	Foreign currency translation reserve			
Movement during the period on account of issue of equity shares	-	-	26.87	-	-	-	-	-	**26.87**	**-**	**26.87**
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(316.04)	-	**(316.04)**	**(2.41)**	**(318.45)**
Share options exercised during the year (refer to note 20 and 52)	-	-	-	16.30	(22.97)	6.91	-	-	**0.24**	**-**	**0.24**
Sale of treasury shares (Refer to note 20)	-	-	-	-	-	136.48	278.48	-	**414.96**		**414.96**
Employee share based compensation expense (Refer to note 31)	-	-	-	-	116.92	-	-	-	**116.92**	**-**	**116.92**
Additional non-controlling interests arising on the acquisition of Subsidiary Dr. Lal PathLabs Bangladesh Pvt. Ltd. (Refer to note 21)	-	-	-	-	-	-	-	-	**-**	**5.74**	**5.74**
Balance at 31 March, 2018	-	**4.45**	**926.73**	**496.52**	**179.37**	**(292.43)**	**5,764.24**	**(0.40)**	**7,078.48**	**37.89**	**7,116.37**
See accompanying notes to the Consolidated Ind AS Financial Statements	**1-56**										

In terms of our report of even date attached

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

Jitendra Agarwal
Partner

Place: Mussoorie
Date: 14 May, 2018

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]

Mr. Dilip Bidani
[Chief Financial Officer]

Mr. Rajat Kalra
[Company Secretary]

1. GENERAL INFORMATION

Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited) ("the Parent Company") is a public company domiciled in India and incorporated on 14 February, 1995 under the provisions of the Companies Act, 1956. The Company and its subsidiaries are 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 Parent Company became a Public Limited Company with effect from 19 August, 2015 and consequently the name of the Company has changed from Dr. Lal PathLabs Private Limited to Dr. Lal PathLabs Limited. 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 Parent Company is Block E, Sector-18, Rohini, New Delhi-110085.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

In accordance with the notification dated 16 February, 2015, issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013.

The financial statements of the Group have been prepared in accordance with the Ind AS. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2016 (Transition Date).

Previous year figures in the financial statements have been restated in compliance to Ind AS.

Up to the year ended 31 March, 2017, the Group prepared the financial statements in accordance with the Generally Accepted Accounting Principles ('Previous GAAP') applicable in India and the applicable accounting standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

In accordance with Ind AS 101-'First time Adoption of Indian Accounting Standards' ('Ind AS 101'), the Group has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS at 31 March, 2017, and 1 April, 2016 and of the Profit after tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31 March, 2017. Refer to note 53 for details of the said reconciliations and first time adoption exemptions availed by the Group.

2.2 Basis of preparation and presentation

These 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:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
b) 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.
c) 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

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for trade allowances for deduction, rebates and other similar allowances. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

2.3.1 Laboratory income

Medical testing charges consists of fees received for various tests conducted in the field of pathology and radiology and are recognized on accrual basis when the samples are registered for the purpose of conducting the tests, net of discounts, if any.

2.3.2 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.

2.3.3 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.

2.4 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 financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), 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:

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 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

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.

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.

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 & 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 INR 5,000 or less, are depreciated at the rate of 100%. Assets purchased during the year costing INR 5,000 or less are depreciated at the rate of 100%.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

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

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 realizable 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 financial statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the 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 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.

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.

2.15 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 evidence 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.

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 42.

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 Earning per share

Basic earnings per share are 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 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 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 financial statements are included in the following notes:

Key sources of estimation uncertainty

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 opearting lease and finance lease. Hence, the Company has recorded the purchase of reagent in consumption cost with no element of rental /interest therein.

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.

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.

Fair value measurements and valuation processes

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates (see 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

The following subsidiary companies have been considered in the preparation of the Consolidated Ind AS 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	Delta Ria and Pathology Private Limited
5	Dr Lal PathLabs Nepal Private Limited
6	Dr Lal PathLabs Bangladesh Pvt Ltd.
7	Dr. Lal PathLabs International B.V

2A. Recent accounting pronouncements

The new Standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 115 Revenue from Contracts with Customers

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers', which is effective from 1 April, 2018. The new standard outlines a single comprehensive control-based model for revenue recognition and supersedes current revenue recognition guidance based on risks on rewards. The Group is evaluating the requirements of Ind AS 115 and its effect of the financial statements.

Ind AS 21 Foreign currency transactions and advance consideration:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the 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 amendment will come into force from 1 April, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect of the financial statements.

Amendments to Ind AS 12-Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 April, 2018. These amendments are not expected to have material effect on Group financial statements.

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3 Property, plant and equipment

(In ` million, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Carrying amounts of :			
Freehold land	109.57	109.57	109.57
Leasehold land	81.41	81.41	81.41
Freehold buildings	1.25	1.39	1.55
Leasehold buildings	489.96	113.68	126.33
Plant and equipment	584.00	471.48	431.90
Computers	65.05	51.73	40.82
Furniture and fixtures	35.56	24.25	22.83
Vehicles	11.37	16.54	13.81
Leasehold improvements	219.71	209.04	188.23
	1,597.88	**1,079.09**	**1,016.45**
Capital work-in-progress	95.64	156.49	40.94
	1,693.52	**1,235.58**	**1,057.39**

	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, 2016	**109.57**	**81.41**	**1.55**	**126.33**	**431.90**	**40.82**	**22.83**	**13.81**	**188.23**	**1,016.45**
Additions	-	-	-	-	173.74	38.72	10.95	8.67	63.23	**295.31**
Acquisitions through business Combinations	-	-	-	-	0.21	0.24	0.33	0.51	0.07	**1.36**
Disposals	-	-	-	-	(6.80)	(0.30)	(0.03)	(0.89)	(0.06)	**(8.08)**
Balance at 31 March, 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	-	-	-	-	(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**
Accumulated depreciation										
Balance at 1 April, 2016	-	-	-	-	-	-	-	-	-	-
Depreciation expenses	-	-	0.16	12.65	127.39	27.51	9.51	5.16	42.36	**224.74**
Acquisitions through business Combinations	-	-	-	-	0.18	0.24	0.32	0.40	0.07	**1.21**
Elimination on disposals of assets	-	-	-	-	-	-	-	-	-	-
Balance at 31 March, 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**
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**
Carrying amount										
Balance at 1 April, 2016	109.57	81.41	1.55	126.33	431.90	40.82	22.83	13.81	188.23	**1,016.45**
Additions	-	-	-	-	173.74	38.72	10.95	8.67	63.23	**295.31**
Acquisitions through business Combinations	-	-	-	-	0.03	-	0.01	0.11	-	**0.15**
Disposals	-	-	-	-	(6.80)	(0.30)	(0.03)	(0.89)	(0.06)	**(8.08)**
Depreciation expenses	-	-	(0.16)	(12.65)	(127.39)	(27.51)	(9.51)	(5.16)	(42.36)	**(224.74)**
Balance at 31 March, 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	-	-	-	-	(1.54)	(0.04)	(0.18)	-	(1.83)	**(3.59)**
Depreciation expense	-	-	(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**

The Group has elected to continue with the carrying value of all of its property, plant and equipment 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.

4 Goodwill

(In ` million, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Cost or deemed Cost	312.17	278.77	115.95
Accumulated impairment loss	-	-	-
	312.17	**278.77**	**115.95**

	Year ended 31 March, 2018	Year ended 31 March, 2017
Cost or deemed cost		
Balance at the beginning of year	278.77	115.95
Additions on account of acquisitions	33.40	162.82
	312.17	**278.77**

Accumulated impairment loss	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
Balance at the end of the year	-	-

The Parent Company had, during the year ended 31 March, 2016, 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 ` 12.50 million (including goodwill of ` 8.30 million). During the year ended 31 March, 2017, an additional consideration of ` 2.50 million was paid and has been considered as Goodwill.

The Paliwal Diagnostics Private Limited had, during the 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 ` 20.00 million (including goodwill of ` 18.58 million).

Impairment of Goodwill

For the purpose of impairment testing, goodwill has been allocated to the cash generating units-'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, 2017: 11.50% per annum; as at 1 April, 2016: 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 22% per annum (as at March 31, 2017: 22% per annum; as at April 1, 2016: 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, 2018	As at 31 March, 2017	As at 1 April, 2016
Carrying amounts of :			
Computer software	193.14	158.33	126.21
Trademarks	5.04	8.10	11.16
	198.18	**166.43**	**137.37**
Intangible assets under development	-	18.65	-
	198.18	**185.08**	**137.37**

(In ` million, unless otherwise stated)

	Computer software	Trademarks	Total
Cost or deemed cost			
Balance at 1 April, 2016	126.21	11.16	**137.37**
Additions	79.70	-	**79.70**
Disposals	-	-	**-**
As at 31 March, 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**
Accumulated amortisation			
Balance at 1 April, 2016	-	-	**-**
Amortisation expenses	47.58	3.06	**50.64**
Elimination on disposals of assets	-	-	**-**
As at 31 March, 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**
Carrying amount			
Balance at 1 April, 2016	126.21	11.16	**137.37**
Additions	79.70	-	**79.70**
Disposals	-	-	**-**
Amortisation expenses	(47.58)	(3.06)	**(50.64)**
As at 31 March, 2017	**158.33**	**8.10**	**166.43**
Additions	98.35	-	**98.35**
Disposals	-	-	**-**
Amortisation expense	(63.54)	(3.06)	**(66.60)**
As at 31 March, 2018	**193.14**	**5.04**	**198.18**

The Group 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.

Financial assets (non-current)

6 Loans

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Loans to employees (Unsecured, considered good)	0.58	0.44	0.73
Total	**0.58**	**0.44**	**0.73**

7 Other financial assets

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Security deposits	68.73	107.18	75.86
Surrender value of keyman insurance policy	39.45	35.23	31.25
Non-current bank balances	265.37	68.82	4.65
Interest accrued on loans, fixed deposits and others	5.05	0.92	1.06
Total	**378.60**	**212.15**	**112.82**

8 Non-current tax assets (net)

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Tax Assets			
Tax refund receivable	93.53	70.10	181.68
Tax Liabilities			
Income tax payable	(14.21)	(1.77)	-
Total	**79.32**	**68.33**	**181.68**

9 Deferred tax balances

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deferred tax assets	191.91	154.21	137.92
Deferred tax liabilities	(22.73)	(17.16)	(12.84)
Total	**169.18**	**137.05**	**125.08**

2017-18	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	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**

2016-17	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Closing Balance
Deferred tax assets on:					
Property, plant and equipment	56.00	17.46	-	-	73.46
Goodwill	37.71	(19.17)	-	-	18.54
Short-term provisions- Leave encashment	13.38	6.39	-	-	19.77
Short-term provisions- Gratuity	4.26	(3.99)	3.88	-	4.15
Provision for impairment of trade receivables and advances	11.76	10.80	-	-	22.56
Disallowed expenditure	8.27	(3.40)	-	-	4.87
Others	6.54	4.32	-	-	10.86
Deferred tax liabilities on:				-	
Surrender value of keyman insurance policy	(10.82)	(1.38)	-	-	(12.20)
Fair valuation gains on mutual funds	(0.26)	(4.70)	-	-	(4.96)
Employee share options compensation	(1.76)	1.76	-	-	-
Total	**125.08**	**8.09**	**3.88**	**-**	**137.05**

10 Other assets

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Advances to related parties	0.20	0.20	0.20
Prepaid rent	111.33	112.64	124.21
Others	1.36	3.32	4.15
Total	**112.89**	**116.16**	**128.56**

Financial assets (current)

11 Inventories

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Reagents, chemicals, surgicals and laboratory supplies	261.74	167.95	136.95
Stores and others	11.61	11.12	8.20
Total	**273.35**	**179.07**	**145.15**

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, 2018	As at 31 March, 2017	As at 1 April, 2016
Investment in mutual funds (unquoted) carried at fair value through profit or loss			
Baroda Pioneer Treasury Advantage Fund-Plan B Daily Dividend-Reinvestment 143,973.23 (31 March, 2017 : 137,118.14 ; 1 April, 2016: 8,064.69) units of ` 1,000/- each	145.25	138.34	8.08
Reliance Banking & Psu Debt Fund-Direct Weekly Dividend Plan Reinvestment 7,257,742.36 (31 March, 2017: 6,960,046.35 ; 1 April, 2016: Nil) units of ` 10/- each	73.62	70.53	-
Reliance Medium Term Fund-Daily Direct Dividend Plan Dividend Reinvestment 3,132,672.75 (31 March, 2017: 3,468,848.69 ; 1 April, 2016: Nil) units of ` 10/- each	53.59	59.06	-
HDFC Short Term Opportunities Fund-Direct Plan-Growth Option 9,565,316.16 units (31 March, 2017 : 9,565,316.16 ; 1 April, 2016: Nil) of ` 10/- each	184.83	173.14	-
ICICI Prudential Savings Fund Direct Plan Daily Dividend 568,991.56 (31 March, 2017: 540,089.89 ; 1 April, 2016: Nil) units of ` 100/- each	57.03	54.50	-
ICICI Prudential Flexible Income Direct Plan Daily Dividend 1,189,605.85 (31 March, 2017: 393,776,89 ; 1 April, 2016: Nil) units of ` 100/- each	125.85	41.64	-
UTI -Treasury Advantage Fund-Institutional Plan-Direct Plan-Daily Dividend Reinvestment 72,430.56 (31 March, 2017: 97,858.22; 1 April, 2016: 33,049.41) units of ` 1,000/- each	72.60	98.09	33.13
Axis Liquid Fund-Daily Dividend Reinvestment 100,507.73 (31 March, 2017: NIL ; 1 April, 2016: Nil) units of ` 1,000/- each	100.65	-	-
JM High Liquidity Fund (Direct) Daily Dividend Option 6,514,484.29 (31 March, 2017: 6,720,737.27 ; 1 April, 2016: 8,083,907.76) units of ` 10/- each	67.95	70.10	84.32
Invesco India Ultra Short Term Fund-Direct Plan Daily Dividend 39,649.82 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 1,000/- each	40.42	-	-

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
ABSL Banking & PSU Debt fund Weekly Dividend-Direct plan-Reinvestment 17,513,543.77 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 10/- each	184.83	-	-
SBI Premier Liquid Fund Direct Plan-Daily Dividend 172,539.46 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 1,000/- each	173.10	-	-
ABSL Cash Plus- Daily Dividend-Direct Plan-Reivestment 756,913.19 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 100/- each	75.90	-	-
Axis Liquid Fund-Direct Plan-Daily Dividend Reinvestment 30,378.75 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 100/- each	30.41	-	-
Kotak Corporate Bond Fund Direct Monthly Dividend 27,460.13 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 1,000/- each	30.37	-	-
SBI Magnum Insta Cash fund-Direct Plan-Daily Dividend 13,202.33 (31 March, 2017: Nil ; 1 April, 2016: Nil) units of ` 1,000/- each	22.11	-	-
Reliance Short Term Fund (Growth Fund) 289,994 (31 March, 2017: 476,717.30 ; 1 April, 2016: Nil) units of ` 1,000 each.	9.47	14.67	-
Kotak Floater Short Term-Direct Plan Nil (31 March, 2017: 99,220.79; 1 April, 2016: Nil) units of ` 1,000/- each	-	100.37	-
Reliance Money Manager Fund-Direct Plan Daily Dividend Option Nil (31 March, 2017: 91,755.21 ; 1 April, 2016: 85,691.16) units of ` 1,000/- each	-	92.43	86.05
JM Floater Long Term Fund (Direct) Daily Dividend Option Nil (31 March, 2017: 3,006,696.05 ; 1 April, 2016: Nil) units of ` 10/- each	-	30.10	-
Reliance Short Term Fund (Growth Fund) Nil (31 March, 2017: 117,988.53 ; 1 April, 2016: Nil) units of ` 10/- each.	-	3.80	-
Reliance Money Manager Fund Nil (31 March, 2017: 1,457.31; 1 April, 2016: 3,456.49) units of ` 10/- each.	-	3.27	7.17
SBI Savings Fund Regular Plan Growth Nil (31 March, 2017: 130,463.66 ; 1 April, 2016: Nil) units of ` 10/- each	-	3.31	-
Birla Sunlife Saving Fund Daily Dividend Direct Plan Reinvestment Nil (31 March, 2017: 1,071,151.04 ; 1 April, 2016: 2,225,758.62) units of ` 100/- each	-	107.43	223.24
HDFC Floating Rate Income Fund-Short Term Plan-Wholesale Option-Direct Plan-Dividend Reinvestment Nil (31 March, 2017: Nil ; 1 April, 2016: 3,376,119.39) units of ` 10/- each	-	-	34.03
SBI Premier Liquid Fund-Direct Plan-Daily Dividend Reinvestment Nil (31 March, 2017: Nil ; 1 April, 2016: 92,092.43) units of ` 1,000/- each	-	-	92.39
UTI- Liquid Cash Plan Institutional Direct Plan Daily Dividend Reinvestment Nil (31 March, 2017: Nil ; 1 April, 2016: 56,883.33) units of ` 1,000/- each	-	-	57.99
Reliance Liquid Fund -Treasury Plan Direct Daily Dividend Option Dividend Reinvestment Nil (31 March, 2017: Nil ; 1 April, 2016: 4,366.27) units of ` 1,000/- each	-	-	6.67
Reliance Fixed Horizon Fund Nil (31 March, 2017: Nil ; 1 April, 2016: 300,000) units of ` 10/- each.	-	-	3.03
Reliance Money Manager Fund (Growth Plan Growth Option-LPIG) Nil (31 March, 2017: Nil ; 1 April, 2016: 3,844.36) units of ` 1,000/- each	-	-	7.98
Total	**1,447.98**	**1,060.78**	**644.08**

13 Trade receivables

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Trade receivables			
Secured, considered good	47.66	42.28	29.55
Unsecured, considered good	363.97	375.75	333.51
Unsecured, considered doubtful	89.81	65.20	28.39
Subtotal	**501.44**	**483.23**	**391.45**
Less: Allowance for doubtful debts (expected credit loss allowance)	(89.88)	(65.20)	(28.39)
Total	**411.56**	**418.03**	**363.06**

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.

Age of receivables	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
0-90 days	376.20	357.08	327.90
90-180 days	56.78	71.16	39.03
180-360 days	38.72	40.34	16.19
More than 360 days	29.74	14.65	8.33
Total	**501.44**	**483.23**	**391.45**

Movement in the expected credit loss allowance	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at beginning of the year	65.20	28.39
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	24.68	36.81
Balance at end of the year	**89.88**	**65.20**

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, 2018	As at 31 March, 2017	As at 1 April, 2016
Balances with banks			
- in current accounts	147.70	105.93	139.90
- in cash credit accounts	40.60	39.22	25.20
Deposit with maturity of less than 3 months	458.00	135.00	93.24
Cash on hand	12.18	5.38	7.77
Total	**658.48**	**285.53**	**266.11**

15 Bank balances other than cash and cash equivalents

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Balance in escrow accounts*	1.58	1.67	14.51
Deposit with banks held as margin money deposits against guarantees	29.47	57.10	70.26
Deposit with maturity of 3-12 months	2,445.53	2,050.85	1,750.12
Total	**2,476.58**	**2,109.62**	**1,834.89**

*Escrow account includes application money recieved at the time of IPO.

16 Loans

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Loans to employees	2.48	1.84	4.61
Total	**2.48**	**1.84**	**4.61**

17 Other financial assets

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deposit with others	46.36	41.23	39.95
Deposit with Body Corporates	657.88	372.27	196.94
Interest accrued on deposits	94.40	67.11	66.49
Total	**798.64**	**480.61**	**303.38**

18 Other assets

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Balances with government authorities	19.12	0.73	0.50
Capital advances	16.64	14.27	14.83
Advances to suppliers	57.10	48.72	23.24
Other advances	7.98	6.44	6.22
Prepaid expenses	49.98	48.35	33.87
Prepaid rent	10.27	11.58	11.58
Total	**161.09**	**130.09**	**90.24**

19 Equity Share Capital

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Equity share capital	**833.33**	**830.66**	**826.77**
Authorised			
10,79,00,000 equity shares of ` 10 each (as at 31 March, 2017: 10,79,00,000, equity shares of ` 10 each; as at 1 April, 2016: 8,48,60,325 equity shares of ` 10 each)*	1,079.00	1,079.00	848.60
Nil 0.01% convertible, participating preference shares of ` 10 each (as at 31 March, 2017: Nil of ` 10 each; as at 1 April, 2016: 1,91,39,675 ` 10 each)**	-	-	191.40
Issued, subscribed and fully paid-up			
8,33,32,744 equity shares of ` 10 each (as at 31 March, 2017: 8,30,66,184, equity shares of ` 10 each; as at 1 April, 2016: 8,26,76,997 equity shares of ` 10 each)*	833.33	830.66	826.77

Refer notes below

* Pursuant to the Scheme of Amalgamation ["the Scheme"] u/s 391/394 of the Companies Act, 1956 among the Parent Company and its erstwhile wholly owned subsidiary Companies [Transferor Companies] and the approval of Registrar of Companies and National Company Law Tribunal of Delhi and Haryana, the authorised share capital of the amalgamated Companies has been merged with authorised share capitals of the Parent Company during the financial year ended 31 March 2017.

** The Authorised Preference Share Capital has been converted to authorised equity share capital during the year ended 31 March 2017 and the required filing in accordance with filing of E-form SH7 with ROC, NCT of Delhi & Haryana was made in that year.

(i) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March, 2018, 31 March, 2017 and 1 April, 2016 is set out below:

(Amount in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity share capital						
At the beginning of the year	8,30,66,184	830.66	8,26,76,997	826.77	8,26,76,997	826.77
Issued during the year	2,66,560	2.67	3,89,187	3.89	-	-
Outstanding at the end of the year	**8,33,32,744**	**833.33**	**8,30,66,184**	**830.66**	**8,26,76,997**	**826.77**

(ii) Details of shares held by shareholders holding more than 5% of shares:

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	2,65,56,220	31.87%	2,69,72,884	32.47%	2,69,72,884	32.62%
(ii) Dr Vandana Lal	1,59,31,893	19.12%	1,59,31,893	19.18%	1,59,31,893	19.27%
(iii) West Bridge Crossover Fund, LLC	76,87,394	9.22%	76,87,394	9.25%	1,06,41,846	12.87%
(iv) Wagner Limited	-	-	60,89,199	7.33%	76,09,459	9.20%

(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, 2018	As at 31 March, 2017	As at 1 April, 2016
Proposed dividend on equity shares for the year ended on 31 March 2018: ` 3.00 per share (31 March 2017: ` 1.70 per share and 1 April 2016: ` 2.45 per share)	250.00	141.21	202.72
Dividend distribution tax on proposed dividend	50.89	28.75	41.27
	300.89	**169.96**	**243.99**

(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, 2018	As at 31 March, 2017	As at 1 April, 2016
	No. of shares	No. of shares	No. of shares
Equity shares of ` 100 each bought back by the Company	-	3,722	17,265
Bonus equity shares of ` 10 each issued by the Company*	5,03,23,500	5,03,23,500	5,03,23,500
Bonus preference shares of ` 10 each issued by the Company*	2,49,67,800	2,49,67,800	2,49,67,800
Equity shares of ` 10 each issued on conversion of preference shares	2,66,32,320	2,66,32,320	2,66,32,320

* 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 30,22,024 (31 March 2017: 27,62,184, 1 April 2016: 23,72,997) equity shares of ` 10 each (after considering issue of bonus shares and sub-division of shares of ` 100 each into ` 10 each), including 19,18,757 (31 March 2017: 19,18,757, 1 April 2016: 19,18,757) 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 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 38,08,960 (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.

(b) The Parent Company, vide resolution dated 11 May, 2015 approved 'Dr. Lal PathLabs Private Limited Employee Share Purchase Scheme 2015' ("ESPS 2015"), a performance based share purchase scheme entitling eligible employees to purchase equity shares of the Parent Company. The number of equity shares entitled to be purchased by an employee under ESPS 2015 is calculated based on the employee's performance incentive during the year divided by the market value per equity share as on 1 April of every year. The shares shall be purchased by eligible employees from Dr. Lal PathLabs Employee Welfare Trust ("EWT Trust") under the ESPS 2015 and shall have a lock in period of 2 years from the end of the respective performance year. As per resolution passed on 29 July, 2016, the Parent Company approved to cease further grants under the ESPS 2015. Refer to note 52 for details of shares issued to employees under ESPS 2015.

(c) 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, 2018	As at 31 March, 2017	As at 1 April, 2016
General reserve	496.52	480.22	328.51
Share premium reserve	926.73	899.86	860.29
Share options outstanding account	179.37	85.42	7.18
Retained earnings	5,764.24	4,090.47	3,068.45
Capital redemption reserve account	4.45	4.45	4.45
Shares application money pending allotment	-	-	7.31
Treasury shares	(292.43)	(435.82)	(437.35)
Foreign currency translation reserve	(0.40)	(0.08)	-
Total	**7,078.48**	**5,124.52**	**3,838.84**

(i) General reserve

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	480.22	328.51
Amount transferred from retained earnings	-	148.40
Addition on stock options exercised*	16.30	3.31
Balance at the end of the year	**496.52**	**480.22**

*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) Share premium reserve

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	899.86	860.29
Additions during the year	26.87	39.57
Balance at the end of the year	**926.73**	**899.86**

(iii) Share options outstanding account

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	85.42	7.18
Compensation options granted during the year	116.92	86.09
Options exercised	(22.97)	(7.85)
Balance at the end of the year	**179.37**	**85.42**

The above reserve relates to share options granted by the Parent Company to its employee share option plans. Further information about share based payments to employees is set out in Note 52.

(iv) Retained earnings

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	4,090.47	3,068.45
Profit for the year	1,707.65	1,545.88
Remeasurement of defined benefit obligation, net of income tax	3.68	(7.25)
Transfer to general reserve	-	(148.40)
Profit on sale of treasury shares	278.48	-
Less: Appropriations		
Final dividend on equity shares (2015-16)	-	(196.97)
Final dividend on equity shares (2016-17)	(139.04)	-
Tax on final equity dividend	(27.21)	(41.27)
Interim dividend on equity shares ` 1.50 per share (previous year ` 1.30 per share)	(122.71)	(107.99)
Tax on interim equity dividend*	(27.08)	(21.98)
Balance at the end of the year	**5,764.24**	**4,090.47**

*Tax on interim equity dividend paid during the year is after adjusting corporate dividend tax of ` 1.63 million (previous year ended 31 March, 2017 ` 2.71 million) paid by a subsidiary company on dividend paid to the Company during the year.

In respect of the year ended 31 March, 2018, the directors of Parent Company propose that a dividend of ` 3.00 per share (previous year ended 31 March, 2017 ` 1.70 per share) 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 ` 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 for details of equity dividend declared.

(v) Capital redemption reserve account

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the period	4.45	4.45
Additions during the year	-	-
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.

(vi) Share application money pending allotment

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	-	7.31
Shares issued against application money	-	(7.31)
Balance at the end of the year	**-**	**-**

Share application money pending allotment represents the amount collected against the issue of shares.

(vii) Treasury shares

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	(435.82)	(437.35)
Change during the year	143.39	1.53
Balance at the end of the year	**(292.43)**	**(435.82)**

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 of the Company.

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, 2018 aggregated to 10,54,098 equity shares (31 March, 2017: 15,43,668 equity shares and 1 April, 2016: 15,48,903 equity shares) of ` 10 each.

(viii) Foreign currency translation reserve

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of the year	(0.08)	-
Change during the year	(0.32)	(0.08)
Balance at the end of the year	**(0.40)**	**(0.08)**

21 Non-controlling interests

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at beginning of the year	24.39	29.45
Share of profit for the year	10.17	9.94
Dividend	(2.41)	(4.00)
Non-controlling interests on change in interest in Paliwal Diagnostics Private Limited and Paliwal Medicare Private Limited	-	(11.00)
Non-controlling interests on acquisition of Dr. Lal PathLabs Bangladesh Pvt. Ltd.	5.74	-
Balance at the end of the year	**37.89**	**24.39**

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		Accumulated non-controlling interests	
		31 March, 2018	31 March, 2017	31 March, 2018	31 March, 2017	31 March, 2018	31 March, 2017
Paliwal Diagnostics Private Limited	India	20%	20%	8.22	7.68	23.22	17.41
Paliwal Medicare Private Limited	India	20%	20%	2.54	2.26	9.52	6.98
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Bangladesh	30%	-	(0.59)	-	5.15	-
	Total			**10.17**	**9.94**	**37.89**	**24.39**

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interests and voting rights held by non-controlling interests	Accumulated non-controlling interests
		1 April, 2016	1 April, 2016
Paliwal Diagnostics Private Limited	India	30%	21.81
Paliwal Medicare Private Limited	India	30%	7.64
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Bangladesh	-	-
		Total	**29.45**

Summarised financial information in respect of each of the Group's subsidiaries that has non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Paliwal Diagnostics Private Limited

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non-current assets	79.37	40.21	37.17
Current assets	68.23	61.57	50.29
Non-current liabilities	-	-	-
Current liabilities	30.53	14.74	14.74
Equity attributable to owners of the Company	93.85	69.63	50.91
Non-controlling interests	23.22	17.41	21.81

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Income	251.71	221.79
Expenses	210.10	187.20
Profit (loss) for the year	**41.61**	**34.59**
Profit (loss) attributable to owners of the Company	33.28	26.86
Profit (loss) attributable to the non-controlling interests	8.33	7.73
Profit (loss) for the year	**41.61**	**34.59**
Other comprehensive income attributable to owners of the Company	0.37	(0.22)
Other comprehensive income attributable to the non-controlling interests	0.09	(0.05)
Other comprehensive income for the year	**0.46**	**(0.27)**
Total comprehensive income attributable to owners of the Company	33.85	26.64
Total comprehensive income attributable to the non-controlling interests	8.22	7.68
Total comprehensive income for the year	**42.07**	**34.32**
Dividends paid to non-controlling interests	(2.41)	4.00
Net cash inflow (outflow) from operating activities	47.71	33.55
Net cash inflow (outflow) from investing activities	(32.05)	(10.77)
Net cash inflow (outflow) from financing activities	(12.04)	(20.00)
Net cash inflow (outflow)	**3.62**	**2.78**

Paliwal Medicare Private Limited

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non-current assets	34.40	9.57	12.26
Current assets	16.41	27.02	15.54
Non-current liabilities	-	-	-
Current liabilities	3.23	1.71	2.32
Equity attributable to owners of the Company	38.06	27.90	17.84
Non-controlling interests	9.52	6.98	7.64

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Income	46.80	39.92
Expenses	34.09	30.36
Profit (loss) for the year	**12.71**	**9.56**
Profit (loss) attributable to owners of the Company	10.17	7.27
Profit (loss) attributable to the non-controlling interests	2.54	2.29
Profit (loss) for the year	**12.71**	**9.56**
Other comprehensive income attributable to owners of the Company	(0.01)	(0.13)
Other comprehensive income attributable to the non-controlling interests	-	(0.03)
Other comprehensive income for the year	**(0.01)**	**(0.16)**
Total comprehensive income attributable to owners of the Company	10.16	7.14
Total comprehensive income attributable to the non-controlling interests	2.54	2.26
Total comprehensive income for the year	**12.70**	**9.40**
Dividends paid to non-controlling interests	-	-
Net cash inflow (outflow) from operating activities	17.47	10.36
Net cash inflow (outflow) from investing activities	(17.83)	(9.34)
Net cash inflow (outflow) from financing activities	-	-
Net cash inflow (outflow)	**(0.36)**	**1.02**

Dr. Lal Pathlabs Bangladesh Pvt. Ltd.

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non-current assets	18.37	-	-
Current assets	10.81	-	-
Non-current liabilities	-	-	-
Current liabilities	11.61	-	-
Equity attributable to owners of the Company	12.42	-	-
Non-controlling interests	5.15	-	-

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Revenue	7.67	-
Expenses	9.24	-
Profit (loss) for the year	**(1.57)**	-
Profit (loss) attributable to owners of the Company	(1.10)	-
Profit (loss) attributable to the non-controlling interests	(0.47)	-
Profit (loss) for the year	**(1.57)**	**-**
Other comprehensive income attributable to owners of the Company	(0.27)	-
Other comprehensive income attributable to th e non-controlling interests	(0.12)	-
Other comprehensive income for the year	**(0.39)**	**-**
Total comprehensive income attributable to owners of the Company	(1.37)	-
Total comprehensive income attributable to the non-controlling interests	(0.59)	-
Total comprehensive income for the year	**(1.96)**	**-**
Dividends paid to non-controlling interests	-	-
Net cash inflow (outflow) from operating activities	(2.87)	-
Net cash inflow (outflow) from investing activities	(1.96)	-
Net cash inflow (outflow) from financing activities	11.84	-
Net cash inflow (outflow)	**7.01**	**-**

22 Other financial liabilities-non current

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Security deposits	63.71	53.21	30.79
Payment obligation-leasehold land	12.17	12.17	12.17
Total	**75.88**	**65.38**	**42.96**

23 Other non-current liabilities

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deferred revenue- security deposits	3.65	7.57	9.77
Total	**3.65**	**7.57**	**9.77**

24 Trade payables

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Total outstanding dues of micro enterprises and small enterprises	0.71	0.28	0.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	653.80	523.48	422.00
Total	**654.51**	**523.76**	**422.66**

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 ` 0.71 million (` 0.28 million on 31 March 2017, ` 0.66 million on 1 April 2016) 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)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a. Amounts payable to suppliers under MSMED (suppliers) as on 31 March, 2018			
Principal	0.71	0.28	0.66
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 31 March, 2018	-	-	-
e. Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	-	-	-

25 Other financial liabilities-current

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Interest payable	-	0.25	0.45
Payable towards capital goods	130.13	38.31	43.95
Creditors against business purchases	10.00	10.20	6.25
Share application money refundable	1.46	1.61	4.41
Payment obligation-leasehold land	1.53	1.53	1.53
Security deposits received	126.07	102.98	93.69
Other payables	0.42	0.30	13.74
Total	**269.61**	**155.18**	**164.02**

26 Short-term provisions

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Provision for employee benefits			
- Provision for compensated absences	58.68	57.14	38.66
- Provision for gratuity (Refer note 40)	28.39	12.00	29.05
Total	**87.07**	**69.14**	**67.71**

27 Other current liabilities

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Advances from customers	55.38	32.83	28.54
Statutory dues	71.85	61.22	77.06
Deferred revenue- security deposits	6.95	4.48	3.32
Total	**134.18**	**98.53**	**108.92**

28 Revenue from operations

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Sale of services	10,568.85	9,123.00
Other operating revenues	0.33	0.83
Total	**10,569.18**	**9,123.83**

29 Other income

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
a) Interest income from		
- Fixed deposits from bank (at amortised cost)	210.52	166.55
- Deposits with bodies corporate (at amortised cost)	17.58	18.70
- Income-tax refund	0.08	4.19
- Others	10.91	9.68
b) Dividend and interest income from investments (at FVTPL)	61.70	62.87
c) Others		
- Surrender value of keyman insurance policy (at FVTPL)	5.76	5.44
- Sundry balances written back	2.55	0.63
- Net gain on foreign currency transactions	-	0.21
- Miscellaneous non operating income	3.10	7.11
Total	**312.20**	**275.38**

30 Cost of materials consumed

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Inventories at the beginning of the year	167.95	136.95
Add : Purchases	2,354.05	2,001.78
Less : Inventories at the end of the year	(261.74)	(167.95)
Total	**2,260.26**	**1,970.78**

31 Employee benefits expense

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Salaries, wages and bonus	1,539.76	1,315.60
Employee share based compensation	116.92	86.09
Contribution to provident and other funds	72.69	62.90
Gratuity expense	32.36	14.08
Staff welfare expenses	45.74	41.41
Total	**1,807.47**	**1,520.08**

32 Finance costs

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Interest on delayed payment of income tax	-	2.13
Interest others	8.41	4.85
Total	**8.41**	**6.98**

33 Depreciation and amortisation expense

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Depreciation on property, plant and equipment	264.04	224.73
Amortisation of intangible assets	66.57	50.64
Total	**330.61**	**275.37**

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34 Other expenses

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Electricity and water charges	153.21	135.81
Rent	488.38	440.47
Rates and taxes	11.28	6.47
Insurance	30.42	25.29
Repairs and maintenance		
- Building	29.68	34.95
- Plant and equipment	49.73	39.21
- Others	143.57	127.22
Advertisement and sales promotion	337.87	252.22
Travelling and conveyance	269.41	247.05
Postage and courier	311.90	251.30
Communication costs	67.41	49.40
Commission to directors	6.82	6.00
Printing and stationery	81.62	69.22
Retainership fees to technical consultants	146.05	154.34
Director sitting fees	2.98	3.27
Legal and professional charges	123.57	108.20
Laboratory test charges	17.69	15.70
Payment to auditor (Refer details below)	9.52	18.35
Donation other than to political parties	0.16	0.16
Corporate social responsibility expense (Refer note 47)	25.83	18.75
Loss on disposal / discard of property, plant and equipment (net)	0.93	2.94
Provision for impairment of trade receivables and advances	30.14	42.88
Bad debts / advances written off (net)	7.82	6.89
Miscellaneous expenses	239.97	200.66
Total	**2,585.96**	**2,256.75**

Note

(i) Payment to the auditor comprise *

As auditor:

Audit fees	5.96	10.41
Limited review	1.42	5.18
Tax audit fee	0.59	2.00
Others	0.64	0.23
Reimbursement of expenses	0.91	0.53
Total	**9.52**	**18.35**

* including indirect taxes and ` 1.97 million ( 31 March, 2017: ` 3.18 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 2016-17 was 34.608% and for the fiscal year 2017-18 was 34.608 %.

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

(in ` million, unless otherwise stated)

	Year ended 31 March, 2018	Year ended 31 March, 2017
Current tax		
In respect of the current year	929.28	815.18
In respect of the prior years	0.04	5.26
	929.32	**820.44**
Deferred tax		
In respect of the current year	(40.45)	(4.31)
In respect of the prior years	6.43	(3.78)
	(34.02)	**(8.09)**
Total income tax expenses recognised in the current period	**895.30**	**812.35**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit before tax	**2,613.15**	**2,368.24**
Statutory tax rate	34.608%	34.608%
Income tax expenses calculated at 34.608% (2016-17: 34.608%)	904.36	819.60
Effect of differential tax rate	(5.99)	(1.28)
Effect of expenses that are not deductible in determining taxable profit	8.86	5.48
Share option compensation	-	(1.94)
Non taxable income	(20.95)	(21.76)
Adjustments recognised in relation to current year in relation to previous years	6.47	1.48
Deferred tax on defined benefit obligation recognised in OCI	(1.89)	3.88
Others	4.44	6.89
Income tax expenses recognised in profit or loss	**895.30**	**812.35**

35.2 Income tax recognised in other comprehensive income

	Year ended 31 March, 2018	Year ended 31 March, 2017
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(1.89)	3.88
	(1.89)	**3.88**

36 Earnings per share

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit for the period-(in ` million)	1,707.65	1,545.88
Number of equity shares	8,33,32,744	8,30,66,184
Weighted average number of equity shares outstanding during the year	8,32,99,150	8,28,30,397
Weighted average shares held with the "Dr. Lal PathLabs Employee Welfare Trust"	13,94,611	15,43,668
Dilutive impact of options outstanding	1,06,356	2,84,812
Basic earnings per share of ` 10 each	20.85	19.02
Diluted earnings per share of ` 10 each	20.82	18.95
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, 2018	Year ended 31 March, 2017
Weighted average number of shares for calculating basic earnings per share	8,19,04,539	8,12,86,729
Add : share options outstanding	1,06,356	2,84,812
Weighted average number of shares for calculating dilutive earnings per share	8,20,10,895	8,15,71,541

37 Capital and other commitments

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	6.89	250.90	166.71
Other Commitments	-	-	-

38 Contingent liabilities*

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a) Claims against the Group not acknowledged as debts (As per the Parent Company these claims are not tenable and therefore no provision is required)	59.80	59.80	59.80
b) Other claims against the Group not acknowledged as debts	18.40	15.70	13.07

* 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, allocate resources based on the analysis of the various performance indicator 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, 2018	Year ended 31 March, 2017
India	10,437.40	9,080.30
Outside India	131.78	43.53
Total	**10,569.18**	**9,123.83**

b) The Company's non-current assets (excluding financial assets, non-current tax assets, deferred tax assets and other non-current assets) broken down by location of customers is tabulated below:

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
India	2,174.66	1,686.82	1,310.71
Outside India	29.21	12.61	-
Total	**2,203.87**	**1,699.43**	**1,310.71**

c) Information about major customers

No single customers contributed more than 10% or more to the Group's revenue during the years ended 31 March, 2018 and 31 March, 2017.

40 Employee benefit plans

40.1 Defined contribution plans

The Group operates defined contribution retirement benefit plans for all its qualifying employees. Where empoyees 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 ` 47.05 million (for the year ended 31 March, 2017: ` 46.63 million) represents contributions payable to provident fund by the Group at rates specified in the rules of the plans. As at 31 March, 2018, contributions of ` 8.01 million (as at 31 March, 2017: ` 8.13 million) due in respect of 2017-2018 (2016-2017) 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, 2018	As at 31 March, 2017	As at 1 April, 2016
Discount rate	1	7.66-7.86%	7.13-7.36%	7.79-7.95%
Rate of salary increase	2	7-25%	4-12%	5-10%
Rate of return	3	7.66%	7.71%	7.79%
Retirement age		60-65 years	60-65 years	60-65 years
Attrition rate		2.88-17%	5-18%	2-18%
Mortality table		Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)

Notes:

1. 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.
2. 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.
3. 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, 2018	Year ended 31 March, 2017
Service Cost :		
Current service cost	19.40	12.31
Past service cost and (gain)/loss from settlements	12.33	0.82
Net interest expense	0.63	0.95
Components of defined benefit costs recognised in employee benefit expenses	**32.36**	**14.08**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.46)	(0.20)
Actuarial (gains)/losses arising from changes in demographic assumptions	1.16	0.29
Actuarial (gains)/losses arising from changes in financial assumptions	8.51	7.74
Actuarial (gains)/losses arising from experience adjustments	(14.75)	3.37
Components of remeasurement	**(5.54)**	**11.20**
Total	**26.82**	**25.28**

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, 2018	Year ended 31 March, 2017
Opening defined benefit obligation	91.28	65.76
Current service cost	19.40	12.31
Interest cost	6.93	5.32
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	1.16	0.29
Actuarial gains and losses arising from changes in financial assumptions	8.51	7.74
Actuarial gains and losses arising from experience adjustments	(14.75)	3.37
Past service cost, including losses/(gains) on curtailments	12.33	0.82
Benefits paid	(6.20)	(4.33)
Closing defined benefit obligation	**118.66**	**91.28**

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, 2018	As at 31 March, 2017	As at 1 April, 2016
Present value of funded defined benefit obligation	118.66	91.28	65.76
Fair value of plan assets	(90.27)	(79.28)	(36.71)
Funded status	-	-	-
Net liability arising from defined benefit obligation	**28.39**	**12.00**	**29.05**

40.8 Movements in the fair value of the plan assets are as follows :

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening fair value of plan assets	79.28	36.71
Interest income	6.30	4.37
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial gain/ (loss) on plan assets	0.46	0.20
Contributions from the employer	10.10	41.98
Benefits paid	(5.87)	(3.98)
Closing fair value of plan assets	**90.27**	**79.28**

Parent Company expected to contribute ` 48.44 million to gratuity fund in the next year (For the year ended 31 March, 2017 ` 9.26 million).

40.9 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, 2018	As at 31 March, 2017	As at 1 April, 2016
Insurer managed funds	90.27	79.28	36.71

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.

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Discount rate			
- Impact due to increase of 100 basis points	(9.33)	(7.18)	4.67
- Impact due to decrease of 100 basis points	9.85	7.57	5.38
Salary increase			
- Impact due to increase of 100 basis points	7.69	5.89	3.95
- Impact due to decrease of 100 basis points	(6.61)	(5.07)	(3.75)
Withdrawal Rate			
- Impact due to 25% increase	(3.03)	(2.31)	(1.57)
- Impact due to 25% decrease	3.36	2.56	1.71

41 Operating lease arrangements

The Group as a Lessee

Office premises and equipment are obtained on operating lease. 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:

Payments recognised as an expenses

(in ` million, unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Minimum lease payments	488.38	440.47
Sub-lease payments received	1.84	0.98

Non-cancellable operating lease commitments

(in ` million, unless otherwise stated)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Not later than one year	137.87	117.77	114.54
Later than one year but not later than five years	130.54	117.78	99.63
Later than five years	59.70	11.06	2.86

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 land and premises. These arrangements are both cancellable and non-cancellable in nature and range between 1 to 7 years. Lease rental income earned by the Group is disclosed as 'other income'. The Group did not have any non-cancellable operating lease receivables as at 31 March 2018, 31 March 2017 and 1 April 2016.

42 The Board of Directors of Parent Company in their meeting, held on 12 May, 2017, approved the "Scheme of Amalgamation" of Delta Ria and Pathology Private Limited (DRPPL) with the Parent Company w.e.f. 1 April, 2017 (the appointed date). As per the said scheme the undertaking of DRPPL shall stand transferred to and vested in the Parent Company on a going concern basis without any further act, deed of matter. The scheme of amalgamation is subject to approval by the National Company Law Tribunal and other statutory approvals.

43 During the year ended 31 March, 2017, the Parent Company subscribed to the equity share capital of a wholly owned foreign subsidiary, Dr Lal PathLabs Nepal Private Limited, Nepal, for a consideration of NRS 40.00 million (` 25.05 million) consisting of 4,00,000 shares of NRS 100 each.

44 During the year ended 31 March, 2017, the Parent Company had acquired 100% equity stake in "Delta Ria and Pathology Private Limited", engaged in the business of providing pathological diagnostics services in Bhopal, on a going concern basis for a purchase consideration of ` 34.09 million (including goodwill of ` 33.00 million). The Parent Company had made payment of ` 23.80 million in previous year against consideration for purchase of investment. The balance consideration was payable, along with 10% interest per annum which was paid in current year.

45 During the year ended 31 March, 2017, the Parent Company had acquired 10% additional equity stake in its existing two subsidiaries- Paliwal Diagnostic Private Limited (PDPL) and Paliwal Medicave Private Limited (PMPL). Pursuant to the acquisition, the Parent Company holds 80% stake in both the subsidiaries. The Parent Company had made payment of ` 137.77 million in previous year as consideration for purchase of additional stake (including goodwill of ` 127.32 million).

46 During the current year, the Parent Company, as approved in the Board of Directors meeting, held on 7 August, 2017, has acquired 70% equity stake in "Dr Lal PathLabs 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 (including goodwill of ` 14.82 million).

47 In light of Section 135 of the Companies Act, 2013, the Group has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ` 25.83 Million (Previous year ` 18.75 Million) for CSR activities.

(in ` million, unless otherwise stated)

Particulars	**Year ended 31 March, 2018**	**Year ended 31 March, 2017**
a) Gross amount required to be spent by the Group during the year	37.47	27.06
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	25.83*	18.75*

*Group has contributed ` 25.80 Million (Previous year ` 18.75 Million) to Dr. Lal PathLabs Welfare Trust which is carrying out Corporate Social Responsibility (CSR) activities 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, 2018, 31 March, 2017 and 1 April, 2016.

(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, 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**

As at 31 March, 2017

(in ` million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised Cost	Total	Carrying Value
Investments	1,060.78	-	-	1,060.78	**1,060.78**
Trade receivables	-	-	418.03	418.03	**418.03**
Cash and cash equivalents	-	-	285.53	285.53	**285.53**
Bank balances other than cash and cash equivalents above	-	-	2,109.62	2,109.62	**2,109.62**
Loans	-	-	2.28	2.28	**2.28**
Other financial assets	35.23	-	657.53	692.76	**692.76**
Total	**1,096.01**	**-**	**3,472.99**	**4,569.00**	**4,569.00**

Financial liabilities	FVTPL	FVTOCI	Amortised Cost	Total	Carrying Value
Trade payables	-	-	523.76	523.76	**523.76**
Other financial liabilities	-	-	220.56	220.56	**220.56**
Total	**-**	**-**	**744.32**	**744.32**	**744.32**

As at 1 April, 2016

(in ` million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised Cost	Total	Carrying Value
Investments	644.08	-	-	644.08	**644.08**
Trade receivables	-	-	363.06	363.06	**363.06**
Cash and cash equivalents	-	-	266.11	266.11	**266.11**
Bank balances other than cash and cash equivalents above	-	-	1,834.89	1,834.89	**1,834.89**
Loans	-	-	5.34	5.34	**5.34**
Other financial assets	31.25	-	384.95	416.20	**416.20**
Total	**675.33**	**-**	**2,854.35**	**3,529.68**	**3,529.68**

(in ` million, unless otherwise stated)

Financial liabilities	FVTPL	FVTOCI	Amortised Cost	Total	Carrying Value
Trade payables	-	-	422.66	422.66	**422.66**
Other financial liabilities	-	-	206.98	206.98	**206.98**
Total	**-**	**-**	**629.64**	**629.64**	**629.64**

(c) Fair value measurement

(in ` million, unless otherwise stated)

This note provides information about how the Group determines fair values of various financial assets.

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31 March, 2018	31 March, 2017	1 April, 2016		
Current investment:					
Investment in mutual funds*	1,447.98	1,060.78	644.08	Level II	NAV declared by respective Asset Management Companies.
Surrender value of keyman insurance policy	39.45	35.23	31.25	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 polices 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 Board of Parent Company and Subsidiary Companies approves financial risk policies comprising liquidity, foreign currency, interest rate and counterparty credit risk. The Group does not engage in 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, 2018				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non-current					
Other non current financial liabilities	-	75.88	-	-	**75.88**
Current					
Trade payables	654.51	-	-	-	**654.51**
Other current financial liabilities	269.61	-	-	-	**269.61**
Total	**924.12**	**75.88**	**-**	**-**	**1,000.00**

(in ` million, unless otherwise stated)

	As at 31 March, 2017				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non-current					
Other non current financial liabilities	-	65.38	-	-	**65.38**
Current					
Trade payables	523.76	-	-	-	**523.76**
Other current financial liabilities	155.18	-	-	-	**155.18**
Total	**678.94**	**65.38**	**-**	**-**	**744.32**

(in ` million, unless otherwise stated)

	As at 1 April, 2016				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non-current					
Other non current financial liabilities	-	42.96	-	-	**42.96**
Current					
Trade payables	422.66	-	-	-	**422.66**
Other current financial liabilities	164.02	-	-	-	**164.02**
Total	**586.68**	**42.96**	**-**	**-**	**629.64**

The following table details the Group's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(in ` million, unless otherwise stated)

Financial assets	As at 31 March, 2018				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Investments	1,447.98	-	-	-	**1,447.98**
Trade receivables	411.56	-	-	-	**411.56**
Cash and cash equivalents	658.48	-	-	-	**658.48**
Bank balances other than cash and cash equivalents above	2,476.58	-	-	-	**2,476.58**
Loans	2.48	0.58	-	-	**3.06**
Other financial asset	798.64	378.60	-	-	**1,177.24**
Total	**5,795.72**	**379.18**	**-**	**-**	**6,174.90**

(in ` million, unless otherwise stated)

Financial assets	As at 31 March, 2017				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Investments	1,060.78	-	-	-	**1,060.78**
Trade receivables	418.03	-	-	-	**418.03**
Cash and cash equivalents	285.53	-	-	-	**285.53**
Bank balances other than cash and cash equivalents above	2,109.62	-	-	-	**2,109.62**
Loans	1.84	0.44	-	-	**2.28**
Other financial asset	480.61	212.15	-	-	**692.76**
Total	**4,356.41**	**212.59**	**-**	**-**	**4,569.00**

(in ` million, unless otherwise stated)

Financial assets	As at 1 April, 2016				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Investments	644.08	-	-	-	**644.08**
Trade receivables	363.06	-	-	-	**363.06**
Cash and cash equivalents	266.11	-	-	-	**266.11**
Bank balances other than cash and cash equivalents above	1,834.89	-	-	-	**1,834.89**
Loans	4.61	0.73	-	-	**5.34**
Other financial asset	303.38	112.82	-	-	**416.20**
Total	**3,416.13**	**113.55**	**-**	**-**	**3,529.68**

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, reviewed annually and payable at call	100.00	-	100.00
Total	**100.00**	**-**	**100.00**

As at 31 March, 2017, 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, reviewed annually and payable at call	100.00	-	100.00
Total	**100.00**	**-**	**100.00**

As at 1 April, 2016, 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, 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, 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	-	265.37	113.23	**378.60**
	-	**265.37**	**113.81**	**379.18**
Current				
Investments	560.61	-	887.37	**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	-	657.88	140.76	**798.64**
	560.61	**3,590.88**	**1,644.23**	**5,795.72**
Total	**560.61**	**3,856.25**	**1,758.04**	**6,174.90**
Range of interest rate applicable	-	5.25%-7.75%	-	

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	-	8.00%	-	

The exposure of the Group's financial assets as at 31 March, 2017 to interest rate risk is as follows:

(in ` million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.44	**0.44**
Other financial assets	-	68.82	143.33	**212.15**
	-	**68.82**	**143.77**	**212.59**
Current				
Investments	349.79	-	710.99	**1,060.78**
Trade receivables	-	-	418.03	**418.03**
Cash and cash equivalents	-	135.00	150.53	**285.53**
Bank balances other than cash and cash equivalents above	-	2,107.95	1.67	**2,109.62**
Loans	-	-	1.84	**1.84**
Other financial assets	-	372.27	108.34	**480.61**
	349.79	**2,615.22**	**1,391.40**	**4,356.41**
Total	**349.79**	**2,684.04**	**1,535.17**	**4,569.00**
Range of interest rate applicable	-	4.50%-9.20%	-	

The exposure of the Group's financial liabilities as at 31 March, 2017 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	-	-	65.38	**65.38**
	-	**-**	**65.38**	**65.38**
Current				
Trade payables	-	-	523.76	**523.76**
Other financial liabilities	-	10.20	144.98	**155.18**
	-	**10.20**	**668.74**	**678.94**
Total	**-**	**10.20**	**734.12**	**744.32**
Range of interest rate applicable	-	10.00%	-	

The exposure of the Group's financial assets as at 1 April, 2016 to interest rate risk is as follows:

(in ` million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.73	**0.73**
Other financial assets	-	4.65	108.17	**112.82**
	-	**4.65**	**108.90**	**113.55**
Current				
Investments	11.01	-	633.07	**644.08**
Trade receivables	-	-	363.06	**363.06**
Cash and cash equivalents	-	93.24	172.87	**266.11**
Bank balances other than cash and cash equivalents above	-	1,820.38	14.51	**1,834.89**
Loans	-	-	4.61	**4.61**
Other financial assets	-	196.94	106.44	**303.38**
	11.01	**2,110.56**	**1,294.56**	**3,416.13**
Total	**11.01**	**2,115.21**	**1,403.46**	**3,529.68**
Range of interest rate applicable	-	6.00%-9.40%	-	

The exposure of the Group's financial liabilities as at 1 April, 2016 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	-	-	42.96	**42.96**
	-	**-**	**42.96**	**42.96**
Current				
Trade payables	-	-	422.66	**422.66**
Other financial liabilities	-	6.25	157.77	**164.02**
	-	**6.25**	**580.43**	**586.68**
Total	**-**	**6.25**	**623.39**	**629.64**
Range of interest rate applicable	-	10%	-	

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, 2018	Year ended 31 March, 2017
Impact on profit or loss for the year for increase in interest rate	15.71	10.09
Impact on profit or loss for the year for decrease in interest rate	(15.71)	(10.09)

(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 company 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, 2018, 31 March, 2017 and 1 April, 2016 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 ` 3.09 million (For the year ended 31 March, 2017 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

Year ended 31 March, 2017

(in ` million, unless otherwise stated)

Particulars	Principal activity	Date of Acquisition	Proportion of voting interest acquired (%)	Consideration transferred
Dr Lal PathLabs Nepal Private Limited	Pathology	23-Aug-16	100%	25.05
Delta Ria and Pathology Private Limited	Pathology	21-Dec-16	100%	34.09
				59.14

49.2 Consideration Transferred

(in ` million, unless otherwise stated)

Particulars	Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Dr Lal PathLabs Nepal Private Limited	Delta Ria and Pathology Private Limited
Cash paid/payable	18.09	25.05	34.09
	18.09	**25.05**	**34.09**

49.3 Assets acquired and liabilities recognised at the date of acquisition

(in ` million, unless otherwise stated)

	Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Delta Ria and Pathology Private Limited	Total
Cash	5.70	-	5.70
Current assets	0.26	1.47	1.73
Non-current assets	4.76	1.03	5.79
Current liabilities	(7.45)	(1.41)	(8.86)
	3.27	**1.09**	**4.36**

49.4 Goodwill arising on acquisition

(in ` million, unless otherwise stated)

	Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Delta Ria and Pathology Private Limited	Total
Consideration transferred/transferrable	18.09	34.09	52.18
Less: fair value of identifiable net assets acquired	3.27	1.09	4.36
	14.82	**33.00**	**47.82**

49.5 Net cash outflow on acquisition of subsidiaries

(in ` million, unless otherwise stated)

	Year ended 31 March, 2018	Year ended 31 March, 2017
Consideration paid in cash	28.29	48.94
Less: Cash and cash equivalent balances acquired	5.70	-
	22.59	**48.94**

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, 2018	As at 31 March, 2017	As at 1 April, 2016
Paliwal Diagnostic Private Limited	Diagnostics	India	80	80	70
Paliwal Medicare Private Limited	Diagnostics	India	80	80	70
APL Institute of Clinical Laboratory & Research Private Limited	Diagnostics	India	100	100	100
Delta Ria and Pathology Private Limited	Diagnostics	India	100	100	-
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Diagnostics	Bangladesh	70	-	-
Dr Lal PathLabs Nepal Private Limited	Diagnostics	Nepal	100	100	-
Dr. Lal PathLabs International B.V.*	Diagnostics	Netherland	-	-	-

*No capital has been subscribed. Further, as approved in the Board Meeting dated 9 November, 2017, the Parent Company is in the process of winding up this subsidiary, which had immaterial operations.

Disclosure as required by Schedule III of the Companies Act, 2013 on Consolidated Financial Statements as on 31st March, 2018

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%	7,794.66	98%	1,679.82	96%	3.23	98%	1,683.05
Indian subsidiaries								
Paliwal Diagnostics Private Limited	1%	117.07	2%	41.61	14%	0.46	2%	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)
Delta Ria and Pathology Private Limited	-	4.93	-	3.21	-	-	-	3.21
Overseas subsidiaries								
Dr Lal PathLabs Nepal Private Limited	-	15.73	-	(7.22)	(2)%	(0.05)	-	(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	-	(37.89)	(1)%	(10.20)	1%	0.03	(1)%	(10.17)
Adjustments on consolidation	(1)%	(59.45)	-	(8.00)	3%	0.10	-	(7.90)
Total	**100%**	**7,911.81**	**100%**	**1,707.65**	**100%**	**3.36**	**100%**	**1,711.01**

As at and for the year ended 31 March, 2017

(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%	5,864.36	99%	1,524.81	103%	(7.57)	99.00%	1,517.24
Indian subsidiaries								
Paliwal Diagnostics Private Limited	1%	87.04	2%	34.59	4%	(0.27)	2.00%	34.32
Paliwal Medicare Private Limited	1%	34.88	1%	9.56	2%	(0.16)	1.00%	9.40
APL Institute of Clinical Laboratory & Research Private Limited	-	14.33	-	2.42	(1)%	0.11	-	2.53
Delta Ria and Pathology Private Limited	-	1.74	-	0.36	-	-	-	0.36
Overseas subsidiaries								
Dr Lal PathLabs Nepal Private Limited	-	23.00	-	(1.97)	1%	(0.08)	-	(2.05)
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	-	-	-	-	-	-	-	-
Dr. Lal PathLabs International B.V.*	-	-	-	-	-	-	-	-
Non controlling interest insubsidiaries	-	(24.39)	(1)%	(10.01)	(1)%	0.07	(1)%	(9.94)
Adjustments on consolidation	(1)%	(45.78)	(1)%	(13.88)	(8)%	0.57	(1)%	(13.31)
Total	**100%**	**5,955.18**	**100%**	**1,545.88**	**100%**	**(7.33)**	**100%**	**1,538.55**

As at 1 April, 2016

Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities	
	As % of consolidated net assets	Amount
Parent		
Dr Lal PathLabs Limited	98%	4,593.40
Indian subsidiaries		
Paliwal Diagnostics Private Limited	2%	72.72
Paliwal Medicare Private Limited	1%	25.48
APL Institute of Clinical Laboratory & Research Private Limited	-	11.80
Delta Ria and Pathology Private Limited	-	1.38
Overseas subsidiaries		
Dr Lal PathLabs Nepal Private Limited	-	-
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	-	-
Dr. Lal PathLabs International B.V.*	-	-
Non controlling interest in subsidiaries	(1)%	(29.45)
Adjustments on consolidation	-	(9.72)
Total	**100%**	**4,665.61**

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

5 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 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 Private Limited Group Gratuity Trust
(Trust to manage and administer gratuity liability of the company)

Notes to Consolidated Financial Statements

(Figures in bracket relates to previous year)
(in ` million, unless otherwise stated)

II. Transactions/Outstanding balances with related parties during the year

Particulars	Entities in which key managerial personnel can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
A. Transactions during the year					
i. Sale of services					
Dr. Lal PathLabs Welfare Trust	-	-	-	3.19	**3.19**
	(-)	(-)	(-)	(2.61)	**(2.61)**
Total	**-**	**-**	**-**	**3.19**	**3.19**
	(-)	**(-)**	**(-)**	**(2.61)**	**(2.61)**
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	-	86.27	2.16	-	**88.43**
	(-)	(85.73)	(2.96)	(-)	**(88.69)**
- Post employment benefits*	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	**(-)**
- Share based payments to employees**	-	210.18	-	-	**210.18**
	(-)	(299.97)	(-)	(-)	**(299.97)**
Total	**-**	**296.45**	**2.16**	**-**	**298.61**
	(-)	**(385.70)**	**(2.96)**	**(-)**	**(388.66)**
iii. Reimbursement of expenses					
Dr. Lal PathLabs Welfare Trust	-	-	-	0.20	**0.20**
	(-)	(-)	(-)	(2.88)	**(2.88)**
Total	**-**	**-**	**-**	**0.20**	**0.20**
	(-)	**(-)**	**(-)**	**(2.88)**	**(2.88)**
iv. Repayment of expenses					
Dr. Lal PathLabs Welfare Trust	-	-	-	0.20	**0.20**
	(-)	(-)	(-)	(2.88)	**(2.88)**
Total	**-**	**-**	**-**	**0.20**	**0.20**
	(-)	**(-)**	**(-)**	**(2.88)**	**(2.88)**
v. Contribution to Fund					
Dr. Lal PathLabs Welfare Trust	-	-	-	25.80	**25.80**
	(-)	(-)	(-)	(18.75)	**(18.75)**
Dr. Lal PathLabs Private Limited Group Gratuity Trust	-	-	-	10.10	**10.10**
	(-)	(-)	(-)	(41.98)	**(41.98)**
Total	**-**	**-**	**-**	**35.90**	**35.90**
	(-)	(-)	(-)	(60.73)	**(60.73)**
vi. Rent					
Dr. Vandana Lal-Director	-	1.06	-	-	**1.06**
	(-)	(1.01)	(-)	(-)	**(1.01)**
Central Clinical Laboratory	0.26	-	-	-	**0.26**
	(0.25)	(-)	(-)	(-)	**(0.25)**
Eskay House HUF-Dr. Arvind Lal	0.66	-	-	-	**0.66**
	(7.93)	(-)	(-)	(-)	**(7.93)**
Total	**0.92**	**1.06**	**-**	**-**	**1.98**
	(8.18)	**(1.01)**	**(-)**	**(-)**	**(9.19)**
vii. Professional fees					
Dr. Archana Lal (Daughter of Dr. Arvind Lal and Dr. Vandana Lal)	-	-	1.21	-	**1.21**
	(-)	(-)	(-)	(-)	**(-)**
Total	**-**	**-**	**1.21**	**-**	**1.21**
	(-)	**(-)**	**(-)**	**(-)**	**(-)**

(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	Grand Total
viii.	**Dividend paid**					
	(Hony.) Brig. Dr. Arvind Lal-Chairman and Managing Director	-	86.31	-	-	**86.31**
		(-)	(101.15)	(-)	(-)	**(101.15)**
	Dr. Vandana Lal-Director	-	50.98	-	-	**50.98**
		(-)	(59.74)	(-)	(-)	**(59.74)**
	Dr. Om Prakash Manchanda- CEO and Whole Time Director	-	2.47	-	-	**2.47**
		(-)	(3.37)	(-)	(-)	**(3.37)**
	Mr. Dilip Bidani-Chief Financial Officer	-	0.04	-	-	**0.04**
		(-)	(0.06)	(-)	(-)	**(0.06)**
	Dr. Archana Lal (Daughter of Dr. Arvind Lal and Dr. Vandana Lal)	-	-	6.36	-	**6.36**
		(-)	(-)	(8.40)	(-)	**(8.40)**
	Mr. Anjaneya Lal (Son of Dr. Arvind Lal and Dr. Vandana Lal)	-	-	5.41	-	**5.41**
		(-)	(-)	(6.34)	(-)	**(6.34)**
	Eskay House HUF-Dr. Arvind Lal	5.38	-	-	-	**5.38**
		(6.31)	(-)	(-)	(-)	**(6.31)**
	Total	**5.38**	**139.80**	**11.77**	**-**	**156.95**
		(6.31)	**(164.32)**	**(14.74)**	**(-)**	**(185.37)**
ix.	**Issue of shares**					
	Dr. Om Prakash Manchanda-Director***	-	29.53	-	-	**29.53**
		(-)	(42.66)	(-)	(-)	**(42.66)**
	Total	**-**	**29.53**	**-**	**-**	**29.53**
		(-)	**(42.66)**	**(-)**	**(-)**	**(42.66)**

B. Outstanding Balances at year end

(in ` million, unless otherwise stated)

	Particulars	Year ended	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****						
	Dr. Lal PathLabs Welfare Trust	31 March, 2018	-	-	-	0.10	**0.10**
		31 March, 2017	(-)	(-)	(-)	(0.10)	**(0.10)**
		1 April, 2016	(-)	(-)	(-)	(0.10)	**(0.10)**
	Dr. Lal Pathlabs Private Limited Group Gratuity Trust	31 March, 2018	-	-	-	0.10	**0.10**
		31 March, 2017	(-)	(-)	(-)	(0.10)	**(0.10)**
		1 April, 2016	(-)	(-)	(-)	(0.10)	**(0.10)**
	Total	**31 March, 2018**	**-**	**-**	**-**	**0.20**	**0.20**
		31 March, 2017	**(-)**	**(-)**	**(-)**	**(0.20)**	**(0.20)**
		1 April, 2016	**(-)**	**(-)**	**(-)**	**(0.20)**	**(0.20)**

Notes to Consolidated Financial Statements

(in ` million, unless otherwise stated)

	Particulars	Year ended	Entities in which key managerial personnel can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
ii.	**Other financial assets**						
	a. Security Deposits						
	Eskay House HUF-Dr. Arvind Lal	31 March, 2018	0.64	-	-	-	**0.64**
		31 March, 2017	(0.64)	(-)	(-)	(-)	**(0.64)**
		1 April, 2016	(0.64)	(-)	(-)	(-)	**(0.64)**
	Total	**31 March, 2018**	**0.64**	**-**	**-**	**-**	**0.64**
		31 March, 2017	**(0.64)**	**(-)**	**(-)**	**(-)**	**(0.64)**
		1 April, 2016	**(0.64)**	**(-)**	**(-)**	**(-)**	**(0.64)**
iii.	**Share application money received pending allotment**						
	Dr. Om Prakash Manchanda-Director	31 March, 2018	-	-	-	-	-
		31 March, 2017	(-)	(-)	(-)	(-)	**(-)**
		1 April, 2016	(-)	(7.31)	(-)	(-)	**(7.31)**
	Total	**31 March, 2018**	**-**	**-**	**-**	**-**	-
		31 March, 2017	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
		1 April, 2016	**(-)**	**(7.31)**	**(-)**	**(-)**	**(7.31)**

*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.
**Excludes share based expenses related to RSU 2016.

*** Shares directly issued to the employee by the Company @ Rs 110.80 per equity share of ` 10/- each.

**** Represents contribution towards corpus fund. Amount is included in advance recoverable under other non-current assets.

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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 38,08,960 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. The Parent Company had granted 35,68,160 options till the year ended 31 March, 2014, all of which have all been vested before the transition date. The Parent Company granted additional 1,62,180 options on 23 January, 2015 under ESOP 2010, part of which remains unvested as on the transition date. As per resolution passed on 21 August, 2015, the Parent Company approved to cease any further grants under the ESOP 2010.

Details of grants unvested under ESOP 2010 are given below:

Grant date	Number	Expiry date	Exercise Price (in `)	Fair Value at grant date (in `)
01-09-2010	29,72,160	Refer Note 1 below	110.80	168.92
23-01-2015	1,62,180	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.

52.1.2 Fair value of share options granted in the year

There were no options granted during the years ended 31 March, 2018 and 31 March, 2017.

52.1.3 Movements in share options during the year

The reconciliation of share options outstanding at the beginning and end of the year:

	2017-18		2016-17	
	Number of Option	Weighted average exercise price (in `)	Number of Option	Weighted average exercise price (in `)
Balance at beginning of year	4,20,676	178.47	8,09,863	145.95
Granted during the year	-	-	-	-
Forfieted during the year	-	-	-	-
Exercised during the year	2,66,560	110.80	3,89,187	110.80
Expired during the year	-	-	-	-
Balance at end of year	1,54,116	292.52	4,20,676	178.47

52.1.4 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
01-09-2010	2,66,560	17-05-2017	891.15
23-01-2015	-	-	-

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 ` 295.52 (as at 31 March, 2017: ` 178.47) and a weighted average remaining contractual life of 9.29 years (as at 31 March, 2017: 9.32 years)

52.2 Employee Share Purchase Scheme

52.2.1 Details of employee share based plan of the Company

The Parent Company, vide resolution dated 11 May, 2015 approved the Dr. Lal PathLabs Private Limited Employee Share Purchase Scheme 2015 ("ESPS 2015") which is a performance based plan entitling eligible employees of Equity Shares from the Employee Welfare Trust, which is determined upon evaluation of their performance during the year and the fair market value of the Equity Shares as on 1 April of every year. The transfers from the Employee Welfare Trust would be adjusted against a performance based amount which is determined in accordance with ESPS 2015 and transferred by the Parent Company to the Employee Welfare Trust. The shares purchased under the Scheme by the employees shall have a lock in period of 2 years from the end of the respective performance year. ESPS 2015 came into effect on 1 April, 2014 and was terminated on 30 June, 2017.

The following share- based payment arrangements were in existence during the currend and prior years:

Option series	Number	Expiry date	Exercise Price (in `)	Fair Value at grant date (in `)
Series 1	7,997	-	-	923.30

52.2.2 Fair value of share options granted in the year

There were no options granted during the years ended 31 March, 2017 and 31 March, 2018.

52.2.3 Movements in share options during the year

The reconciliation of share options outstanding at the beginning and end of the year:

	2017-18		2016-17	
	Number of Option	Weighted average exercise price (in `)	Number of Option	Weighted average exercise price (in `)
Balance at beginning of year	-	-	-	-
Granted during the year	-	-	7,997	-
Forfieted during the year	-	-	-	-
Exercised during the year	-	-	5,325	-
Expired during the year	-	-	-	-
Shares adjusted towards TDS liability	-	-	2,672	-
Balance at end of year	-	-	-	-

52.2.4 Share options exercised during the year

No share options were exercised during the year.

52.3 Restricted Share Option Plan

52.3.1 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 2,25,000 out of which 6,225 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. Further, for the performance year 2017-18, Options of ` 10 each granted to eligible employees is 2,25,716 and 9,602 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 currend and prior years:

Option series	Number	Grant date	Expiry date	Exercise Price (in `)	Fair Value at grant date (in `)
Series 1	2,03,400	29-07-2016	Refer Note 1 below	10	943.00
Series 2	3,600	01-08-2016	Refer Note 1 below	10	953.59
Series 3	8,000	21-09-2016	Refer Note 1 below	10	1,182.34
Series 4	10,000	10-10-2016	Refer Note 1 below	10	1,030.56
Series 5	2,14,716	07-08-2017	Refer Note 1 below	10	795.15
Series 6	11,000	08-02-2018	Refer Note 1 below	10	854.73

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 exercise period lapses.

52.3.2 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
Grant date share price	961.75	972.5	1201.35	1049.65	814.25	873.40
Exercise price (in `)	10.00	10.00	10.00	10.00	10.00	10.00
Expected Volatility	31.58%	31.58%	31.58%	31.58%	31.48%	21.71%
Option life	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%
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%

52.3.3 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	2017-18		2016-17	
	Number of Option	Weighted average exercise price (in `)	Number of Option	Weighted average exercise price (in `)
Balance at beginning of year	2,18,775	10.00	-	-
Granted during the year	2,25,716	10.00	2,25,000	10.00
Forfieted during the year	9,602	10.00	6,225	10.00
Exercised during the year	23,591	10.00	-	-
Expired during the year	-	-	-	-
Balance at end of year	4,11,298	10.00	2,18,775	10.00

52.3.4 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	19,105	Various Dates	Various prices
Series 2	98	Various Dates	Various prices
Series 3	1,950	Various Dates	Various prices
Series 4	2,438	Various Dates	Various prices
Series 5	-	-	-
Series 6	-	-	-

52.3.5 Share options outstanding at the end of the year

The share option outstanding at the end of the year has a weighted average exercise price of ` 10 (as at 31 March, 2017: ` 10) and a weighted average remaining contractual life of 6.68 years (as at 31 March, 2017: 6.84 years)

53 First-time Ind AS adoption reconciliations

These are the Group's first Consolidated Financial Statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the Consolidated Financial Statements for the year ended 31 March, 2018, the comparative information presented in these Consolidated Financial Statements for the year ended 31 March, 2017 and in the preparation of an opening Ind AS balance sheet at 1 April, 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in Consolidated Financial Statements prepared in accordance with the applicable accounting standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

The Group has prepared the opening balance sheet as per Ind AS as of 1 April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group. The Group has applied the following transition exemptions in Ind AS 101 :

(a) Deemed cost for property, plant and equipment and intangible assets

In accordance with Ind AS transitional provisions, the Group opted to consider previous GAAP carrying value of property, plant and equipment and other intangible assets as deemed cost on transition date.

(b) Business combination

In accordance with Ind AS transitional provisions, the Group opted not to restate business combinations which occurred prior to the transition date.

(c) Share based payments

The Group is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Group has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants where the options have not been vested. Accordingly, these options have been measured at fair value as against intrinsic value under previous GAAP.

The excess of employee share based compensation expense measured using fair value over the cost recognised under previous GAAP using intrinsic value has been adjusted in 'Share option outstanding account', with the corresponding impact taken to the retained earnings as on the transition date.

(d) Leases

In accordance with Ind AS transitional provisions, the Group opted to determine whether an arrangement existing at the date of transition contains a lease on the basis of facts and circumstances existing at the date of transition rather than at the inception of the arrangement.

(e) Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2016 (the transition date).

(f) Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(g) Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

B Reconciliations between previous GAAP and Ind AS

1 Effect of Ind AS adoption on the balance sheet as at 31 March, 2017 and 1 April, 2016

(in ` million, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2017			As at 1 April, 2016		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance sheet
Non-current assets							
Property, plant and equipment	(k)	1,065.39	13.70	1,079.09	1,002.75	13.70	1,016.45
Capital work-in-progress		156.49	-	156.49	40.94	-	40.94
Goodwill	(e)	592.94	(314.17)	278.77	436.41	(320.46)	115.95
Other intangible assets		166.43	-	166.43	137.37	-	137.37
Intangible assets under development		18.65	-	18.65	-	-	-
Financial assets							
Loans	(b) & (l)	0.54	(0.10)	0.44	0.83	(0.10)	0.73
Other financial assets	(b)	265.72	(53.57)	212.15	176.00	(63.18)	112.82
Non-current tax assets (net)		70.10	-	70.10	181.68	-	181.68
Deferred tax assets (net)	(f)	159.89	(22.84)	137.05	120.48	4.60	125.08
Other non-current assets	(b)	81.74	34.42	116.16	83.41	45.15	128.56
Total non-current assets		**2,577.89**	**(342.56)**	**2,235.33**	**2,179.87**	**(320.29)**	**1,859.58**
Current assets							
Inventories		179.07	-	179.07	145.15	-	145.15
Financial assets							
Investments	(i)	1,046.35	14.43	1,060.78	643.25	0.83	644.08
Trade receivables		418.03	-	418.03	363.06	-	363.06
Cash and cash equivalents	(l)	285.52	0.01	285.53	265.72	0.39	266.11
Bank balance other than cash and cash equivalents above		2,109.62	-	2,109.62	1,834.89	-	1,834.89
Loans	(l)	427.09	(425.25)	1.84	437.51	(432.90)	4.61
Other financial assets		480.61	-	480.61	303.38	-	303.38
Other current assets	(b)	119.33	10.76	130.09	79.48	10.76	90.24
Total current assets		**5,065.62**	**(400.05)**	**4,665.57**	**4,072.44**	**(420.92)**	**3,651.52**
Total assets		**7,643.51**	**(742.61)**	**6,900.90**	**6,252.31**	**(741.21)**	**5,511.10**
Equity							
Equity share capital		830.66	-	830.66	826.77	-	826.77
Other equity		5,767.39	(642.87)	5,124.52	4,248.10	(409.26)	3,838.84
Equity attributable to owners of the Company		**6,598.05**	**(642.87)**	**5,955.18**	**5,074.87**	**(409.26)**	**4,665.61**
Non controlling interest		23.75	0.64	24.39	28.86	0.59	29.45
Total equity		**6,621.80**	**(642.23)**	**5,979.57**	**5,103.73**	**(408.67)**	**4,695.06**
Non-current liabilities							
Financial liabilities							
Other financial liabilities	(c) & (k)	168.82	(103.44)	65.38	137.37	(94.41)	42.96
Other non-current liabilities	(c) & (d)	112.70	(105.13)	7.57	102.32	(92.55)	9.77
Total non-current liabilities		**281.52**	**(208.57)**	**72.95**	**239.69**	**(186.96)**	**52.73**
Current liabilities							
Financial liabilities							
Trade payables		523.76	-	523.76	422.66	-	422.66
Other financial liabilities	(c), (k) & (l)	51.47	103.71	155.18	68.93	95.09	164.02
Provisions	(a)	69.14	-	69.14	311.70	(243.99)	67.71
Current tax liabilities (net)		1.77	-	1.77	-	-	-
Other current liabilities	(c)	94.05	4.48	98.53	105.60	3.32	108.92
Total current liabilities		**740.19**	**108.19**	**848.38**	**908.89**	**(145.58)**	**763.31**
Total liabilities		**1,021.71**	**(100.38)**	**921.33**	**1,148.58**	**(332.54)**	**816.04**
Total equity and liabilities		**7,643.51**	**(742.61)**	**6,900.90**	**6,252.31**	**(741.21)**	**5,511.10**

2 Reconciliation of total equity as at 31 March, 2017 and 01 April, 2016

(in ` million, unless otherwise stated)

	As at 31 March, 2017	As at 1 April, 2016
Total equity (shareholders funds) under previous GAAP		
Share capital	830.66	826.77
Reserves and surplus	5,767.39	4,248.10
Non controlling interest	23.75	28.86
	6,621.80	**5,103.73**
Adjustment:		
Consolidation of ESOP Trust	(425.40)	(432.67)
Dividend Reversal booked in previous GAAP	-	243.99
Impairment of Goodwill in accordance with Ind AS 101 (net of tax)	(295.63)	(282.75)
Effect of measuring deposits (Loans and advances) at amortised cost value (net of tax)	(5.19)	(4.75)
Effect of fair valuation of Investment (net of tax)	9.83	0.56
Reversal of lease equalisation reserve booked in previous GAAP (net of tax)	74.16	66.95
Total equity under Ind AS		
Equity share capital	830.66	826.77
Other equity	5,124.52	3,838.84
Non controlling interest	24.39	29.45
	5,979.57	**4,695.06**

3 Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended 31 March, 2017

(in ` million, unless otherwise stated)

	Note No.	Year ended 31 March, 2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations		9,123.83	-	9,123.83
Other income	(b), (c) & (i)	251.28	24.10	275.38
Total income (A)		**9,375.11**	**24.10**	**9,399.21**
Cost of materials consumed		1,970.78	-	1,970.78
Employee benefit expense	(h) & (b)	1,525.68	(5.60)	1,520.08
Finance costs	(e)	2.13	4.85	6.98
Depreciation and amortisation expense	(c)	281.66	(6.29)	275.37
Fees to collection centers/channel partners		1,004.65	(3.64)	1,001.01
Other expenses	(g)	2,257.17	(0.42)	2,256.75
Total expenses (B)		**7,042.07**	**(11.10)**	**7,030.97**
Profit before tax (A-B)		**2,333.04**	**35.20**	**2,368.24**
Tax expense				
Current tax		820.44	-	820.44
Deferred tax	(f)	(39.41)	31.32	(8.09)
Total tax expense		**781.03**	**31.32**	**812.35**
Profit for the period		**1,552.01**	**3.88**	**1,555.89**
Other comprehensive income				
- Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit obligations	(h)	-	(11.20)	(11.20)
Income tax relating to items that will not be reclassified to profit and loss	(h)	-	3.88	3.88
- Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations		(0.08)	-	(0.08)
Income tax in relation to the items that will be reclassified to profit or loss		-	-	-
Total other comprehensive income		**(0.08)**	**(7.32)**	**(7.40)**
Total comprehensive income for the year		**1,551.93**	**(3.44)**	**1,548.49**

4 Reconciliation of total comprehensive income for the year ended 31 March, 2017

(in ` million, unless otherwise stated)

	Year ended 31 March, 2017
Profit as per previous GAAP	**1,552.01**
Adjustments :	
Employee stock options cost at fair value	(5.60)
Effect of actuarial (gain)/loss on employee defined benefit liability under other comprehensive income (net of tax)	7.32
Effect of measuring deposits (Loans and advances) at amortised cost value (net of tax)	(0.75)
Effect of measuring trade deposits (Other current liabilities) received at amortised cost value (net of tax)	0.31
Effect of fair valuation of investment (net of tax)	9.27
Reversal of amortisation of goodwill booked in previous GAAP (net of tax)	(12.88)
Reversal of lease equalisation reserve booked in previous GAAP (net of tax)	6.21
Total effect of transition to Ind AS	**3.88**
Profit for the period as per Ind AS	**1,555.89**
Other comprehensive income for the period	(7.32)
Exchange differences on translation of foreign operations	(0.08)
Total comprehensive income under Ind AS	**1,548.49**

5 Reconciliation of Cash flow statement

(in ` million, unless otherwise stated)

	Note no.	Year ended 31 March, 2017		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
Net cash generated by operating activities		1,716.36	(3.31)	1,713.05
Net cash used in investing activities		(1,364.93)	(6.13)	(1,371.06)
Net cash used in financing activities		(331.63)	9.06	(322.57)
Net increase in cash and cash equivalents		**19.80**	**(0.38)**	**19.42**
Cash and cash equivalents at the beginning of the year	(I)	265.72	0.39	266.11
Cash and cash equivalents at the end of the year	(I)	285.52	0.01	285.53
Net increase in cash and cash equivalents		**19.80**	**(0.38)**	**19.42**

Notes:

1. As the presentation requirements under previous GAAP differ from Ind AS, the previous GAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

2. The financial information of the Group for the year ended 31 March, 2017 and the transition date opening balance sheet as at 1 April, 2016 included in these consolidated Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as amended, audited by the predecessor auditor and have been restated to comply with Ind AS.

Notes to the reconciliation

(a) Under the previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the Financial Statements were approved for issue were recognised in the Financial Statements as a liability. Under Ind AS, such dividends are recognised when approved by the members in the Annual General Meeting. The effect of this change is an increase in total equity with a corresponding decrease in provisions as on 31 March, 2017 and as on 1 April, 2016. This does not have any impact on the Statement of Profit and Loss for the year ended 31 March, 2017.

(b) Under the previous GAAP, deposits placed and loans to employees at below market interest rate were measured at transaction value, net of provisions, if any. Under Ind AS, they are measured at amortised cost using effective interest method, less impairment, if any. The effect of this change has resulted in an increase in equity as at 1 April, 2016 and 31 March, 2017. It has also increased other income and rental expenses for the year ended 31 March, 2017.

(c) Under the previous GAAP, deposits received were measured at transaction value, net of provisions, if any. Under Ind AS, they are measured at amortised cost using effective interest method, less impairment, if any. The effect of this change has resulted in an increase in equity as at 1 April, 2016 and 31 March, 2017. It has also resulted in a reduction in fee to collection centres and increase in interest cost for the year ended 31 March 2017.

(d) Under the previous GAAP, all rent escalations were equalised on a straight line basis over the operating lease period. Under Ind AS, rent escalations expected to compensate inflationary increases are not required to be equalised. The effect of this change has resulted in reversal of rent equalisation reserve to opening retained earnings as at 1 April 2016. Further, changes to rent equalisation reserve for the year ended 31 March, 2017 has been adjusted through rental expenses for the year.

(e) Under the previous GAAP, goodwill on business purchase and amalgamation was amortised on a straight line basis over a period of five years. Under Ind AS, such goodwill is carried at cost less accumulated impairment, if any. Also, on transition to Ind AS, goodwill is required to be assessed for impairment. Accordingly, on transition date, impairment losses on account of excess of goodwill over recoverable amount of the cash generating unit to the extent identified has been charged off against opening retained earnings as at 1 April, 2016.

Further, goodwill amortised under previous GAAP has been reversed in the statement of profit and loss for the year ended 31 March, 2017.

(f) The Group has accounted for deferred tax adjustments arising from transitional entries. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or other comprehensive income.

(g) Under the previous GAAP, lease arrangements to use lands were excluded from lease arrangement standards. Under Ind AS, arrangements to use land have been classified as operating or finance lease considering the transfer of risks and rewards and also the period of use relative to the economic life of the same. Accordingly, one of the leases in Kolkata has been classified as operating lease arrangement. Payment made for the same at the inception of the agreement has been treated as prepayment of rent and is being amortised over straight line basis.

(h) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability / asset is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. This change does not affect total equity, but there is a increase in profit before tax for the year ended 31 March, 2017.

(i) Under the previous GAAP, investment in mutual funds were classified as long-term or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be classified as at fair value through profit or loss (FVTPL) and measured at fair value. The resulting fair value changes of FVTPL investments are recognised in profit and loss. Accordingly, the fair value changes upto the transition date has been adjusted in opening retained earnings as at the date of transition and fair value changes for the year needed 31 March 2017 has been accounted for in Statement of Profit and Loss.

(j) Under previous GAAP, costs of equity settled share-based payments (ESOPs) was recognised using the intrinsic value method. Under Ind AS, such costs are recognised based on the fair value of ESOPs as on the grant date. The effect of this change has resulted in an increase of employee costs for the year ended 31 March 2017 with no change in equity.

(k) Under the previous GAAP, amounts paid in relation to finance lease obligations were charged off to Statement of Profit and Loss on annual basis. Under Ind AS the present value of rental payments is recognised as lease obligation and capitalised under property, plant and equipment. Accordingly the net presenta value of lease obligations has been capitalised to property, plant and equipment on transition date with a corresponding liability and additional finance costs have been charged off to Statement of profit and Loss during the year ended 31 March, 2017.

(l) Under Ind AS, the financial statement of the Trust have been included in the financial statements of the Parent Company as in substance the ESOP Trust functions as an extension of the Parent Company. Consequently, the cash flow statement and balance sheet have changed to the extent of balances included in the Financial Statements from the trust.

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 The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 14 May, 2018.

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]	**Mr. Dilip Bidani** [Chief Financial Officer]	**Mr. 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, Gurgaon - 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 24th Annual General Meeting ("AGM") of the members of Dr. Lal PathLabs Limited ("the Company") will be held on Monday, August 13, 2018 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, 2018, 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, 2018 and the reports of the Auditors thereon.
2. To declare dividend of ₹ 3/- per equity share for the Financial Year ended March 31, 2018.
3. To appoint a Director in the place of Dr. Vandana Lal (DIN: 00472955), who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special 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), Mr. Arun Duggal (DIN: 00024262), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for 5 (five) consecutive years commencing from August 21, 2018 and whose office shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT Mr. Arun Duggal shall continue to hold the office of Independent Director of the Company, on attaining the age of 75 years, during his tenure."

5. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special 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), Mr. Anoop Mahendra Singh (DIN 01963056), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for 5 (five) consecutive years commencing from August 21, 2018 and whose office shall not be liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special 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), Mr. Harneet Singh Chandhoke (DIN 02758084), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for 5 (five) consecutive years commencing from August 21, 2018 and whose office shall not be liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special 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), Mr. Sunil Varma (DIN 01020611), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for 5 (five) consecutive years commencing from August 21, 2018 and whose office shall not be liable to retire by rotation

   RESOLVED FURTHER THAT Mr. Sunil Varma shall continue to hold the office of Independent Director of the Company, on attaining the age of 75 years, during his tenure"

8. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special 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), Dr. Saurabh Srivastava (DIN 00380453), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for 5 (five) consecutive years commencing from August 21, 2018 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Dr. Saurabh Srivastava shall continue to hold the office of Independent Director of the Company, on attaining the age of 75 years, during his tenure."

9. 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 2018-19."

By Order of the Board
For **Dr. Lal PathLabs Limited**

Rajat Kalra
Company Secretary
Membership No: A-16947

Place: Mussoorie
Date: May 14, 2018

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.

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 atleast 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 Director 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 07, 2018 to Monday, August 13, 2018 (both days inclusive).

9. The dividend on equity shares as recommended by the Directors for the financial year ended March 31, 2018, if declared at the AGM, will be paid on or after Thursday, August 30, 2018 to those members whose names appear on the Register of Members as on Monday, August 06, 2018. 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 06, 2018 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 24th 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 have opted to receive the aforesaid documents in physical form, hard copies are being sent in the permitted mode. The Notice along with the Attendance Slip and Proxy Form and Annual Report for Financial Year 2017-18 shall be available on the Company's website, www.lalpathlabs.com, for their download.

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 are 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, 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.

13. Members who have not registered or changed their E-Mail ID so far are requested to register their E-Mail/changed E-Mail IDs 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. 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.

16. 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.

17. 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. 28.

18. 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 Corporate Office, at least 10 days before the AGM, so that the information can be compiled in advance.

19. 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").

20. 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'.

21. 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.

22. The remote e-voting period commences on Thursday, August 09, 2018 at 10:00 A.M. and ends on Sunday, August 12, 2018 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 06, 2018 ("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.

23. 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 / Members

(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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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)	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. • 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 voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed 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) The shareholders can also cast their vote using DSL mobile application "m-Voting" available for android based mobiles. The m-Voting application can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile application 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 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.

(xix) In case of 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 e mail to helpdesk.evoting@cdslindia.com.

24. 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.

25. The Chairman shall, at the AGM, 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.

26. 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.

27. 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.

28 . Route map to reach at the venue for the Annual General Meeting is attached with this Notice.

Details of Directors seeking re-appointment in the 24th 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	Dr. Vandana Lal	Mr. Arun Duggal	Mr. Anoop Mahendra Singh	Mr. Harneet Singh Chandhoke	Mr. Sunil Varma	Dr. Saurabh Srivastava
Date of First Appointment to the Board	February 14, 1995	August 21, 2015	August 21, 2015	August 21, 2015	August 21, 2015	August 21, 2015
Brief Resume, Age and Nature of Expertise in specific functional areas	Dr. Vandana Lal, aged 61 years, holds a bachelor's degree in medicine and surgery and a doctorate degree in Medicine (Pathology) from the University of Delhi. She has over 35 years of experience in the field of pathology. She has been a Director of our Company since its incorporation in 1995. Dr. Vandana Lal heads clinical research services, all technical departments of laboratories and research and development wing of your Company. She is also responsible for expansion activities of laboratories, planning and execution of new projects for your Company, overall charge of all the technical departments ensuring accuracy, quality assurance, quality control and compliance to standards stipulated by accreditation bodies.	Mr. Arun Duggal, aged 71 years, holds a bachelor's degree in technology (Mechanical Engineering) from the Indian Institute of Technology, Delhi and a post graduate diploma in business administration from the IIMA. He has 25 years of experience in the field of banking with the Bank of America and was their Country Chief Executive India	Mr. Anoop Mahendra Singh, aged 52 years, holds a bachelor's degree in Arts (Economics Honours) from the University of Bombay, a master's degree in Arts (Economics) from the University of Madras and a master's degree in business administration from the University of Melbourne, Australia. He is also a member of CPA Australia. Over a 28 year career in the Asia-Pacific pathology industry, he has held senior management positions with large healthcare businesses such as Mayne Nickless, Symbion Health and Healthscope.	Mr. Harneet Singh Chandhoke, aged 53 years, holds a bachelor"s degree in commerce and a bachelor"s degree in law from the University of Delhi. He has about 27 years of experience in the field of law and is presently a Senior Partner at Luthra & Luthra Law Offices Litigation.	Mr. Sunil Varma, aged 74 years, holds a bachelor's degree in arts from the Punjab University, is a fellow member of the Institute of Chartered Accountants of India and an associate of the Institute of Costs and Works Accountants of India. He has over 45 years of experience in the field of management and business consulting.	Dr. Saurabh Srivastava, aged 72 years, holds a bachelor's degree in technology from the Indian Institute of Technology, Kanpur and a master's degree from the Harvard University. He is one of India's leading entrepreneurs, investors and institution builders, widely acknowledged as one of the architects of the Indian IT Industry and as leading the creation of a vibrant entrepreneurial eco system in India. He has worked extensively in the US, UK, Singapore and India. The Indian Prime Minister Shri Narendra Modi has presented him an Award for contribution to the Indian IT Industry and the President of India has awarded him the Padma Shri, one of India's highest civilian honours. He is a co-founder and former Chairman of NASSCOM. He has also co-founded and Chaired key institutions of modern India focused on IT and entrepreneurship.

Particulars	Dr. Vandana Lal	Mr. Arun Duggal	Mr. Anoop Mahendra Singh	Mr. Harneet Singh Chandhoke	Mr. Sunil Varma	Dr. Saurabh Srivastava
	Dr. Vandana Lal was recognized as "Woman of the Year" representing India, by the American Biographical Institute in 2008 and as "Gem of India" at the All India Achiever's Conference in 1994. Dr. Vandana Lal has also received the International Business Council Award in 1993 and the Shiromani Award for outstanding achievement in the chosen field of activity (Pathology) in 1993. She is a keen landscape photographer & trekker. She runs a Girl child project for education & marriage of village girls in Pindari glacier region of Uttarakhand.					After a successful stint in the US and India with IBM and Unisys, he turned to entrepreneurship and founded several successful IT companies and also created India's first and highly successful private sector VC Fund, which created several marquee companies.
Shareholding in the Company	1,59,31,893 Equity Shares	Nil	Nil	Nil	Nil	Nil
Relationship with other Directors & KMP's	Spouse of (Hony) Brig. Dr. Arvind Lal, Chairman and Managing Director of the Company.	None	None	None	None	None
No. of Meetings of the Board attended during the year	As mentioned in the Corporate Governance Report	As mentioned in the Corporate Governance Report	As mentioned in the Corporate Governance Report	As mentioned in the Corporate Governance Report	As mentioned in the Corporate Governance Report	As mentioned in the Corporate Governance Report

Particulars	Dr. Vandana Lal	Mr. Arun Duggal	Mr. Anoop Mahendra Singh	Mr. Harneet Singh Chandhoke	Mr. Sunil Varma	Dr. Saurabh Srivastava
Directorships held in other Companies	1. Archana Pharmaceuticals Private Limited 2. Kalmatia Sangam Travels Private Limited 3. APL Institute of Clinical Laboratory and Research Private Limited 4. Delta Ria and Pathology Private Limited 5. Dr. Lal Path Labs Bangladesh Private Limited	1. International Asset Reconstruction Private Limited 2. Info Edge (India) Limited 3. Dish TV India Limited 4. ITC Limited 5. ICRA Limited 6. Mangalore Chemicals and Fertilisers Limited 7. ReNew Power Limited	None	None	International Asset Reconstruction Company Private Limited	1. India Angel Networks Services Pvt. Ltd. 2. Info Edge (India) Ltd. 3. Kaleidoscope Entertainment Pvt. Ltd. 4. Digital India Corporation 5. Rajashthan Asset Management Company Pvt. Ltd. 6. Robhatah Robotics Solutions Pvt. Ltd. 7. Yes Bank Limited 8. Naukri Internet Services Limited 9. Newgen Software Technologies Limited 10. Global Edge Software Limited
Membership / Chairmanship of Committees of other companies	None	**Chairmanship** Audit Committee Info Edge (India) Ltd Corporate Social Responsibility Committee International Asset Reconstruction Co. Pvt. Ltd. **Membership** Audit Committee 1. Dish TV India Ltd. 2. ITC Ltd. 3. ICRA Limited 4. Mangalore Chemicals & Fertilizers Limited Nomination and Remuneration Committee 1. Dish TV India Limited 2. Mangalore Chemicals & Fertilizers Limited 3. International Asset Reconstruction Co. Pvt. Ltd.	None	None	**Chairmanship** Audit Committee International Asset Reconstruction Company Private Limited	**Chairmanship** Audit Committee Yes Bank Limited Nomination and Remuneration Committee Info Edge (India) Ltd. **Membership** Audit Committee 1. Info Edge (India) Ltd. 2. Newgen Software Technologies Ltd Nomination & Remuneration Committee Newgen Software Technologies Ltd. Corporate Social Responsibility Committee Info Edge (India) Ltd Stakeholders Relationship Committee Yes Bank Limited IT Strategy Committee Yes Bank Limited Service Excellence Committee Yes Bank Limited

Particulars	Dr. Vandana Lal	Mr. Arun Duggal	Mr. Anoop Mahendra Singh	Mr. Harneet Singh Chandhoke	Mr. Sunil Varma	Dr. Saurabh Srivastava
		CSR Committee 1. Dish TV India Ltd. 2. International Asset Reconstruction Co. Pvt. Ltd. Finance Committee Dish TV India Ltd. Independent Director Committee ITC Ltd.				
Remuneration sought to be paid/last drawn	Remuneration sought to paid As per existing terms and conditions Remuneration last drawn As mentioned in the Corporate Governance Report	Remuneration sought to paid As per existing terms and conditions Remuneration last drawn As mentioned in the Corporate Governance Report	Remuneration sought to paid As per existing terms and conditions Remuneration last drawn As mentioned in the Corporate Governance Report	Remuneration sought to paid As per existing terms and conditions Remuneration last drawn As mentioned in the Corporate Governance Report	Remuneration sought to paid As per existing terms and conditions Remuneration last drawn As mentioned in the Corporate Governance Report	Remuneration sought to paid As per existing terms and conditions Remuneration last drawn As mentioned in the Corporate Governance Report
Terms and conditions of re-appointment	Same as approved by the shareholders in the Annual General Meeting held on July 20, 2017 and September 29, 2015	As per details provided in the Explanatory Statement to Item No. 4 of this AGM Notice	As per details provided in the Explanatory Statement to Item No. 5 of this AGM Notice	As per details provided in the Explanatory Statement to Item No. 6 of this AGM Notice	As per details provided in the Explanatory Statement to Item No. 7 of this AGM Notice	As per details provided in the Explanatory Statement to Item No. 8 of this AGM Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4, 5, 6, 7 and 8

The Members of the Company in their 21st Annual General Meeting held on September 29, 2015 appointed Mr. Arun Duggal, Mr. Anoop Mahendra Singh, Mr. Harneet Singh Chandhoke, Mr. Sunil Varma and Dr. Saurabh Srivastava as Independent Directors of the Company for a term of three (3) years commencing from August 21, 2015. Accordingly their term is set to expire on August 20, 2018.

Pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 ("Act") and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") an Independent Director is eligible for re-appointment subject to (i) Recommendation by the Nomination and Remuneration Committee (ii) Recommendation by the Board of Directors on the basis of performance evaluation report. (iii) Approval of shareholders by way of a special resolution for a term of upto five consecutive years.

The Company has received notices from a member(s) under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Arun Duggal, Mr. Anoop Mahendra Singh, Mr. Harneet Singh Chandhoke, Mr. Sunil Varma and Dr. Saurabh Srivastava for the office of Independent Directors of the Company.

On the basis of performance evaluation exercise, the Board of Directors in their meeting held on May 14, 2018 concluded that the performance of each of the Independent Director was very satisfactory and therefore recommended re-appointment of Mr. Arun Duggal, Mr. Anoop Mahendra Singh, Mr. Harneet Singh Chandhoke, Mr. Sunil Varma and Dr. Saurabh Srivastava for another term of 5 consecutive years commencing from August 21, 2018.

The Board Members were aware that Mr. Sunil Varma (74 Years), Dr. Saurabh Srivastava (72 Years) and Mr. Arun Duggal (71 Years) shall cross the threshold of 75 years as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulation, 2018, if their re-appointment gets approved in ensuing 24th Annual General Meeting. However, considering their background, educational qualifications, experience and contribution made towards the growth/success of the Company, the Board recommended their re-appointment for approval of shareholders.

Further, in the opinion of the Board, all the Independent Directors are independent from the management and fulfills the conditions specified in the Act and the rules made thereunder for re-appointment as Independent Directors of the Company. A copy of letters of appointments of Independent Directors setting out the terms and conditions of their appointments are available for inspection by the Members at the Registered Office of the Company between 10:00 A.M. to 2:00 P.M. except on Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.

Except Mr. Arun Duggal, Mr. Anoop Mahendra Singh, Mr. Harneet Singh Chandhoke, Mr. Sunil Varma and Dr. Saurabh Srivastava, for their respective appointments, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4,5,6,7 and 8 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations as amended from time to time and Secretarial Standard – 2 for General Meetings issued by Institute of Company Secretaries.

The Board recommends the resolutions set out under Item No. 4,5,6,7 and 8 of the Notice, for approval of the Members by way of a Special Resolution.

ITEM NO. 9

The Board of Directors of the Company in their meeting held on May 14, 2018, 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 2018-19 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. 9 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. 9 of the Notice.

By Order of the Board
For **Dr. Lal PathLabs Limited**

Rajat Kalra
Company Secretary
Membership No: A-16947

Place: Mussoorie
Date: May 14, 2018

Dr Lal PathLabs

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, Gurgaon - 122001

Website: www.lalpathlabs.com, E-Mail: cs@lalpathlabs.com, Phone: +91 124 3016500 | Fax: +91 124 4234468

ATTENDANCE SLIP
24th Annual General Meeting
Monday, August 13, 2018

DP ID - Client ID / Folio No.: .....

No. of shares held: .....

Name of the Member / Proxy: .....(In 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 24th Annual General Meeting of the Company on Monday, the 13th day of August 2018 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi–110010.

.....
Signature of the Member/Proxy

Dr Lal PathLabs

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, Gurgaon - 122001

Website: www.lalpathlabs.com, E-Mail: cs@lalpathlabs.com, Phone: +91 124 3016500 | Fax: +91 124 4234468

PROXY FORM
24th Annual General Meeting
Monday, August 13, 2018

[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: .....

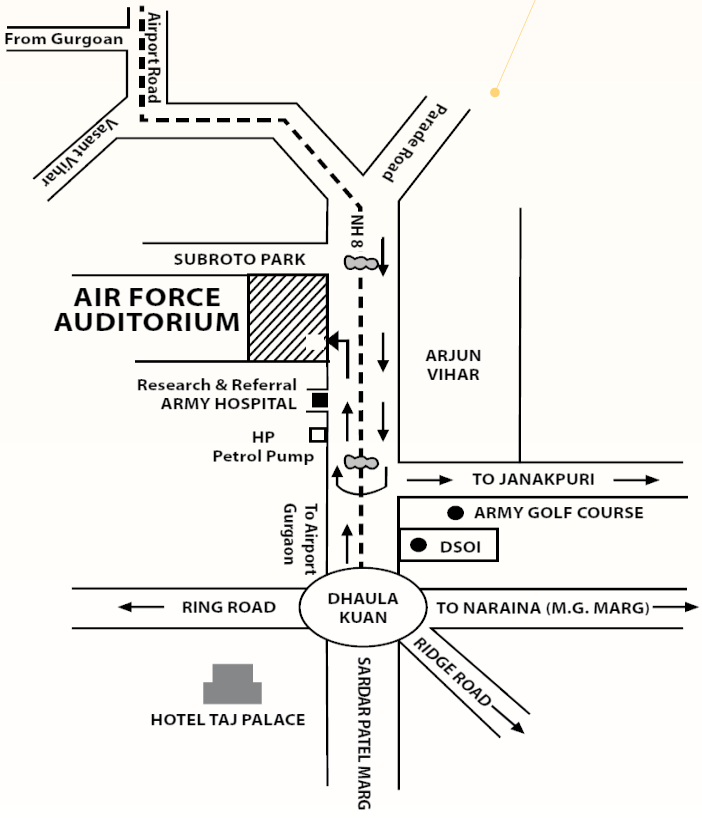
DP ID - Client ID / Folio No.: .....

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 24th Annual General Meeting of the Company to be held on Monday, the 13th day of August 2018 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 24th 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			
1.	Adoption of the audited standalone financial statements of the Company for the Financial Year ended March 31, 2018 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, 2018 and the reports of the Auditors thereon.		
2.	Declaration of dividend of ₹ 3/- per equity share for the Financial Year ended March 31, 2018.		
3.	Re-appointment of Dr. Vandana Lal (DIN: 00472955) as a Director of the Company liable to retire by rotation.		
Special Business			
4.	Re-appointment of Mr. Arun Duggal (DIN: 00024262) as an Independent Director of the Company for a term of Five (5) years.		
5.	Re-appointment of Mr. Anoop Mahendra Singh (DIN: 01963056) as an Independent Director of the Company for a term of Five (5) years.		
6.	Re-appointment of Mr. Harneet Singh Chandhoke (DIN 02758084) as an Independent Director of the Company for a term of Five (5) years.		
7.	Re-appointment of Mr. Sunil Varma (DIN: 01020611) as an Independent Director of the Company for a term of Five (5) years.		
8.	Re-appointment of Dr. Saurabh Srivastava (DIN: 00380453) as an Independent Director of the Company for a term of Five (5) years.		
9.	Ratification of the remuneration of M/s. A.G. Agarwal & Associates (Firm Registration No. 000531), Cost Auditors of the Company for the Financial Year 2018-19.		

Signed this ..... day of 2018

Affix Revenue Stamp

Signature of the shareholder(s) .....

Signature of the Proxy Holder(s) .....

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.

Our Network

Widespread National Footprint with a Network of 193 Labs, 2153 Patient Service Centres and 5624 Pick-up-Points. The trust of 15 million customers.

Dr. Lal PathLabs Limited
Registered Office : Sector-18, Block-E, Rohini, New Delhi- 110085
Corporate Office: 12th floor, Tower B, SAS Tower, Medicity,
Sector-38, Gurugram - 122001, Haryana
National Customer Care: +91-11-39885050
Website: www.lalpathlabs.com

Dr Lal PathLabs