



June 7, 2022

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

Bombay Stock Exchange Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Sub: Submission of Annual Report for Financial Year 2021-22

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2021-22.

We request you to please take the same on record.

Thanking You,

Yours Faithfully,

For Dr. Lal PathLabs Limited

Rajat Kalra
Company Secretary and Legal Head



Encl: As above

Classification: Internal

**WIDENING
HORIZONS
SERVING
BETTER**

Annual
Report
2021-22

Annual
Report
2021-22

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FACTS ABOUT US

Dr. Lal PathLabs Limited continues to redefine its robust infrastructure spanning across India & International and currently comprises of 277 clinical labs (including National Reference Lab at Delhi and Regional Reference Lab at Kolkata).

Further, we continue to build our Patient Service Network with 4,731 Patient Service Centers and 10,599 Pick-up Points, which are backed by a 4,110 strong manpower, that enables greater efficiency as well as prompt service & reach to our customers.

ENABLING HEALTHIER LIVES SINCE 1949

Over 70 years of service to the nation

1949

Dr Lal PathLabs
was first founded
by late Dr Major
S. K. Lal

1977

Dr Lal PathLabs became the first lab in India to introduce Gelman Electrophoresis

1981

First private lab
in North India to
introduce
Radioimmunoassay
(RIA) for hormones

1986

First lab to
fully computerize
its operations

1987

India's first lab
to install Berthold
12 Well Counter,
Helena EDC

2002

First Indian lab to
get an International
accreditation from
the prestigious
College of American
Pathologists

2001

- First lab in India to link satellite labs
- Also, the first one to be certified for ISO 9001:2000

2000

First lab to
be accredited by
the NABL against
the standard
NABL 100

1999

First Indian
lab to install the
world famous Triple
Laboratory
Software (Ultra)

1989

First lab to install
Amerlite Immune
Chemiluminescence
Assays (ICMA)
for HIV and HBsAg

2003

Satellite laboratories
at Preet Vihar, Gurugram
and Safdarjung
development area
received accreditation
from NABL

2004

Tandem Mass Spectrometry for diagnosing Inborn Errors of Metabolism was introduced for the first time in South East Asia

2006

Six laboratories of
Dr Lal PathLabs
successfully
upgraded the NABL
quality standard
from ISO/IEC 17025
to ISO/IEC 15189

2008

Modular systems of Roche Biochemistry and Immunoassay units were introduced

2009

Lab recognized
by the Government
of India for
Swine Flu Testing

2019

EY 'Entrepreneur of the Year' In the category of Health & Life Sciences was awarded to Dr Arvind La I & Dr Om Prakash Manchanda

2017

Launch of latest 'NextGeneration Sequencing' Technology in Genomic Testing

2015

First pathology
player to get
listed at National
Stock
Exchange

2013

Dr Lal PathLabs
won Paul
Writers Marketing
Hall of Fame
award

2010

Established
South East Asia's
largest
and most advanced
Pathology Lab at
Sector-18, Rohini

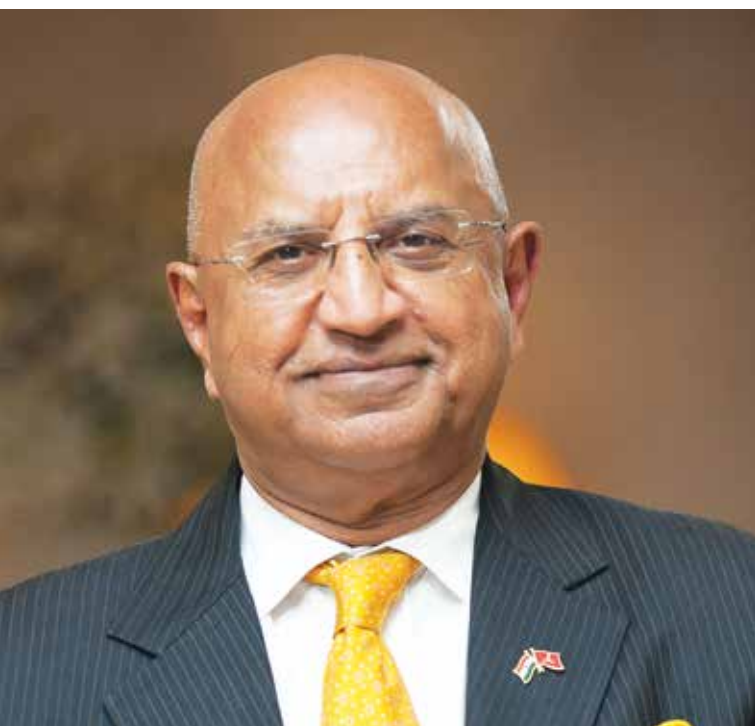
2020

Successfully completed one year of GENEVOLVE, the new Genomics division of Dr Lal PathLabs

2021

- Launched our Bangalore Reference Laboratory with an expansive test menu range.
- Acquired Suburban Diagnostic to become stronger in the west part of India

FROM THE CHAIRMAN'S DESK



Dear Shareholders,

We are happy to announce a successful conclusion to FY22. Dr. Lal PathLabs maintained its track record of being India's leading diagnostics lab chain, providing the best quality diagnostic services to patients in an affordable and accessible manner.

In a significant development during FY22, we strengthened our presence in the fast-growing region of Western India by the acquisition of Suburban Diagnostics, Mumbai. While this will vastly improve our business in this region, the objective is to leverage the expertise of both the companies to deliver accurate diagnostics with better patient experience. Thus the acquisition of Suburban Diagnostics will help us establish a strong base in the high-growth region of Western India, in-line with our strategy. Also, our hub-and-spoke business model, spread across India has been very effective and efficient in helping us reach and penetrate deeper. With our well-established Regional Reference Labs in North and East India giving us healthy increment in patient volumes. We also remain on track to acquire smaller,

unbranded labs across the country through our subsidiary PathLabs Unifiers Private Limited.

The year FY22 was marked by sharp recovery in the non-COVID business post two successive COVID-19 waves. The year began with a nation-wide lockdown being imposed on account of the second wave of the COVID-19 pandemic, which was more severe than the first one. The morbidity and mortality from this Delta virus were more this time. After the second wave receded, the caseloads stayed well under control until December due to the rapid vaccination drive, when the new and fast-transmitting Omicron variant started spreading. However, fortunately, it was not very resurgent and died down soon after. Dr. Lal PathLabs remained at the forefront, providing quality and efficiency in COVID and allied testing throughout the year, and especially during these two periods. One key change that we witnessed since the onset of the pandemic, was that home collections and online bookings were the most preferred options used by the patients.

The scope for growth in the Indian healthcare industry, especially the diagnostics industry is considerable. India continues to have a significantly lower healthcare expenditure as a percentage of GDP as compared to many other nations. Moreover, the shift of market share from the unorganized to the organized sector in the industry has been rapid since the onset of the pandemic. To reap the benefits of this trend, Dr. Lal PathLabs has been making use of technology to improve efficiency and experience of services for the patients.

The shift in industry trends, wherein the market share moving from the unorganized to the organized sector has accelerated. Consumers prefer the assurance of quality and efficiency offered by a branded, pan-India player, something that unorganized players cannot offer. Also, post the pandemic, people have become more attentive to their health. By consistently addressing these concerns, Dr. Lal PathLabs has maintained its position as a leading diagnostics player in India with growing presence in newer regions.

Government of India (GoI) has announced various initiatives and has also increased spending across several schemes, so that healthcare benefits reach

more and more people in India. In the FY22-23 Union Budget, Govt continues to adopt policies geared towards developing a resilient healthcare system in the country. The Department of Health and Family Welfare has been allocated ₹ 83,000 crore, including an allocation of ₹ 6,412 crore for the flagship Ayushman Bharat Pradhan Mantri Jan Aarogya Yojana. These initiatives undertaken by the Government in the healthcare space in the last few years has been heartening and gives us great confidence in the scope for growth in the Indian healthcare industry.

We continue to drive our business on the back of high patient volumes and favorable test mix. We have been able to grow our volumes consistently through the years, without compromising on our margins, nor increasing prices of the tests. This growth in topline and profitability has ensured that Dr. Lal PathLabs

remains a leading player in the industry with a bigger footprint. There is a vast opportunity in the Indian diagnostics space and we are very well positioned to leverage it.

Lastly, I would like to extend my deepest gratitude to all our stakeholders, including investors, associates, vendors, patients, customers, and employees, who have supported us throughout our journey and placed their trust in our brand. We will continue to strive to bring the best quality diagnostics to our patients and value to our investors.

Warm regards,



(Hon'y) Brig. Dr. Arvind Lal, Padma Shri
Executive Chairman

A WORD FROM MANAGING DIRECTOR



Dear Shareholders,

In the pandemic, we have all experienced a once in a lifetime event. My earnest wish is that all of you and your loved ones have kept safe and continue to do so. 2021-22 began on a very challenging note, where the country was gripped by an intense expression of COVID-19.

While there was little predictability on operating parameters, we made it an endeavour to organize for effectiveness and enhance the convenience to patients. Testing for Covid-19, at scale, when the industry had never done such a thing before, was a litmus test for what we in the organized space stand for. Being cognizant of the underlying requirement for illness or prescription-based testing, emphasis was given equally to processing non-COVID samples, which too marked an ebb and flow in line with the restriction on movement by way of lockdowns. The brand focused on building availability of testing infrastructure as required for both COVID and non-COVID, enhancing accessibility through emerging channels like home collection and streamlining interactions online. Patients have recognized what a brand can do and have had the

opportunity to experience the service standards that we adhere by.

As a nation, while we are marking what is possibly the final chapter of the pandemic, I can share certain trends as they have become apparent to us. Firstly, we have seen a continual build up in the trend of home collection of samples. As a proportion, this sits at ~12% today relative to 5-6% pre-pandemic. We have responded by doubling down on training for seamless brand experience at home and towards making the entire process efficient. The second observation I wish to share is that we have seen a marked improvement in samples coming from the franchisee partners, both at the walk-in level post the lockdowns and from institutional avenues throughout. We have always believed in strengthening the spokes within our hub and spoke operation and have been investing in creating the right process flows to enable that.

Third, we have seen the contribution from 'SwasthFit', our bundle test offering, increasing. True to its premise, the program allows the patients and consulting doctors to benefit from comprehensive analysis of underlying data. During the pandemic especially, during the successive phases of it, we saw an evolving combination of allied tests emerging. The system was geared to aid the communities through more focused testing of the relevant parameters.

And lastly, what we have observed at the outset, that non-COVID marks a far larger opportunity and that one should not lose sight of it. All of our network and infrastructure build outs have supported that.

The year 2021-22 was also a milestone year for another reason. We successfully completed the acquisition and integration of Suburban Diagnostics, which you will know is a Mumbai-centered brand in Western India. Our premise was clear, where we are seeking to augment and facilitate significant growth in the geography. Whereas at the outset the contribution share from this region has multiplied, I am aware that there is lot of work to be done. We wish to drive both brands, leveraging credentials as leading healthcare providers in full-service diagnostics.

Meanwhile, through PathLabs Unifiers we continue to create meaningful clusters of growth across the South

and West. Our Bengaluru regional reference lab and the hub-labs we are creating in the rest of the country are proving to be gateways to accelerated sampling.

As the year progressed, the organized industry within diagnostics saw new participation from dedicated players. We welcome these developments as together we can serve the country better. Dr Lal also continues to partner and ally with online aggregators in an effort to build an online platform for sample collection.

Investments have also been directed at enhancing digital footprint, both at operational back end and the front end, where a positive impact can be felt by the patients. We are similarly taking a scientific temperament towards introducing latest technologies in testing in order to enhance convenience while rendering superior and more accurate outcomes.

To share some statistics, we derived 34% shared contribution from the Delhi-NCR region and 28% from rest of North India, followed by 15% from East, 14% from the West, 7% from the South and 2% from International & others. These will re-balance as we progress. We have served 27.3 mn patients during the year 2021-22, including of course the surge in sampling due to the pandemic, which in turn came in at 66 mn.

Revenues for the year showed 32% increase, on consolidated basis including Suburban Diagnostic contribution. Normalized PAT improvement of 25% was recorded. 'SwasthFit' drew in 18% contribution to revenues in the year. As a trend, this segment should record further pick-up, guided by increased awareness of wellness and health awareness brought in by the pandemic.

In a rolling effort, we enhanced our network reach. Year on year we saw 46 labs getting added, 1,026 patient service centers and 1,352 pick-up points. This number includes assets from Suburban

Diagnostics as well. Thus, at overall level, the network has 277 laboratories, 4,731 patient service centres and reaches out 10,599 pick up points nationally.

There are 4 tenets to our strategy: building up our existing infrastructure, widening our test menu and service offering, driving a customer centric approach and pursuing balanced geographic expansion. We believe we are in the right place and benefit from this deliberate approach to growth. Patients are attuned to our brand as we continually create instances of positive engagement. Dr. Lal PathLabs is on a long journey to extend quality testing, across channels to the vast majority of the population. With the present pace of public and private investments in the healthcare infrastructure, the country shall see larger patient volumes coming to the fold and concurrently requirement for testing is also expected to build further. We are excited about the Suburban brand and have aspirations to meaningfully scale it up in target markets. The space for un-organized labs is shrinking and as a trend, those samples are moving to the branded, national chains.

I would like to express my gratitude towards all stakeholders, who have especially stood with us during the past couple of months. Our journey has only just begun, and we value your contribution and trust enshrined in us. I also thank our Board of Directors for their vision and support, our investors, vendors, customers, employees for their continuing investment towards our common objectives. And above all, I would like to make a note of appreciation for all our patients for believing in us.

Warm Regards,



Dr. Om Prakash Manchanda
Managing Director

BOARD OF DIRECTORS



(Hony) Brig. Dr. Arvind Lal
Executive Chairman



Dr. Vandana Lal
Executive Director



Dr. Archana Lal Erdmann
Non-Executive Director



Dr. Om Prakash Manchanda
Managing Director



Mr. Rahul Sharma
Non-Executive Director



Mr. Sunil Varma
Lead Independent Director



Dr. Saurabh Srivastava
Independent Director



Mr. Harneet Singh Chandhoke
Independent Director



Mr. Anoop Mahendra Singh
Independent Director



Mrs. Somya Satsangi
Independent Director

CORPORATE INFORMATION



Mr. Bharath U
Chief Executive Officer



Mr. Ved Prakash Goel
Group Chief Financial Officer



Mr. Rajat Kalra
Company Secretary & Legal Head



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Website: www.lalpathlabs.com



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New Delhi-110058
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Deloitte Haskins & Sells LLP ,
Chartered Accountants, 7th Floor,
Building 10, Tower B. DLF Cyber City
Complex , DLF City Phase-II,
Gurugram -122002, Haryana, India



TAKING HEALTHCARE TO THE HINTERLAND

ABOUT LAL PATHLABS FOUNDATION

Lal PathLabs Foundation is the CSR arm of Dr Lal PathLabs Ltd and its subsidiary companies. The Foundation envisions building a healthy nation by enabling access to high quality healthcare services. In order to make an impact on the underprivileged section of our society, LPL Foundation's primary focus is on skill development and vocational trainings in healthcare to create a pool of Phlebotomists, laboratory technicians to serve the industry needs. The Foundation covers areas comprising of adolescent healthcare, geriatric care, water, sanitation and creating employment opportunities among the skilled, unemployed youth by upskilling the unskilled, in the rural and semi-urban areas.



ABOUT DR LAL PATHLABS LTD

Dr Lal PathLabs is among the most trusted diagnostic healthcare service provider in India, offering services through 5000 + diagnostic tests and related healthcare services through a nationwide network of medical laboratory centres currently comprises of 277 clinical labs (including National Reference Lab at Delhi and Regional Reference Lab at Kolkata). The Company's laboratories have several certifications such as NABL, accreditation by CAP (College of American Pathologists and ISO 90001.)

CSR AT A GLANCE



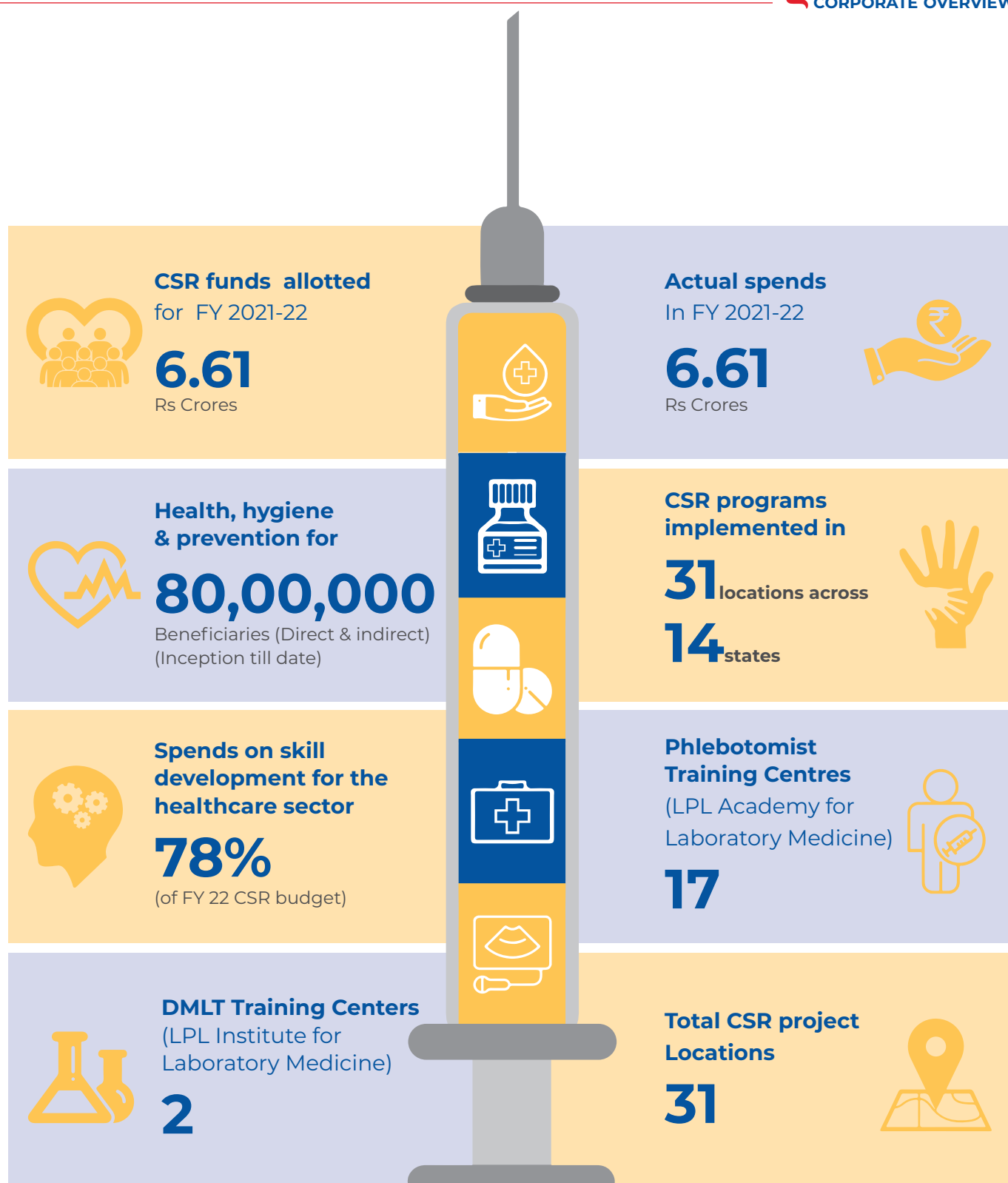
3000+
candidates trained
as **Phlebotomist**
(since inception)

Placed
80%
of trained candidates
(since inception)

Areas of interventions

1. Skill Development in Healthcare
2. Support to COVID 19 Management
3. Preventive Healthcare and Health Education
4. Support to Autistic children

Commitment to SDGs



Touching lives across
31 locations in 14 states in India
 since program inception

PROGRESSING EVERY STEP OF THE WAY



“

“The large body of knowledge and technical capabilities in healthcare needs to be spread to the hinterland so that rural India has access to modern healthcare diagnostics. It is towards this end that the Lal Pathlabs Foundation continues to progress, every step of the way.”

”

The last two years were indeed dramatic for the entire world and we continue to reel under the aftermath till date. The healthcare sector wherein Dr. Lal Pathlabs plays a pivotal role, has rallied around, to fight from the frontline in battling the Covid crisis. It was not as much the inadequacy of the healthcare systems but also the inequalities in accessing the existing systems. A vast country like India readily supported the rest of the world with the shots-in-the-arm, medical and testing kits, PPE, etc. However, the need for operationally ready paramedics and technicians, was and still is a great ask. We at the Lal Pathlabs Foundation did our best to rise to the occasion in combating the pandemic. We deployed feet on the ground, by upskilling youth as professionally qualified Phlebotomist and technicians qualified under Diploma in Medical Laboratory Technology (DMLT). I take this opportunity to salute the paramedics and technicians, our CSR projects implementation partners and our own Foundation personnel who worked tirelessly through the pandemic to provide the much-needed succour in the hour of crisis.

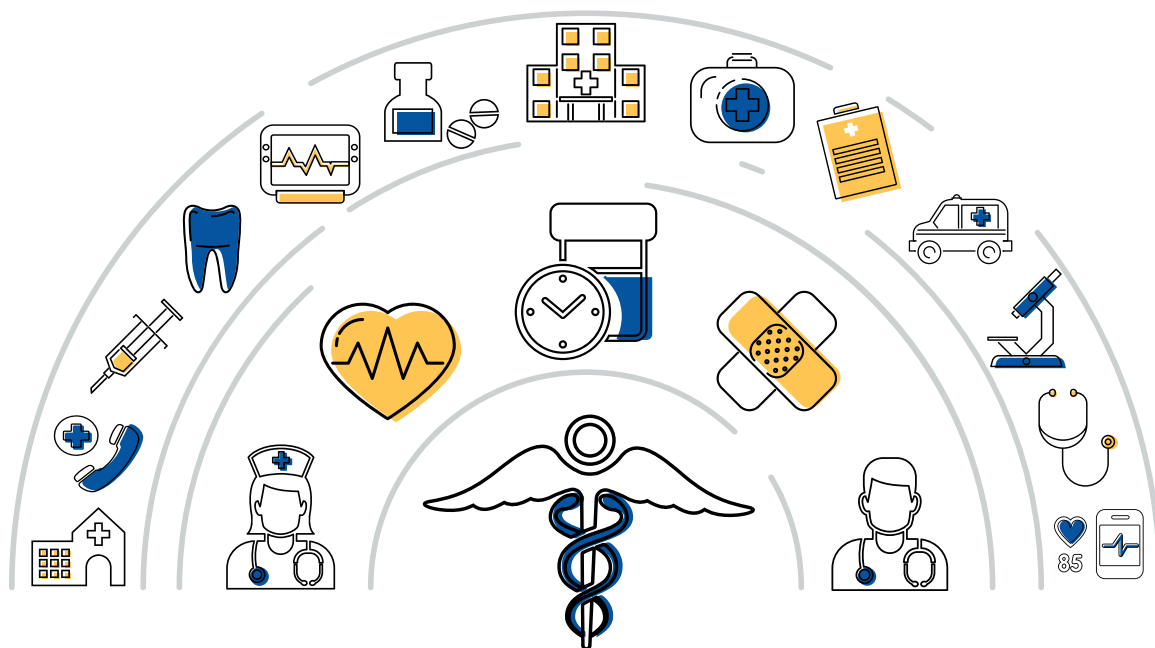
Now, the worst is behind us and we are poised to move forward in a new normal setting. Our collective experiences during the pandemic brought to light the need to stem the rural-urban divide in terms of healthcare accessibility and employability of professionals for the sector.

LPL Foundation's programs are now streamlined towards this very need.

The main thrust areas of our CSR initiatives are in –

- **Skill building in healthcare sector**
- **Public health**
- **Other programs that need our interventions.**

In the year 2021-22, the CSR budget distribution for our flagship program in skill building in healthcare was 78%; Public health including healthcare allocation was 14 %. We strengthened our focus towards building infrastructure for our skilling academies through our Phlebotomy Training Centers and Centre for Excellence (CFEs). We have now spread our skilling institutes to 17 centres across the country for the LPL Academy for Laboratory Medicine. Institutionalising skill building in health care delivery, the Institute of Laboratory medicine is a longer duration vocational program. Both the courses enrol, educate, certify and place candidates preferably from underserved communities. We provide state-of-the-art facilities for learning which serves to train and place youth from marginalised communities in the semi-urban and rural areas. In FY 2022, we surpassed our enrolment targets in the Phlebotomist Training Program and in the DMLT course going way beyond what we set out to do. About 50% of our Phlebotomist trainees were women ensuring diversity in our programs.



Key highlights for the year

FY 2021-2022 was a year that we tread carefully with the fear of the third wave looming overhead. Through the year, we put our best foot forward to do our bit in fighting the Covid pandemic.

- True to our principle of serving the under-served, we worked with the State & Central Governments to provide Ambulance, diagnostic tools, testing kits, medical kits, pulse oximeters, oxygen concentrators and in-cash contributions. We worked with Governments & NGO partners in the States of Assam, Jammu & Kashmir, Himachal Pradesh, Maharashtra and Andhra Pradesh to provide much needed relief in fighting Covid.
- LPL Foundation funded therapy centres for providing life skills for specially abled children. These children from marginalised communities have now access to state-of-the-art therapy centres.
- In readiness for further program monitoring and to ensure quality, we created a dedicated online system for CSR program management and MIS.



A roadmap for the year ahead

In the past we brought about greater alignment to our mission and structured our CSR initiatives. Our flagship programs have seen growth and scale to more regions across the country. Our roadmap ahead is to:

- Build scale in our flagship programs
- Increase our geographical footprint in more Tier II & Tier III regions
- Create more inclusiveness in target communities by continuing to enrol and place more women candidates.
- Create a structured corporate volunteering program such that the tacit knowledge within the parent organisation can be used to effectively benefit the lesser endowed segments of the society.

We have excelled as a key player in the diagnostic delivery sector for over 70 years. The large body of knowledge and technical capabilities in healthcare needs to be spread to the hinterland so that rural India has access to modern healthcare diagnostics. It is towards this end that the Lal Pathlabs Foundation continues to progress, every step of the way.

I thank all our partners in Government, institutes, NGOs, other organisations and community at large for traversing alongside on our journey of proving healthcare access to the country.

Yours sincerely,

Dr. Om Prakash Manchanda
Managing Director

LPL Foundation touches the lives of marginalised communities through various corporate social responsibility programs under the aegis of the Lal Pathlabs Foundation. LPL Foundation is a Trust that is the vehicle to implement the CSR programs of Dr Lal Pathlabs. LPL Foundation programs are designed to ensure that the organisations' specialised skills are deployed for the benefit of the marginalised communities across the country in and around its geographical presence.



CSR policy

The Company envisions to build a healthy nation and improve lives of the community through preventive healthcare initiatives and providing employment opportunities in the healthcare sector. Details of the policy can be downloaded at <https://www.lalpathlabs.com/csr.aspx>



VISION

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



MISSION

To ensure improved health and well-being of communities by promoting preventive healthcare and investing in programs, partnerships and ideas that spread awareness, take preventive action and diagnostic measures for the communities we serve. We work in the areas of preventive healthcare, adolescent healthcare, geriatric care, public healthcare initiatives, water & sanitation and creating employment opportunities in healthcare. Additionally, Lal Pathlabs Foundation shall endeavour to work closely with different stakeholders like NGOs, likeminded organisations and the Government to achieve the outlined intents for the communities we serve.

CSR GOVERNANCE STRUCTURE



AT THE HELM

CSR Committee

(Hony) Brig. Dr. Arvind Lal	Chairman
Dr. Om Prakash Manchanda	Managing Director
Mr. Harneet Singh Chandhoke	Independent Director
Mr. Sunil Varma	Independent Director

Management Team

(Hony) Brig. Dr. Arvind Lal	Executive Chairman
Dr. Om Prakash Manchanda	Managing Director
Mr. Manoj Garg	CHRO

Lal PathLabs Foundation Team

Mr. Rajesh Kumar Singh	GM CSR
Mr. Alok Singh	Asstt. Manager CSR
Mr. Mohan Singh	Sr. Executive CSR
Mr. Anand Singh	Sr. Executive CSR



2

**CSR Committee
Meetings held
in FY 22**



100%

**Attendance in
CSR Meetings
held in FY 22**



STRATEGY

Foundation's CSR strategy's core lies in working towards a healthy nation by making available preventive healthcare services to the most marginalised segments including rural, poor, aged and disabled members of the community across the country. LPL Foundation disseminates knowledge and technology to the marginalised communities to help them contribute to the healthcare delivery sector while they build their livelihood in the sector.

Tenets of LPL FOUNDATION CSR strategy



A healthy nation



Healthcare knowledge & technology to the marginalised



Skilling for employment in healthcare delivery



Preventive care



Hygiene



Education



THRUST AREAS



Skill Building

- Sustainable livelihood and dignity to unemployed youth by training & certification in Phlebotomist and DMLT courses.
- To develop a pool of trained workforce that can be employed by diagnostic service providers to assist medical laboratory technologists / pathologists to supplement & strengthen the ecosystem of diagnostic investigation, as it serves as a base for any medical treatment.
- Bridging the gap of trained workforce and industry need in healthcare in India.
- Skilling the workforce to become a backup workforce during COVID 19 pandemic or such other medical emergencies.

Public health

To implement the Comprehensive School Health Program (CSHP) in selected schools and to conduct Teacher training for the health teachers of these schools for sustainability and preventive healthcare services including educate and train community on preventive healthcare, malnutrition, water and sanitation, first aid and strengthen relationship between community and government health services.

Others

Our objectives for COVID 19 related activities are to support the state governments with medical equipment and consumables through procurement and supply to the state government for strengthening its health infrastructure. Strategising the initiative to ensure the availability of these consumables in the remote PHC's (Primary Health centres) located in the rural / remote / tribal regions.

CSR PROGRAM OBJECTIVES

Inclusive growth

Inclusive growth through decent livelihood

Quality healthcare

Quality healthcare in rural & remote areas

Spirit of volunteering

Provide opportunities for employees to participate in community initiatives (Planned for FY 2023)

Beneficiary profile



Unemployed youth



Women and Senior citizens



Persons with special needs



Economically backward & rural communities

CSR PROGRAM MANAGEMENT

LPL Foundation's CSR programs have been targeted and structured over the years such that the transformation takes place in the most needy and marginalised communities. LPL Foundation takes its expertise and diagnostics knowledge to the grass roots level through-

- Direct interventions
- NGO partners
- Government
- Organisations aligned to LPL Foundation's ethos

The Foundation has spread its interventions around its areas of operations. Flagship programs that commenced in the northern region have been scaled to the eastern and southern regions.

TAKING HEALTHCARE TO THE HINTERLAND

Over the years as LPL Foundation designed and developed CSR programs, the foremost question addressed answer was, 'How will this transform the lives of the targeted beneficiary?' In answering this quintessential query, LPL Foundation's programs have been monitored and modified. Today, the Foundation's CSR initiatives have matured, and the scale and reach of the program footprints are markedly felt on ground.





Why we do what we do

The minimum requirement for trained healthcare workers is 22.8 per 10,000 people. (WHO report: A Universal Truth: No Health Without a Workforce)

India has 15.8 skilled health professionals per 10,000 people. About 65 % of India's total population live in rural and semi-rural areas.

The Covid pandemic proved beyond doubt that healthcare access, especially basic diagnostics capabilities are woefully inadequate in the country and needs serious consideration.

LPL Foundation has designed its CSR programs addressing this acute need and imparting its knowledge and experience towards. The programs are also focussed on Tier II and Tier III cities such that rural India has access to quality healthcare services. LPL Foundation aims to make available to the healthcare sector, trained paramedics and technicians such that rural India is skilled for facilitating quality healthcare.

Dr Pathlabs has over 70 years of expertise in the diagnostics delivery sector. LPL Foundation aims to put this knowledge to good use by imparting this to the youth of the country through structured learning opportunities in diagnostic delivery. With this goal, LPL Foundation has established learning institutes for making India's young population employable in the healthcare sector. India's demographic advantage with a huge segment in the age of 20-45, LPL Foundation's programs can be scaled to generate sustainable employment opportunities.

In India, with a predominantly rural population, there is a lack of awareness on preventive healthcare as the foremost step to healthy living. Several non-communicable diseases which currently prevail in the country due to change in lifestyles can be addressed by a strong preventive healthcare program. This approach can go a long way in reducing the cost of healthcare in the country and ensure better quality of life for the people.

FLAGSHIP PROGRAM



1 Skill Development

Institutionalising healthcare skilling

LPL Foundation's flagship program focusses on skill development for rural youth through structured academic learning specially tailored to the needs of the healthcare sector. The two-pronged initiative comprises two programs that covers a specialised long-term academic program and a short-term vocational program complete with certification and placement. The programs are designed to address the need for healthcare professionals in the country, especially in semi-urban and rural pockets of the country. LPL Foundation is committed to imparting its core expertise for the health of the nation and the flagship programs are an ambitious step towards this mission.

Objective:

Create a pool of trained paramedics and laboratory technicians to serve as a link to patients in rural areas with diagnostic facilities, health centers and hospitals.

Provide employment opportunities to rural youth through short term, long-term and certification programs in healthcare diagnostics.

Channelize youth from the informal sector to the organized sector and bridge the gap between industry needs and existing workforce.

The Academy for Laboratory Medicine is a short-term vocational training program aimed at fulfilling the need for paramedics to serve in the healthcare sector. The program trains unemployed rural youth as Phlebotomist through the Phlebotomy Training Centres. The trained technicians are provided with placement assistance in and around their own locales. These trained technicians/paramedics work in their communities and serve as a bridge to pathology labs, diagnostic centres, hospitals and doctors.

The centres are affiliated to the National Skill Development Corporation (NSDC) and certification is provided by HealthSector Skill Council (HSSC)

Under-privileged youth with a science background
in 10+2 education.

- Uttar Pradesh : Lucknow, Varanasi, Gorakhpur and Meerut
- Madhya Pradesh: Bhopal, Jabalpur, Gwalior and Indore
- Rajasthan: Jaipur and Udaipur
- Maharashtra: Kolhapur and Nagpur
- Delhi: Rohini
- Haryana: Panipat
- Uttarakhand: Dehradun
- Andhra Pradesh: Vishakapatnam
- Telengana: Karim Nagar

FY 2022	1634 Trained	1500 Certified	1181 Placements
Since inception -2022	3025 Trained	2742 Certified	2127 Placements

2. Centre for Excellence (CFE) – Institute for Laboratory Medicine



Overview

Institutionalising skill development for diagnostic services, LPL Foundation provides an intensive two-year program, Diploma in Medical Laboratory Technology (DMLT). The DMLT program is affiliated to the Indian Medical Association (IMA) and prepares students to serve as laboratory technicians. The institute follows the guidelines established by the IMA and prepares young adults to build a career in the healthcare sector.

The program is facilitated by the CFE established by the Foundation with state-of-the-art laboratory facilities with automated equipment that conforms to global standards. Students get hands on experience at these centres.

The program comes with the backing of 70 years of expertise from Dr Lal Pathlabs and this expertise is shared with rural and semi-urban youth. The course

ware is in line with IMA specifications and prepares students as specialised laboratory technicians. Certification is awarded to candidates who qualify and placement opportunities are provided.

Implementation

The DMLT program is a long-term vocational program implemented directly by the LPL Foundation.

Student profile

Under-privileged youth with a science background in 10+2 education.

Location

The Centre of Excellence for the DMLT have been established in

- Gurugram
- Kolkata

Impact

FY 2022	299 Trained	50 Certified	50 Placements
Since inception till date	530 Trained	283 Certified	283 Placements

*Certifications & placements are on-going and continue into the next financial year.



2 Public Health

Partnering for healthcare

Overview

- To drive preventive healthcare across age groups from childhood to old age in the rural and vulnerable segments of the country.
- Partner with the Government in crisis to fill healthcare needs among the vulnerable communities that solely depended on Government assistance

Overview

The crisis arising from the Covid 19 pandemic crumbled healthcare systems all over the world. LPL Foundation rose to the occasion, to support the State Government in effectively managing the crisis.

LPL Foundation's Covid emergency response:

- Medical equipment including oxygen concentrators
- Medical kits
- Diagnostic tools
- Testing kits
- Neonatal ambulance equipped with Covid 19 related equipment

Implementation

LPL Foundation worked with local NGOs in various States to provide medical assistance as per the need and shortages at the time.

- Mantra Social Services,
- Regional Centre for Entrepreneurship Development
- Voluntary Health Association of India

Location

Assam, Jammu & Kashmir, Himachal Pradesh, Andhra Pradesh and Maharashtra



3 Others



1.Comprehensive School Health Program (CSHP)

The Comprehensive School Health Program is designed to create health awareness among Class VI and VII students.

A Health Curriculum was created and teachers were trained in implement the Health Curriculum.

Implementation

The program was implemented through Child Eye, an NGO

Location

3 schools in Delhi



2. Health awareness & preventive health

LPL Foundation supported to establish Arogya Resource Center to drive preventive health and create more awareness on health care. The program also addressed malnutrition with a specific focus on anaemia in children and women of child-bearing age. Education and training was provided in giving first aid. Medical camps were conducted in villages to address health problems and provide linkages to health facilities and Chikitsa Sahayata Kendra. Home remedies solutions were introduced in villages to address minor health concerns. People were also introduced to and trained to access tele-medicine.

Implementation

Arogya Foundation of India, an NGO

Location

Uttar Pradesh: Districts of Agra & Kanpur

3. Program specially abled children

Objective

- Provide life skills development for differently abled children from marginalised communities.
- Providing access to specialist therapy to such children from economically backward families.

Overview

LPL Foundation's CSR principles adheres to the tenet of serving the under-served and marginalised segments of society. With this in view, LPL Foundation supported a therapy centre, Blossoms to provide therapy and life skills for children with special needs. Children with special needs are indeed an under-served community and low-cost therapy and basic skill development are made available to these children through the centres.

The program requires specialised therapists and centres with special infrastructure to address the unique needs of the differently abled children.

Implementation

The program is implemented by Sri Sarada Math, an NGO that focuses on developing life skills for differently abled children.

Location

Indore, Madhya Pradesh



COVID 19 Community Support

**Himanchal Pradesh, J&K,
Assam, Andhra Pradesh and
Maharashtra**

COVID 19 is been a huge crisis faced by the world. India was also severely impacted. Public Health being a prime focus area for Lal Pathlab Foundation, the company pro-actively supported multiple state governments by reaching out to support the communities in far reach states of the country providing support in the hour of need.

**About
20,000
community
members
benefitted**



N95 Masks
50,500 Pcs



PPE Suits
2250 Pcs



Pulse Oximeters
1800 Pcs



Surgical Gloves
5250 Pcs



Oxygen Flow Meters
500 Pcs



Shoe Cover
1000 Pcs



Disposable Caps
1000 Pcs



Hand Sanitizer
Dispenser
10 Pcs



Thermometer
60 Pcs



Oxygen
Concentrator 10 Litre
25 Pcs



Neonatal Ambulance
1

PROGRAM MONITORING & EVALUATION

On ground

- Regular project visits (informed and uninformed both)
- Review meetings with Project teams and implementation partners
- Milestone-based program evaluation
- Quarterly, bi-annual & annual progress reports



Internal

- Daily activities update on Whatsapp groups across locations
- Review meetings and regular on job supports
- Financial audit of programs and spends
- Impact assessment of eligible projects



Beneficiary touchpoints

- Individually counselling and support to the Phlebotomist Trainees
- Post placement follow-up and support
- Continued outreach through social media platforms
- Alumni Group for trained Phlebotomist on Facebook



Information systems

- Dedicated CSR management information system for project tracking, funds management and projects monitoring

SPOTLIGHT ON TRANSFORMATION

Case study

Meet the champions who turned their lives around. These winners became role models in their towns when they certified themselves as Health Sector Skill Council with Phlebotomist. These youngsters were among those who could not pursue higher education after Class 12. They are capable, smart youngsters with a background in Science in Class 12. They were unemployable because of their lack of vocational skills and inadequate academic qualifications for the healthcare industry. These students learned about the Academy for Laboratory Medicine of the LPL Foundation and chose to make a difference to their lives. They chose to lead a life of independence and build a career in healthcare diagnostics. This vocational program prepared and placed them as Phlebotomist right in their home towns, serving the healthcare needs of their regions, building a sustainable livelihood for themselves and leading a life of dignity with the knowledge and skill gained through the largesse of the LPL Foundation. Today, they are proud to be the heroes in their very neighbourhoods, having contributed to society in the midst of the COVID pandemic.



Priyanka Goud, Indore



Shivani Vishwakarma, Jabalpur



Rita Maurya, Varanasi



AWARDS



LPL Foundation honoured at the NATHEALTH CSR Awards 2022

LPL Foundation was honoured with the 1st Runner-up award for its flagship CSR initiative, "Skill Development Program in Healthcare –LPL Academy for Laboratory Medicine, at the NATHEALTH CSR Awards 2022 event. Hon. Union Minister for Women & Child Development, GOI, Smt Smriti Irani presented the award to Dr Om Manchanda, MD & Executive Management, Dr Lal Pathlabs Ltd.



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🌐 www.lalpathlabs.com/csr.aspx

📘 <https://www.facebook.com/LalPathLabsFoundation>

🐦 <https://twitter.com/FoundationLal>

📺 <https://www.youtube.com/channel/UC58dkN64TjeTOKiOG-Pddpw>

🌐 [linkedin.com/in/lal-pathlabs-foundation-863ab2215](https://www.linkedin.com/in/lal-pathlabs-foundation-863ab2215)

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of your Company along with the audited statement of accounts for the year ended March 31, 2022.

FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2022 is summarized below:

Particulars	(₹ in Million)			
	Year ended March 31, 2022 (Consolidated)	Year ended March 31, 2021 (Consolidated)	Year ended March 31, 2022 (Standalone)	Year ended March 31, 2021 (Standalone)
Total Income	21,399.54	16,325.99	19,257.22	15,418.22
Total Expenses	16,649.72	12,381.90	14,663.28	11,677.79
Profit/(Loss) before Tax (PBT)	4,749.82	3,944.09	4,593.94	3,740.43
Profit/(Loss) after Tax (PAT)	3,502.91	2,964.79	3,440.54	2,801.06

FINANCIAL PERFORMANCE

I. CONSOLIDATED PERFORMANCE

During the year under review, the consolidated income of the Company increased to ₹ 21,399.54 million compared to ₹ 16,325.99 million in the previous year, registering growth of 31%. Net profit after tax for the group increased to ₹ 3,502.91 million from ₹ 2,964.79 million representing a growth of 18%.

II. STANDALONE PERFORMANCE

During the year under review, the standalone income of the Company increased to ₹ 19,257.22 million compared to ₹ 15,418.22 million in the previous year, registering growth of 25 %. The standalone Net profit after tax for the year increased by 23% to ₹ 3,440.54 million compared to ₹ 2,801.06 million in the previous year.

CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company for the Financial Year 2021-22, are prepared in compliance with applicable provisions of the Companies Act, 2013 ("the Act"), Indian Accounting Standards ("Ind-AS") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing

Regulations"). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its Subsidiaries, as approved by their respective Board of Directors.

DIVIDEND

During the Financial Year, your Company paid dividends as under:

Date of Declaration	Dividend Type	Financial Year	Dividend Per Share (face value of ₹ 10/- each)
July 29, 2021	Final Dividend	2020-21	₹ 8
July 30, 2021	Interim Dividend	2021-22	₹ 6

In addition, your Directors are pleased to recommend dividend of ₹ 6/- per equity share of face value of ₹ 10/- each as Final Dividend for the Financial Year 2021-22, for approval by the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

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

The said policy is also available on the website of the Company at: <https://www.lalpathlabs.com/pdf/brochures/Dividend-Distribution-Policy.pdf>

TRANSFER TO RESERVES

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

AMALGAMATION

The Board of Directors of your Company in their meeting on February 3, 2020, approved a Scheme of Amalgamation ("the Scheme") between Dr. Lal PathLabs Limited (the Company/Transferee Company) and APL Institute of Clinical Laboratory & Research Private Limited, a wholly owned subsidiary of the Company (Transferor Company), having its Registered Office in Ahmedabad, subject to requisite approvals under Section 230 to 232 of the Companies Act, 2013 ("the Act").

The New Delhi Bench of Hon'ble NCLT vide its order dated May 13, 2022 has sanctioned the Scheme. The Company now awaits the approval of the Scheme by Ahmedabad Bench of the Hon'ble NCLT.

The appointed date for the Scheme is April 1, 2020 and the Scheme shall be effective from the date on which certified copies of the order of New Delhi Bench and the Ahmedabad Bench of the Hon'ble NCLT, sanctioning the Scheme, are filed with the respective Registrar of Companies.

SHARE CAPITAL

During the Financial Year 2021-22, there was no change in the authorised, subscribed, issued and paid-up share capital of the Company. As on March 31, 2022, the paid-up share capital of the Company stood at ₹ 83,34,48,770/- divided into 8,33,44,877 equity shares of ₹ 10/- each.

Further, on May 6, 2022 7,000 equity shares of ₹ 10/- were allotted under ESOP 2010 Plan of the Company. As a result of which, the paid up share capital of the Company increased from ₹ 83,34,48,770 divided into 8,33,44,877 equity shares of ₹ 10/- each to ₹ 83,35,18,770 divided into 8,33,51,877 equity shares of ₹ 10/- each.

EMPLOYEES STOCK OPTION PLAN / SCHEME

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

Further the details required to be provided under the SEBI (Share Based Employee Benefits and

Sweat Equity) Regulations, 2021 are disclosed on the website of the Company and can be accessed at [www.lalpathlabs.com/pdf/Information-as-per-SEBI-\(SBEB\)-Regulations-FY22.pdf](http://www.lalpathlabs.com/pdf/Information-as-per-SEBI-(SBEB)-Regulations-FY22.pdf).

SUBSIDIARIES

During the year under review, your Company acquired 100% stake in M/s Suburban Diagnostics (India) Private Limited ("Suburban") consequent upon which Suburban became a Wholly Owned Subsidiary of the Company, with effect from November 12, 2021.

A report on the performance and financial position of each of the subsidiaries for the financial year ended March 31, 2022 in Form AOC -1 as per the Companies Act, 2013 is attached herewith as **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 available under investors section on the website of the Company at www.lalpathlabs.com.

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

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, 2022 and the date of the report.

PUBLIC DEPOSITS

During the Financial Year 2021-22, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

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 Annual Report.

Particulars of employee remuneration, 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 forms part of this Annual Report. In terms of the provisions of the first proviso to Section 136 (1) of the Companies Act, 2013, the Annual Report is being sent to Shareholders, excluding the aforementioned information. Any shareholder interested in obtaining a copy of such statement may write to the Company Secretary of the Company at cs@lalpathlabs.com.

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. Archana Lal Erdmann (DIN: 08432506), Non-Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting ("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 re-appointment. Appropriate resolution for her re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM.

A brief profile of Dr. Archana Lal Erdmann and other related information is detailed in the Notice convening the 28th AGM of your Company.

The Board considered the said re-appointment in the interest of the Company and hence recommends the same to the shareholders for approval.

II. Declaration of Independence from Independent Directors

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 fulfil the conditions specified in Companies Act, 2013 read with the Schedules and Rules made thereunder as well as in 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 were the Key Managerial Personnel of the Company as on March 31, 2022

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

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual evaluation of (i) its own performance; (ii) Individual Directors Performance; (iii) Chairman of the Board; and (iv) Performance of all Committees of Board for the Financial Year 2021-22.

A structured questionnaire was prepared after taking into consideration the inputs received from Nomination and Remuneration Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-Independent Directors and Chairman of the Board was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

Further, the evaluation process confirms that the Board and its Committees continue to operate effectively and the performance of the Directors and the Chair is satisfactory.

REMUNERATION POLICY

In compliance with the provision of Section 178 of the Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee of the Company, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

The Nomination and Remuneration Policy as updated from time to time is attached herewith as **Annexure-4** and forms an integral part of this Annual Report and can also be accessed at the website of the Company at: https://www.lalpathlabs.com/pdf/brochures/Nomination_and_Remuneration_Policy_may.pdf.

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board met Seven (7) times during the Financial Year 2021-22. The details of the meetings of the Board and Committees thereof 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, 2022, 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, 2022 and of the profit/loss of the Company for the Financial Year ended March 31, 2022;
- 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 in the 23rd Annual General Meeting ("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 held on July 20, 2017 till the conclusion of 28th AGM of the Company to be held in the calendar year 2022.

The Board of Directors in their meeting on May 17, 2022 on the recommendation of the Audit Committee, re-appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W100018) as the Statutory Auditors of the Company to hold office for their second term of five (5) year i.e. from the conclusion of 28th AGM till the conclusion of 33rd AGM of the Company, to be held in calendar year 2027, subject to the approval of Shareholders in ensuing Annual General Meeting.

M/s. Deloitte Haskins & Sells LLP, have further, confirmed that the said re-appointment, if made, will be in accordance with the provisions as prescribed under Sections 139 and 141 of Companies Act, 2013.

M/s. Deloitte Haskins & Sells LLP have also confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

Further, 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, 2022, does not contain any qualification, reservation or adverse remark.

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

II. Maintenance of Cost Records and Cost Auditors

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year. Accordingly, such accounts and records were made and maintained for the financial year 2021-22.

The Board of Directors on the basis of recommendations from Audit Committee has appointed M/s A.G. Agarwal & Associates, Cost and Management Accountants, as Cost Auditors of the Company for the Financial Year 2022-23 at a fee of ₹ 75,000/- (Rupees Seventy Five 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 2021-22.

The Secretarial Audit Report for the Financial Year ended March 31, 2022 is attached herewith as **Annexure-5** and forms an integral part of this Annual Report. The Secretarial Audit Report is self explanatory and does not contain any qualification, reservation or adverse remark.

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Secretarial Audit Report of Material Wholly Owned Subsidiary Company viz Suburban Diagnostics (India) Private Limited is also attached herewith as **Annexure-6** and forms an integral part of this Annual Report. The Secretarial Audit Report of Suburban Diagnostics (India) Private Limited is self explanatory and does not contain any qualification, reservation or adverse remark.

ANNUAL RETURN

The Annual Return of the Company in Form MGT- 7 in accordance with Section 92(3) of the Companies Act, 2013 is available on the website of the Company at www.lalpathlabs.com/pdf/MGT-7-Annual-Return-2021-22.pdf.

RELATED PARTY TRANSACTIONS

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

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its 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 which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

All related party transaction entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transaction, i.e. transaction exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, was 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

In terms of the provisions of section 186 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of Investments are set out in Note No. 6 and details of Loans are set out in Note Nos. 21 & 22 to the Standalone Financial Statements of the Company.

RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risk elements in the internal and external environment, along with the cost of treating such risk elements and incorporates risk treatment

plans in its strategy, business and operational plans. As on the date of this report, the Company does not foresee any critical risk, which threatens its existence.

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

WHISTLE BLOWER MECHANISM

Your Company has a Whistle Blower Mechanism in place as required under Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. More details in this regard have been outlined in the Corporate Governance Report annexed to this report and are also available under Investors Section on the Company's website at: 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. In alignment with vision of the Company, through its CSR initiative, your Company will enhance value creation in the society through its services, conduct and initiatives, so as to promote sustained growth for the society.

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

The CSR Policy of your Company outlines the Company's philosophy for undertaking socially useful programs through the creation of a CSR Trust for welfare and sustainable development of the community at large as part of its duties as a responsible corporate citizen.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis ('MDA') Report 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. The MDA report is attached herewith as **Annexure-8** and forms an integral part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SEBI vide its notification dated May 5, 2021 mandated top 1000 listed companies (by market capitalization) to submit a new report on ESG parameters namely Business Responsibility and Sustainability Report ("BRSR"). The report submission is optional for Financial Year 2021-22 and mandatory from Financial Year 2022-23 onwards.

Your Company has, on a voluntary basis, opted for the BRSR Report for Financial Year 2021-22, which is attached herewith as **Annexure-9** and forms an integral part of this Annual Report.

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, is attached herewith as **Annexure-10** 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 Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) as specified under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company conducts sessions for employees to build awareness amongst employees about the

Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

Status of Complaints under the sexual harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013 during the Financial Year 2021-22 is detailed below:

Particulars	No. of Complaints
Compliant pending at beginning of Financial Year	3*
Complaint received during Financial Year	1
Compliant resolved during Financial Year	4
Compliant pending at end of Financial Year	0

**Due to inadvertence, the number of cases resolved was mentioned as five (5) instead of four (4) in the last year Director's Report. Accordingly, the number of pending cases at the end of the Financial Year 2020-21 was three (3) instead of two (2).*

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:

(A) Conservation of energy

(i) Steps taken or impact on conservation of energy

- I. Maintaining power factor (PF) upto .99 (unity). Maintaining upto- 0.9994 at majority of the locations
- II. LED lights installed for energy saving at 10 locations throughout the year, and all new labs are equipped with LED only.

- III. Installed R32 refrigerant operated air conditioning systems which helps in conserving Ozone layer
- IV. Automatic phase sequence corrector panel installed in 12 locations to save the Diesel consumption
- V. Current installed capacity of solar power plants is 50KW in National Reference Lab Rohini, Delhi and 10KW in Reference Lab, Kolkata.
- VI. De-scaling of Chillers is being done semi-annual for better efficiency & save the energy
- VII. RO waste water recycling has helped in saving approx. 13KL of water per day.
- VIII. ETP (Effluent Treatment Plant) installed in 82 satellite labs for waste water treatment throughout the year across the Nation to treat the liquid waste of labs, to keep environment clean.
- IX. Equipped 59 location from Advance Autoclave which having Temp, Pressure and time are recorded automatically in graph and data. It's as per BMW guidelines.

(ii) Steps taken by the company for utilising alternate sources of energy

The Company has already installed solar power plants at its two biggest Reference Laboratories i.e National Reference Lab in Rohini and Reference Lab in Kolkata. The Company, further, plans to add solar panels to its Satellite Hub Labs as well in the coming years.

(iii) Capital investment on energy conservation equipment's

The Company spent approx. ₹ 3.2 Million for addition of new Solar Panels at its Reference Laboratories.

(B) Technology absorption

S. No.	Processes / Technologies	Description	Date of Import	Absorption	Benefits
1.	IBEX	<p>IBEX is an Artificial Intelligence enabled software tool which is used for the diagnosis of the digital images of histopathology / IHC slides. It uses data models to provide the diagnosis.</p> <p>The vendor is based out of Israel & the tech support is provided to us through European region.</p> <p>Currently the absorption is limited to specific types of tissue organs & is expected to be rolled over for diagnosis of other body organs as well</p>	November, 2021	Partially Absorbed	AI assisted reporting for Prostate cancer and Breast cancer. The cancer heat map and quantification improve accuracy and standardisation of reporting.
2.	AlloSeq analysis software	For Donor Derived cell free DNA (ddcfDNA) analysis for monitoring solid organ transplants	June, 2021	Fully	We are first India to launch this test in the market last year. The test offers a non-invasive monitoring for all solid organ transplants – cardiac, liver, lung, kidney as an alternative to repeated biopsy
3.	ADM: Atellica® Data Manager	<p>Atellica® Data Manager from Siemens leverages 2 decades of experience digitalizing laboratory best practices. This is an open, scalable, next-generation software includes powerful features and easy navigation to standardize testing, enhance quality control (QC), and streamline result management. Helps to Automate workflows for sample processing and reflex and repeat testing using data-driven rules and built-in functionality. Provides Centralize management across multidisciplinary instruments, labs, and LISs with open, scalable software. Evaluate and verify patient results automatically based on predetermined criteria established by your lab for normal ranges, delta checks, quality control, and instrument flag severities, Review only those results that require further action before reporting. Add objectivity and consistency to the result review process, help technologists not to miss abnormal results, and focus attention where it is needed most.</p>	May, 2020	Fully	<p>Decision Automation - Post-Analytics Auto-Verification implemented</p> <p>Based on CLSI Auto-10 guidelines. This improved Quality, TAT- turn around time of tests and decreased manual review</p> <p>Auto verification included</p> <ul style="list-style-type: none"> • Auto -Reruns/Dilution rules • Auto Hold of Results for review <> AMR • Auto Hold of Results for review with Instruments flags • Auto Hold of Results for review with HIL flags • Auto Hold of Results for review with erratic results <p>Implementation of Patient Moving averages to improve quality of reporting without additional cost using data analytics</p> <p>The lab has published a white paper detailing this achievement</p>

S. No.	Processes / Technologies	Description	Date of Import	Absorption	Benefits
4.	APM: Atellica® Process Manager	Atellica® Process Manager from Siemens helps you do more than control workflow and processes, it enables you to uncover inefficiencies and optimize clinical operations to save time and money. Standardize and optimize clinical operations across your laboratory through built-in analytics and business intelligence capabilities. Deliver transparent and predictable turnaround times through the implementation of rules and at-risk sample alerts. Increase staff productivity with centralized oversight, including the ability to control all systems, view reagent levels and testing exceptions from one screen	May, 2020	Fully	<p>SMART – SORTING/ ALIQUOTING LOGIC reduced number of Aliquots by 90% - From 4000 to less than 400/day</p> <p>Reduced the events of quantity not sufficient in samples by reducing dead volume loss by aliquoting.</p> <p>Real time monitoring and managing onboard inventory level and capacity utilization of connected instruments – this helped maintaining inventory and Real time auto alerts – large number of samples with minimal manpower could be handled during Covid 19 pandemic</p> <p>White paper published detailing the achievement and benefit</p>
5.	IGIB - INSTITUTE OF GENOMICS AND INTEGRATIVE BIOLOGY (CSIR-IGIB), DELHI	<p>Test technology transfer for rare genetic diseases was fully adopted and launched for clinical diagnosis.</p> <p>The test technology transfer was done in three trenches for a total of 41 tests</p>	June, 2018 through March 2020	Partially	<p>All 21 tests from first trench launched.</p> <p>7 of 9 tests from trench 2 launched</p> <p>4 of 11 tests from trench 3 launched</p> <p>Some tests not launched from trench 2 and 3 as very rare conditions and not commercially viable</p>
6.	Benetech	<p>Benetech PRA is an interpretive software tool used for prenatal risk assessment. Using a number of internationally recognized algorithms, it calculates a pregnant woman's individual risk of carrying a fetus affected by a variety of medical conditions.</p> <p>The solution is based out of USA & is provided to LPL through the instrument vendor Beckman</p>	January 2020	Fully	Test launched for maternal serum screening

(C) Expenditure incurred on Research and Development: 33.85 Million**(D) Foreign exchange earnings and outgo**

Particulars	Amount (In ₹ Million)
Foreign Exchange Earnings	187.93
Foreign Exchange Outgo	98.30

INTERNAL FINANCIAL CONTROLS

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

During Financial Year 2021-22, 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.

DISCLOSURE RELATED TO INSOLVENCY AND BANKRUPTCY

During the financial year under review, there is no application made and/or no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

COMPLIANCE OF SECRETARIAL STANDARDS

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

APPRECIATION

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

For and on behalf of Board of Directors

Place: Gurugram
Date: May 17, 2022

(Hony) Brig. Dr. Arvind Lal
Executive Chairman
DIN: 00576638

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

2. Objectives & Scope

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

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

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

3. Definitions

3.1. "Act" shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

3.2. "Applicable Laws" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of dividend.

3.3. "Company" shall mean Dr. Lal PathLabs Limited.

3.4. "Board" or "Board of Directors" shall mean Board of Directors of the Company.

3.5. "Dividend" shall mean Dividend as defined under Companies Act, 2013.

3.6. "Policy or this Policy" shall mean the Policy on Dividend Distribution.

3.7. "SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4. Parameters for declaration of Dividend

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

4.1 Financial Parameters

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

4.2 Internal Factors

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

4.3 External Factors

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

Post consideration of the above factors, the Board shall take an informed decision about the dividend pay-out ratio and shall strive to maintain the same in the range of 10% - 70% of the Profit after Tax (PAT) on Standalone Financials for the concerned Financial Year.

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

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

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

6. Utilization of retained earnings

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

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

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

7. Provision with regard to various classes of shares

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

8. Amendment(s)

- The Board of Directors may review or amend this policy, in whole or in part, from time to time, as it may deem fit.
- In case of any amendment(s) issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s) shall be treated as part of this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s).
- In case of any clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then this Policy shall be read along with such clarification(s), circular(s) so issued, from the effective date as laid down under such clarification(s), circular(s) etc.

9. Disclosures

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

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

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

S. No.	Name of Subsidiary	Date on which subsidiary was acquired	Country of Incorporation	Reporting Currency	Closing exchange rate against Indian Rupee as on Mar 31, 2022	(5)	(6)	(7)	(8)	(9)	(10)	Investments (in subsidiaries)	Turnover	Profit/ (loss) before taxation	(All Amount in ₹ million)		
															(12)	(13)	(14)
1	Paliwal Diagnostics Private Limited	14/08/2008	India	₹	1	80%	0.16	360.13	411.33	51.04	51.04	-	429.77	174.40	44.44	129.96	-
2	Paliwal Medicare Private Limited	14/08/2008	India	₹	1	80%	0.10	73.31	76.72	3.31	3.31	-	52.47	9.35	2.36	6.99	-
3	APL Institute of Clinical Laboratory & Research Private Limited	27/02/2014	India	₹	1	100%	0.10	28.41	40.98	12.47	12.47	-	60.83	15.97	3.99	11.98	-
4	Dr. Lal Ventures Private Limited	10/12/2018	India	₹	1	100%	10.00	(4.12)	12.26	6.38	6.38	-	29.69	(1.06)	(0.28)	(0.78)	-
5	PathLabs Unifiers Private Limited	12/12/2018	India	₹	1	100%	713.08	143.38	902.33	45.87	45.87	700.60	77.54	4.13	0.98	3.15	-
6	APRL PathLabs Private Limited ¹	13/11/2019	India	₹	1	70%	0.63	80.37	94.35	13.35	13.35	-	107.96	17.26	4.45	12.81	-
7	Centrapath Labs Private Limited ¹	07/08/2019	India	₹	1	70%	6.27	574.70	646.05	65.08	65.08	-	243.49	69.08	17.69	51.39	-
8	Chanre Laboratory Private Limited ¹	25/01/2021	India	₹	1	70%	1.67	198.91	228.23	27.65	27.65	-	147.06	31.20	7.82	23.38	-
9	Suburban Diagnostics (India) Private Limited	12/11/2021	India	₹	1	100%	39.80	1,140.23	1,652.68	472.65	472.65	-	951.06	32.49	10.28	22.21	-
10	Dr. Lal PathLabs Nepal Private Limited	23/08/2016	Nepal	*	0.61468	100%	25.05	(0.26)	64.56	39.77	39.77	-	81.38	(0.88)	0.98	(1.86)	-
11	Dr. Lal Path Labs Bangladesh Pvt Ltd.	16/10/2017	Bangladesh	**	0.86102	71.83%	31.90	0.40	84.03	51.73	51.73	-	56.86	4.11	0.82	3.29	-
12	Dr. Lal PathLabs Kenya Private Limited	06/08/2019	Kenya	***	0.65216	100%	47.16	(41.63)	6.16	0.63	0.63	-	-	(30.31)	-	(30.31)	-

* Functional Currency is NPR

** Functional Currency is BDT

*** Functional Currency is KSH

¹ Step - Down Subsidiary (Subsidiary of PathLabs Unifiers Limited, Company's Wholly Owned Subsidiary)

Notes

- The Board of Directors of the Company in their meeting held on February 3, 2020 approved the "Scheme of Amalgamation" of APL Institute of Clinical Laboratory & Research Private Limited (APL), a wholly owned subsidiary, with the Company w.e.f. April 1, 2020 (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.
- The Board of Directors of the subsidiaries, Paliwal Medicare Private Limited (PMPL) and Paliwal Diagnostics Private Limited (PDPL) in their respective meetings held on October 25, 2021 have approved the scheme of amalgamation of PMPL with PDPL w.e.f April 1, 2021, the appointed date. As per the said scheme, the undertaking of PMPL shall stand transferred to and vest in PDPL on a going concern basis without any further act, deed of matter. The scheme of amalgamation is subject to approval by the shareholders of the respective companies, National Company Law Tribunal and other statutory approvals.
- The reporting period for all the subsidiaries is March 31, 2022.

Annexure - 3

Disclosures pertaining to remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2022

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

S. No.	Name of the Director	Designation	Ratio of Remuneration to the median remuneration of the employees
1.	(Hony) Brig. Dr. Arvind Lal ¹	Executive Chairman	67:1
2.	Dr. Vandana Lal	Executive Director	54:1
3.	Dr. Archana Lal Erdmann	Non-Executive Director	4:1
4.	Dr. Om Prakash Manchanda	Managing Director	142:1 ²
5.	Mr. Rahul Sharma	Non-Executive Director	5:1
6.	Dr. Saurabh Srivastava	Non-Executive Independent Director	6:1
7.	Mr. Sunil Varma	Non-Executive Independent Director	9:1
8.	Mr. Anoop Mahendra Singh	Non-Executive Independent Director	6:1
9.	Mr. Harneet Singh Chandhoke	Non-Executive Independent Director	4:1
10	Mrs. Somya Satsangi ³	Non-Executive Independent Director	6:1

¹ (Hony) Brig. Dr. Arvind Lal was re-appointed as Executive Chairman and Whole Time Director, with effect from April 1, 2022

² Does not include a non-cash (stock related) perk of ₹ 13,22,60,554/- on exercise of Stock options.

³ Mrs. Somya Satsangi was re-appointed as Non Executive Independent Director, with effect from February 8, 2022.

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

S. No.	Name	Designation	% Increase in Remuneration in the Financial Year
1.	(Hony) Brig. Dr. Arvind Lal ¹	Executive Chairman	8.5%
2.	Dr. Vandana Lal	Executive Director	8.5%
3.	Dr. Archana Lal Erdmann	Non-Executive Director	15%
4.	Dr. Om Prakash Manchanda	Managing Director	8.5%
5.	Mr. Rahul Sharma	Non-Executive Director	15%
6.	Dr. Saurabh Srivastava	Non-Executive Independent Director	15%
7.	Mr. Sunil Varma	Non-Executive Independent Director	15%
8.	Mr. Anoop Mahendra Singh	Non-Executive Independent Director	15%
9.	Mr. Harneet Singh Chandhoke	Non-Executive Independent Director	15%
10.	Mrs. Somya Satsangi ²	Non-Executive Independent Director	15%
11	Mr. Bharath U	Chief Executive Officer	8.5%
12.	Mr. Ved Prakash Goel	Group Chief Financial Officer	17.25%
13.	Mr. Rajat Kalra	Company Secretary	9.5%

¹ (Hony) Brig. Dr. Arvind Lal was re-appointed as Executive Chairman and Whole Time Director, with effect from April 1, 2022.

² Mrs. Somya Satsangi was re-appointed as Non Executive Independent Director, with effect from February 8, 2022.

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

The average percentage increase in the median remuneration of employees in the Financial Year is **10.88%**.

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, 2022 is **4,110**¹

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:

The average percentile increase in the managerial remuneration has been 8.81% while for other it is about 11%. This is based on the Remuneration Policy of the Company that rewards people differently based on their contribution and also ensures that external market competitiveness and internal relativities are taken care of.

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.

¹ Includes 11 employees on roll of the Lal PathLabs Foundation.

For and on behalf of Board of Directors

Place: Gurugram
Date: May 17, 2022

(Hony) Brig. Dr. Arvind Lal
Executive Chairman
DIN: 00576638

Nomination and Remuneration Policy

1. Introduction

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

2. Policy Objective

- a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Key Managerial and Senior Management positions and to recommend to the Board their appointment and removal.
- b. To lay down criteria to carry out evaluation of every Director/KMP/Senior Management Personnel and other employees performance.
- c. To formulate criteria for determining qualification, positive attributes and Independence of a Director.
- d. To recommend to the Board a policy, relating to remuneration of directors, key managerial personnel and other employees. While recommending such policy the Nomination and Remuneration Committee shall ensure:
 - i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
 - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - iii. Remuneration of Directors, Key Managerial Personnel and Senior Management

involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- e. To formulate a Board Diversity Policy.
- f. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

3. Definitions

- a. **"Board of Directors"** means the "Board of Directors" of Dr. Lal PathLabs Limited, as constituted from time to time.
- b. **"Company"** means Dr. Lal PathLabs Limited.
- c. **"Independent Director"** means a Director of the Company, not being a Managing or Whole-Time Director or a Nominee Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies the criteria of independence as prescribed under the provisions of the Companies Act 2013 (including the rules prescribed thereunder) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- d. **"Key Managerial Personnel"** or KMP means key managerial personnel as defined under the Companies Act, 2013 & in relation to the Company means:-
 - I. Chief Executive Officer or the Managing Director or the Manager;
 - II. Company Secretary;
 - III. Whole Time Director;
 - IV. Chief Financial Officer; and
 - V. Such other officer as may be prescribed
- e. **"Nomination & Remuneration Committee"** means "Nomination & Remuneration Committee" constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 (including the rules prescribed thereunder) and the Listing Obligations and Disclosure Requirements with the Stock Exchanges.

- f. **“Other employees”** means all the employees other than Directors, KMPs and the Senior Management Personnel.
- g. **“Policy”** means the Nomination & Remuneration Policy.
- h. **“Senior Management Personnel”** means, the personnel of the Company who are members of its core management team excluding Board of Directors, comprising of all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director (including chief executive officer, in case he is not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

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 Company Secretary shall act as Secretary to the committee.

5. Policy

This policy is divided into three parts:

5.1 Appointment & Removal

- a. **Criteria for identifying persons who are qualified to be appointed as a Director / KMP / Senior Management Personnel / Other Employees of the Company:**
 - i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
 - ii. The Committee should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other applicable enactment for the time being in force.

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

b. Term / Tenure:

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

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

c. Removal:

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

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

d. Retirement:

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

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

5.2 Remuneration

The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's,

Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

1. Whole Time Director(s)/ Managing Director

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

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

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

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

2. Non-Executive / Independent Directors

i) Remuneration / Commission:

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

ii) Sitting Fee:

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

iii) Commission:

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

iv) Stock Options:

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

3. Senior Management Personnel / KMPs

The Remuneration to be paid to Senior Management Personnel / KMP's shall be based on the experience, qualification, expertise of the related personnel as well as the prevailing market conditions and shall be decided by the Board on the recommendation of Nomination and Remuneration Committee and consonance with the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other applicable enactment for the time being in force.

4. Other Employees

The power to decide structure of remuneration for other employees has been delegated to the Managing 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 an Independent Professional Consultant.

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

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

3. Criteria for evaluating performance of Other Employees:

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

6. Disclosures

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

7. Amendment(s)

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

Annexure - 5

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2022, 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, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable during audit period:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and The 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, 2021; **(Not applicable to the Company during the Audit Period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry are:

- (a) The Clinical Establishments (Registration and Regulation) Act, 2010 and rules made thereunder;
- (b) The Preconception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and rules made thereunder;
- (c) The Atomic Energy Act 1962 and rules made there under;
- (d) Bio Medical Waste (Management and Handling) Rules, 1988, as amended up to date.

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

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

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

We further report that:

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

Adequate notice is given to all directors for the Board Meetings, agenda and detailed notes on agenda were

sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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 during the audit period, following specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

- (i) The Company has acquired of 100 per cent stake in Suburban Diagnostics (India) Private Limited in compliances with the applicable law as mentioned above and consequent to the said acquisition, Suburban become a wholly-owned subsidiary of the Company.

For PDS & CO.
Company Secretaries

Prashant Kumar Balodia
(Partner)

Membership No. F6047

Date: May 17, 2022

Certificate of Practice No. 6153

Place: Delhi

UDIN: F006047D000331086

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

Our report of even date is to be read along with this letter.

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

For PDS & CO.
Company Secretaries

Prashant Kumar Balodia
(Partner)

Membership No. F6047
Certificate of Practice No. 6153
UDIN: F006047D000331086

Date: May 17, 2022
Place: Delhi

SECRETARIAL AUDIT REPORT

OF SUBURBAN DIAGNOSTICS (INDIA) PRIVATE LIMITED

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members,
Suburban Diagnostics (India) Private Limited
2nd floor, Sunshine Building, Opp. Shastri Nagar,
Near Lokhandwala Circle, Andheri (West),
Mumbai- 400053, Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suburban Diagnostics (India) Private 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion

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 on March 31, 2022 (hereinafter called the '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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 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 are Not Applicable to the Company during the Audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not applicable to the Company during the Audit period**)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**Not applicable to the Company during the Audit period**)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not applicable to the Company during the Audit period**)

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(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, 2013 and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit period)**

We have also examined compliance with the applicable clause 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; **(Not Applicable to the Company during the Audit period)**

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has complied with the following laws applicable specifically to the Company:

- The Clinical Establishments (Registration and Regulation) Act, 2010 and rules made thereunder;

- The Preconception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and rules made thereunder;
- The Atomic Energy Act 1962 and rules made there under; and
- Bio Medical Waste (Management and Handling) Rules, 1988 framed under Environment (Protection) Act, 1986.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Directors. The composition of the Board of Directors during the audit period was in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule 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 are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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 during the audit period

1. The Company's 100% Stake has been acquired by M/s. Dr. Lal PathLabs Limited by entering into Securities purchase agreement on November 12, 2021.
2. The Company had passed the following resolutions in Extra Ordinary General Meeting held on November 12, 2021:
 - Increased its Authorised share capital from ₹ 14,94,27,100/- to ₹ 16,09,39,750/- by creating additional 11,51,265 Equity Shares of ₹ 10/- (Rupees Ten) each, consequently altered its Memorandum of Association.
 - Adopted new set of Article of Association by passing special resolution in the said Meeting.

- Amended the Employee Stock Option Scheme, 2013 stating that Company may grant loan to employees for exercising options granted to them.
3. The Company has converted its 11,51,265 Compulsorily Convertible Preference Shares into Equity shares of ₹ 10 each.
 4. The Company has allotted 53,214 equity shares pursuant to Employee Stock Option Plan 2013.

Further, in one of the instances, there is difference of interpretation between Company's and our view w.r.t. minimum shareholder/member requirement

in Private Company which is a subsidiary of public company, for which company has obtained third party Report/Opinion and we have relied on the same.

For MMJB & Associates LLP
Practicing Company Secretaries

Omkar Dindorkar
Designated Partner
ACS No.: A43029
CP No: 24580
P.R. No: 904/2020
UDIN: A043029D000303498

Place: Mumbai
Date: May 11, 2022

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,
Suburban Diagnostics (India) Private Limited
2nd floor, Sunshine Building,
Opp. Shastri Nagar, Near Lokhandwala Circle,
Andheri (West), Mumbai- 400053

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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 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. Where ever 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 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 MMJB & Associates LLP
Practicing Company Secretaries

Place: Mumbai
Date: May 11, 2022

Omkar Dindorkar
Designated Partner
ACS No.: A43029
CP No: 24580
P.R. No: 904/2020
UDIN: A043029D000303498

Annexure-7

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Dr. Lal PathLabs Limited conducts its CSR activity through its CSR arm - Lal PathLabs Foundation for the benefit of the society and community in which the Company operates. Company envisions to build a healthy nation and improve lives of the community through preventive healthcare initiatives. Under the CSR initiatives, company largely works in areas such as:

- Vocational education programs in the healthcare delivery for Phlebotomists, Technicians and other similar vocations.
- Promoting access to healthcare including awareness programs for healthier and hygienic living etc.

The complete CSR information of the company including CSR Policy, vision, mission and projects undertaken is available on the website of the Company - www.lalpathlabs.com.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	(Hony) Brig. Dr. Arvind Lal	Chairman & Executive Director- Chairman of the Committee	2	2
2	Dr. Om Prakash Manchanda	Managing Director – Member	2	2
3	Mr. Harneet Singh Chandhoke	Independent Director- Member	2	2
4	Mr. Sunil Varma	Independent Director- Member	2	2

3. Provide the web-link where:

Composition of CSR committee disclosed on website of the Company: <https://www.lalpathlabs.com/investor/corporate-governance-constitution-of-board-and-committees.aspx>

CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.lalpathlabs.com/investor/policies-and-programs.aspx>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
		Nil	

6. Average net profit of the company as per section 135 (5): ₹ 3,303.74 Million

7. (a) Two percent of average net profit of the company as per section 135 (5): ₹ 66.07 Million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a + 7b - 7c): ₹ 66.07 Million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (in ₹ million, otherwise stated)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount
66.07	Nil	Not Applicable	Not Applicable	Nil
				Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year: **Nil**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project	(6) Project duration	(7) Amount allocated for the project	(8) Amount spent in the current financial Year	(9) Amount transferred to Unspent CSR	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	Name	CSR Registration Number
				State	District			Account for the project as per Section 135 (6)				

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(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project State District	(6) Amount allocated for the project (in ₹)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency Name CSR Registration Number
1	Skill Development Program for unemployed youths in the area of healthcare	Employment enhancing skill development. Item No. II of Schedule VII.	No	UP – Lucknow Rajasthan – Jaipur and Udaipur	1,27,58,541	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through Institute of Livelihood Research and Training CSR Registration No. CSR000001484
2	Skill Development Program for unemployed youths in the area of healthcare	Employment enhancing skill development. Item No. II of Schedule VII.	No	MP – Bhopal, Indore and Jabalpur UP – Varanasi and Gorakhpur	1,06,32,486	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through Institute of Livelihood Research and Training CSR Registration No. CSR000001484
3	Skill Development Program for unemployed youths in the area of healthcare	Employment enhancing skill development. Item No. II of Schedule VII.	No	Maharashtra – Nagpur and Kolhapur Andhra Pradesh – Vishakhapatnam Telangana – Karim Nagar	1,06,31,381	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through Institute of Livelihood Research and Training CSR Registration No. CSR000001484
4	Skill Development Program for unemployed youths in the area of healthcare	Employment enhancing skill development. Item No. II of Schedule VII.	No	Delhi – Aman Vihar, Rohini	44,20,073	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through Lok Bharti Education Society CSR Registration No. CSR000001361
5	Skill Development Program for unemployed youths in the area of healthcare	Employment enhancing skill development. Item No. II of Schedule VII.	No	Haryana – Panipat Uttarakhand – Dehradun UP – Meerut MP - Gwalior	1,42,54,735	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through Lok Bharti Education Society CSR Registration No. CSR000001361
6	Support to fight against COVID 19 Pandemic	Promoting preventive healthcare. Item No. I of Schedule VII.	No	Jammu and Kashmir (for the entire state)	21,93,461	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through Regional Centre for Entrepreneurship Development CSR Registration No. CSR000000070

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project State District	(6) Amount allocated for the project (in ₹)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency Name CSR Registration Number
7	Support to fight against COVID 19 Pandemic	Promoting preventive healthcare. Item No. I of Schedule VII.	No	Himachal Pradesh (for the entire state)	19,80,193	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through Regional Centre for Entrepreneurship Development CSR Registration No. CSR000000070
8	Support to fight against COVID 19 Pandemic	Promoting preventive healthcare. Item No. I of Schedule VII.	No	Andhra Pradesh (for the entire state)	27,97,906	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through Mantra Social Services CSR Registration No. CSR000000796
9	Support to fight against COVID 19 Pandemic	Promoting preventive healthcare. Item No. I of Schedule VII.	No	Assam (for the entire state)	23,61,424	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through Voluntary Health Association of India CSR Registration No. CSR000000370
10	Preventive healthcare and health education	Promoting preventive healthcare. Item No. I of Schedule VII.	No	UP – Kanpur and Agra	6,92,846	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through Arogya Foundation of India CSR Registration No. CSR000005059
11	Preventive healthcare and health education	Promoting preventive healthcare. Item No. I of Schedule VII.	No	Delhi – North East Delhi and New Delhi	31,05,101	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through CHILD Eye CSR Registration No. CSR000000501
12	Preventive healthcare	Promoting preventive healthcare. Item No. I of Schedule VII.	No	Delhi – South Delhi	2,47,524	No	Lal PathLabs Foundation CSR Registration No. – CSR000001226 Through India International Center CSR Registration No. CSR000010602
Total					6,60,75,671		

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹ 6,60,75,671**

(g) Excess amount for set off, if any: **Nil**

S. No	Particular	Amount (₹ in Million)
1	Two percent of average net profit of the company as per section 135 (5)	66.07
2	Total amount spent for the Financial Year	66.07
3	Excess amount spent for the financial year (2-1)	Nil
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years (3-4)	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of Transfer	
				Nil			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was Commenced	(5) Project duration	(6) Total amount allocated for the project	(7) Amount spent on the project in the reporting Financial Year	(8) Cumulative amount spent at the end of reporting Financial Year	(9) Status of the project – Completed /Ongoing
								Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **None**

(a) Date of creation or acquisition of the capital asset(s): **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

(Hony) Brig. Dr. Arvind Lal
Chairman of CSR Committee
DIN: 0576638

Dr. Om Prakash Manchanda
Managing Director
DIN: 02099404

Date: May 17, 2022
Place: Gurugram

Management Discussion and Analysis

Industry structure and developments

The Indian healthcare industry has been growing at a CAGR of ~22% since CY16 (according to the Niti Aayog and IBEF) and is expected to reach USD 372 billion in CY22. While the Government's spending on healthcare remains low, there has been considerable progress made in the last few years, especially since CY20, when the COVID-19 pandemic hit the entire world.

After various events that unfolded due to COVID-19 pandemic, the Government of India has become more cognizant and is focussing on building a resilient and sustainable healthcare ecosystem. In line with this, the allocation of funds to the Department of Health and Family Welfare was increased by more than 100% to ₹ 5,632 crore for FY22-23. Even the budget under the Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PMJAY) has more than doubled to ₹ 6,412 crore.

The diagnostics market in India, which has been valued at ₹ 710-730 billion in FY20-21 is projected to grow at a CAGR of 14-16% over FY21-23 to ₹ 980 billion. The industry is expected to see sustainable growth on the back of:

- Higher life expectancy
- Ageing population (50-55% of the population is expected to be above 45 years of age in the coming census)
- Increasing health consciousness and disposable incomes
- Improved customer convenience with increasing home-testing
- Greater awareness and interest in preventive diagnostics
- Ever-expanding specialized test menu

The market is highly fragmented, with almost half of it being catered by unorganised standalone centres, while hospital-based diagnostics centres account for 37%. Organized diagnostic chains such as Dr. Lal PathLabs account for 17% of the total market. Of this 17%, the split between regional chains is 11% and national chains is 6%.

However, since the onset of COVID-19 pandemic, there has been a shift in the industry, with standalone centres increasingly losing market share to organized chains. With their superior quality of services, stronger infrastructure and certifications, people have been placing their trust in such well-known, organized chains.

The consolidated diagnostics industry can be bifurcated into two types, Pathology and Radiology. Pathology testing, which is often the preferred first choice of diagnosis for a majority of diseases, makes up almost 60% of the market, while radiology testing, involving imaging procedures like X-rays and ultrasounds, accounts for over 40%.

Diagnostics is the first step to treating diseases and is essential throughout the process, starting from detection of the disease to prognosis and determination of treatment regime to post-treatment monitoring of the patients. The COVID-19 pandemic has forced people to become more aware of their health and well-being. As a result, diagnostics has seen higher volumes on account of COVID testing since 2020. However, with the decreasing instances of caseloads, there has been some deceleration in COVID testing, but non-COVID testing has seen a strong resurgence. Given people's greater focus on health expected to sustain going forward, non-COVID testing will see volumes exceed those of the pre-COVID era. Urban centres, which are part of organized chains are expected to benefit the most from this change in the approach of masses.

The way patients interact with healthcare brands is evolving constantly with new developments and technological advancements. This rate of change was enhanced during the pandemic, with major changes taking place in how diagnostic tests are carried out. The B2C model is the most preferred model and is attractive to diagnostic players too. However, it requires substantial investment in brand building and sustainability. In the B2C segment, samples are collected either through direct patient walk-ins into their clinical labs and patient collection centres or through home collections. The quality of service, in tandem with the quality of diagnostics is of utmost importance. The Company during the year has ensured the highest standards of testing

and unparalleled service to patients. The integration of technology into the business model has been seamless and provides patients with the best quality diagnostics from the comforts of their homes and at the tip of their fingers. Home collections also picked up during the year, especially during the second wave.

The B2B model has also been leveraged to enter newer geographies and non-core markets. It allows for rapid increase in volumes through samples collected from hospitals, nursing homes and other such establishments. The Company has been partnering with many such establishments in various geographies for years and the investments made towards this have ensured smooth operations with high quality, which is the premise of the brand.

Diagnostics has become an even more integral part of healthcare in the Indian context and the scope of growth, especially for organized, branded players is huge. Many factors such as the country's changing demographics, increasing health awareness, rising incomes, development and evolution of tests and services, increasing Government support and the large and well-trained talent pool will continue to drive growth in the coming years. Dr. Lal PathLabs will remain at the forefront of this wave, being one of the premier brands in the country.

Outlook

The shift from unorganized to organized players in conjunction with the increasing demand for healthcare in the country bodes well for large diagnostic chains like Dr. Lal PathLabs. Having constantly delivered higher than industry average growth, the organised players are gearing up for higher market with lower unit economics, higher return on investments and low capital intensity. Going forward, the focus will be on creating and sweating capacities to expand into newer geographies. Increasing Government focus on healthcare in India will also give much-needed impetus to the sector.

Branded diagnostic players are striking a fine balance by maintaining their dominant position in stronger markets while expanding their reach in newer geographies. For the Company, North India including Delhi NCR is the strongest market and the presence has only strengthened in the last couple of years. Meanwhile, the successful acquisition of Suburban Diagnostics in the West and assimilation of smaller, standalone centres in South has been key to expansion into newer markets, making the Company a truly pan-India brand. The way forward is to continue evaluating both organic and inorganic opportunities for growth, while integrating and leveraging the in-house expertise. Emphasis on

growing volumes without compromising on margins has been Company's strategy for growth and it has delivered the desired results. With strong presence in both B2C and B2B businesses and a constantly improving test mix, Company's is well poised to demonstrate accelerated growth trajectory.

The demand for healthcare and diagnostics has seen new highs since the COVID-19 pandemic, and with the changing demographics and improving economic conditions, there is a large scope for growth for the established players in this space. The inculcation of technology to improve the level of service and quality of testing adds to the momentum.

COVID-19 pandemic update

FY22 started with a more resurgent second wave of COVID-19 pandemic, which resulted in very sharp spike in caseloads in a very short period of time prompting some of the most infected states to impose stringent restrictions followed by lockdowns. While Q1 FY22 saw the highest contribution to revenue coming from RT-PCR testing and COVID-allied tests like IL-6 and D-Dimer, it also significantly impacted the non-COVID portfolio due to nationwide mobility restrictions. By then, Dr. Lal PathLabs was better prepared as a team to fight the pandemic and manage the crisis.

Post second half of Q2 FY22, the instances of COVID-19 infections started declining meaningfully and contribution of COVID-19 testing to overall revenue tapered as also the realizations due to price caps introduced by various states for RT-PCR tests.

In December 2021 and January 2022, we again witnessed some spurt in COVID testing due to Omicron variant which was rather short-lived with significantly lower fatalities as compared to previous two waves. Faster adoption of vaccinations in the country across various age groups has reduced the intensity of infection caused by newer variants.

Throughout these cycles, Dr. Lal PathLabs has remained at the forefront of testing and providing quality diagnostics to patients. The Company has maintained high standards of testing for both COVID and non-COVID tests and by the end of the financial year, non-COVID revenues were nearly back to the pre-COVID levels.

Risks and concerns

Regulatory headwinds

The diagnostics industry is subject to extant rules and regulations of both the Government of India and respective State Governments. Regulations

and standards are expected to be followed. The establishment retains the right to intervene in special circumstances where public interest needs to be safeguarded. Such invocations of the rule correspond to extraordinary seasonal spikes during epidemics and were also seen during the COVID-19 pandemic.

The Company not only follows these prescribed norms but in instances exceeds requirements. In relation to the largely unorganised industry, the Company is better placed to absorb sudden changes in regulations and revert to normalcy as the underlying dynamics improve.

Evolving competition

With a fraction of the diagnostics space being truly organised, the field is ripe for entry of corporate chains, both from within and outside the healthcare domain. Recent years have also marked advent of online portals and web aggregators into parts of the diagnostic business value chain. In order to establish rapid salience, the new entrants are not shy of utilizing pricing as a marketing tool.

Company's emphasis on brand building and network expansion is a holistic counter to incessant competitive waves. Focus on quality-of-service attributes has helped the company to stand out, whereas continued investment in digital and technology has created sufficient differentiation.

Investment in building capacities and newer tests

Natural course of growth requires that the Company regularly enhance its laboratory footprint in order to cater to extant and emergent sampling. The patient touch points are set up by the franchisee partners in line with scope and potential of the operation. Home collection is an essential channel of service delivery, and it is the endeavour of the Company to seamlessly integrate it into the operations. Evaluating and introducing newer tests to its portfolio plays an important role for the Company to boost its offering and also stay ahead of the competition.

Technology paradigm

Diagnostics sampling is getting democratised in certain use case scenarios; point of care testing is establishing itself on affordability and convenience. Whereas the established testing set-up of the company offers a far richer output thereby underlining an accurate diagnosis/ trend analysis for the patient, the Company is continually studying means of integrating such technologies within its service delivery ambit. At the test menu level, there is a dedicated team of specialists that is examining and

advising on new developments and their feasibility within the brand context.

Other risk factors

The December 2015 prospectus filing made at the time of the Company's IPO carries further risk factors. Although some of those hold true even to date, the Company continues to monitor and mitigate them on an ongoing basis.

Update on Suburban Diagnostics

The Company has completed the acquisition of Suburban Diagnostics (India) Private Limited ("SDIPL") on November 12, 2021 as per the terms and conditions of the Share Purchase Agreement for a cash consideration of ₹ 9,250 million plus certain performance linked payments capped at ₹ 2,250 million and subject to certain adjustments. The Company has estimated the consideration for the purchase of shares of SDIPL on a fully dilutive basis, including for employee stock option's granted by SDIPL ("ESOP's") at ₹ 9,667 million. Pursuant to completion of the aforesaid acquisition Suburban Diagnostics (India) Private Limited has become a wholly-owned subsidiary and the Company had invested ₹ 9,489 million in SDIPL as at 31 March, 2022.

With a dominant presence in the Western markets, a region where the Company has set expansion targets, Suburban Diagnostics is a perfect fit for Company's growth aspirations. With 38 labs and 177 collection points in Maharashtra and strong presence in the cities of Mumbai and Pune, Suburban provides Dr. Lal PathLabs a robust platform with enough scope for expansion in the region.

The Company will follow a dual-brand strategy, with Dr. Lal PathLabs focussing more on B2B side of the business while Suburban Diagnostics will emphasize on expanding footprint through B2C. The aim is to accelerate revenue growth and increase market share in the Western region. This would be done by prudently investing in consumer facing elements like technology integration and home collections, to further expand and penetrate into pockets of West India and optimization the capacities and backend infrastructure for both entities.

Return to growth

The de-escalation in the intensity of the COVID-19 pandemic has provided means to reclaim growth milestones. Driving non-COVID sampling intensity across the inter-connected lab network once again is a priority. Organic growth of the combined operations, including assets and testing done at Suburban Diagnostics will be emphasised upon, under a dual

brand approach for the West region. Efforts will also be made to scale up the laboratories integrated by PathLab Unifiers. Whereas the Company continues to evaluate value-creating options for accelerated expansion in the South, the immediate push will be towards consolidating and growing. The reference laboratories at Bengaluru and the new centre at Mumbai will be instrumental.

Service quality being a major aspect of brand equity, will get due focus. Quicker turnaround at the time of testing, better convenience when patients interact with the brand, besides offering a more comprehensive variety of tests and sharp accuracy will be the hallmarks of these efforts.

The Company has been incubating specialised service segments to focus attention on management of specific chronic and acute ailments.

A detailed list of key targets follows:

- Re-defining the home collection channel to offer additional accessibility to patients in select situations. Ensuring a seamless and uniform experience from the brand
- Well-stacked online presence with ease of use as focus. Complementing and integrating the offerings of other healthcare service providers to Company's patients
- Dedicated Business Development teams to achieve higher rates of B2B sampling
- Orienting the testing menu to better reflect latest technology and standards of patient care. Emphasis on broadening both routine and specialised offerings
- Creating the 'network-effect' with an expanding combination of PSCs and touch points interacting

with larger number of owned-laboratories. Cultivating clusters to enhance sample scale up faster within target geographies

- Selectively approaching hospital lab-management wherever it adds value

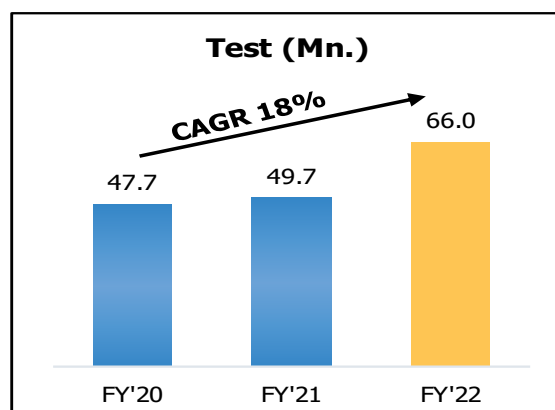
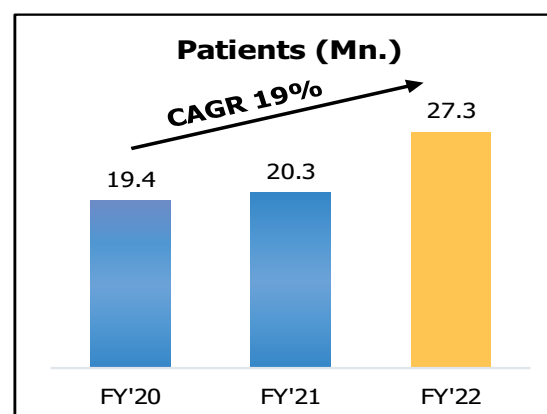
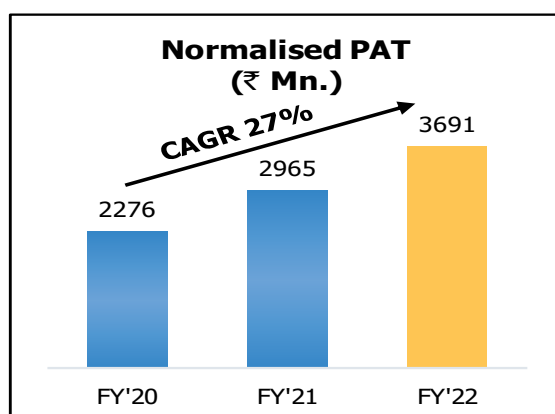
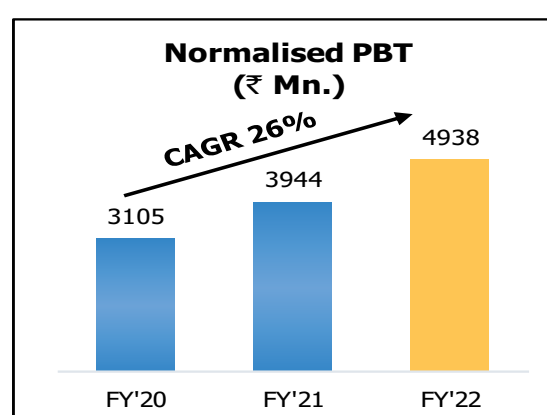
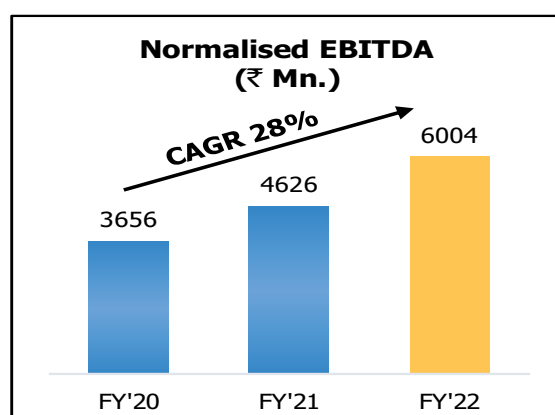
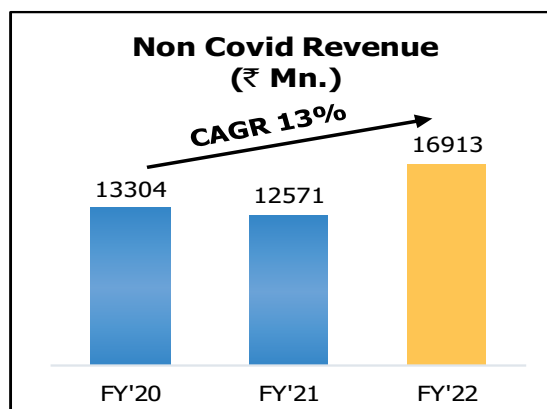
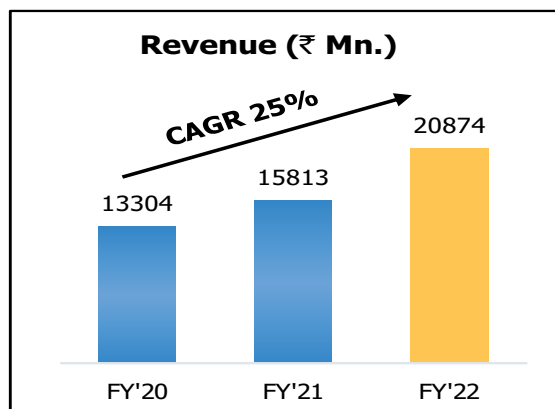
Opportunities and threats

Diagnostics is a key step towards correct prognosis in India. In respect to the requirement of population, the quality and presence of testing infrastructure, are both lacking. Whereas larger cities and towns have multiple brands in healthcare, including in diagnostics, the larger array of smaller towns and villages are still left out. There is a slow but growing presence in the hinterland of large national brands. The COVID-19 pandemic has only highlighted the irreplaceable utility of the sector.

It is proven beyond doubt that larger diagnostic chains have greater flexibility and wherewithal to meet needs of critical situation. Patients have benefited from their standard of service and convenience of offering. While established chains could flex their capabilities fully, the regional and smaller brands have shown significant sampling scale up as well, in line with COVID-19's successive waves. These outfits will tomorrow aim to replicate the national presence of incumbent brands.

Online only entities, including web-aggregators have made marked impact as well. And a few are already setting up physical testing infrastructure. As they add capacities and seek to grow across the country, they will be presented with the same impediments to expansion. Moreover, various healthcare brands that have now extended into diagnostics. And these too will join the broader industry as it encounters common challenges.

Financial and Operational highlights



Revenue

The year ended March 31, 2022 saw the Company's consolidated revenues come in at ₹ 20,874 Mn, delivering a growth of 32%. Non-Covid revenue came in at ₹ 16,913 Mn, delivering a growth of 34.5%. Patient volumes improved by 34.7% over FY21, with non-COVID business nearly returning to pre-COVID levels. With the recession of COVID pandemic, barring a small jump in the December 2021 to January 2022 period due to Omicron variant, the contribution of COVID and COVID-allied tests to overall business is 19%, amounting to ₹ 3,961 Mn.

The non-COVID business revenue grew by 34.5% over last year amounting to ₹ 16,913 Mn. The growth was primarily led by mobility relaxations post spurt in COVID caseloads, further supported by strong upside from B2B expansion, sweating of franchise network and increasing home collections.

Costs

Cost management with an objective of maximizing margin is a key focus area for Dr. Lal PathLabs. The total cost increased by 33% year-on-year, in line with growth in revenues. This appears slightly high when compared to last year due to low base, as a result of multiple lockdowns and various restrictions on movement imposed by Govt. authorities last year owing to COVID pandemic. This has now normalised. The major cost line items for the company are cost of reagents and chemicals, personnel costs, fees to collection centres, costs associated with logistics, information technology and infrastructure among others.

EBITDA

Consolidated Normalised EBITDA (post elimination of impact of stock-based compensation and CSR cost) registered growth of 29.8% in FY22. Normalised EBITDA margins (post elimination of impact of stock-based compensation and CSR cost) stood at 28.8%.

PBT and PAT

PBT for FY22 came in at ₹ 4,749 Mn, Normalised PBT (excluding notional depreciation on consolidation of Suburban) came at ₹ 4,938 Mn, a growth of 25.2%.

PAT reported a growth of 18.1% year-on-year at ₹ 3,503 Mn. Normalised PAT (excluding notional depreciation on consolidation of Suburban) came at ₹ 3,691 Mn, a growth of 24.5%. Normalised PAT margins stood at 17.7%. The diluted EPS increased by 18% to ₹ 41.57 per equity share of ₹ 10 each.

Cash and Bank

Cash and Cash Equivalents for FY22 stood at ₹ 3,442 Mn compared to ₹ 9,859 Mn at the end of FY21.

This has declined over last year, as the proceeds were deployed towards funding the acquisition of Suburban Diagnostics. Operating cash flows came in at ₹ 4,158 Mn before working capital changes. Cash out flow towards CAPEX was at ₹ 1,086 Mn compared to ₹ 672 Mn last year. Other Income, which comprises of interest and dividend on mutual funds stood at ₹ 421 Mn (net of interest expense), over ₹ 513 Mn in FY21, in-line with changes in cash position.

Key Financial Ratios

In accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios. The company has identified the following ratios as key financial Ratios:

Particulars	FY2022	FY2021
Revenue Growth (%)	32.0%	18.9%
Patient Growth (%)	34.7%	4.4%
Sample Growth (%)	32.7%	4.2%
Basic EPS (₹)	41.70	35.33
Diluted EPS (₹)	41.57	35.25
Inventory Turnover Ratio (times)	9.6	9.3

Revenue growth appears high due to low base of last year owing to lockdowns and other restrictions to curb the COVID-19 infection. This was driven by volume growth and increasing share of non-COVID business in the overall portfolio. While the revenue per patient has reduced compared to last year, as a result of lower contribution from COVID test portfolio.

The details of Return on Net worth are given below:

Particulars	FY2022	FY2021
Return on Net Worth (%)	26.2%	25.5%

Return on Net Worth is computed by dividing the Normalised PAT for the year by average net worth. During the year under review, Normalised PAT significantly increased from ₹ 2,965 Mn to ₹ 3,691 Mn, thereby boosting the Return on Net Worth ratio for FY2022.

Operational Performance

During the year under review, Dr. Lal PathLabs added 46 new laboratories across India (including 38 of Suburban Diagnostics), totalling to 277 labs. Patient Service Centres (PSCs) expanded to 4,731 as at the end of FY22. Number of Pickup Points increased to 10,599 during the year.

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: **L74899DL1995PLC065388**
2. Name of the Listed Entity: **Dr. Lal PathLabs Limited**
3. Year of incorporation: **1995**
4. Registered office address: **Block E, Sector-18, Rohini, New Delhi-110085**
5. Corporate address: **12th Floor, Tower B, SAS Tower, Medicity, Sector-38, Gurugram-122001**
6. E-mail: cs@lalpathlabs.com
7. Telephone: **0124-3016500**
8. Website: www.lalpathlabs.com
9. Financial year for which reporting is being done: **FY 2021-22**
10. Name of the Stock Exchange(s) where shares are listed: **National Stock Exchange of India Limited and BSE Limited**
11. Paid-up Capital: **₹ 83,34,48,770 divided into 8,33,44,877 Equity Shares of ₹ 10/- each**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: **Mr. Manoj Garg, Chief Human Resource Officer, Tel: + 91-124-3016-500, Email: manoj.garg@lalpathlabs.com**
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): **Standalone basis**

II. Products/services

14. Details of business activities (*accounting for 90% of the turnover*):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Other Human Health Activities	Activities of Independent Diagnostics/Pathological Laboratories	100%

15. Products/Services sold by the entity (*accounting for 90% of the entity's Turnover*):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Diagnostic and related healthcare tests and services	869	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices / Labs	Total
National	Not Applicable as the Company provides Diagnostic Services	195	195*
International	in the area of Pathology and Radiology	2	2

* Standalone Number

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	The Company has Laboratories in 25 States and 5 Union Territories.
International (No. of Countries)	India, Nepal and Bangladesh. Besides the above, the Company also receives samples from International Locations like Bhutan, Sri Lanka, Myanmar, Malaysia, Cambodia, Maldives, UAE, Saudi Arabia, Bahrain, Qatar, Kuwait, Ethiopia, Tanzania, Uganda, Malawi, Zambia, Nigeria, Ghana, Sierra Leone & Mauritius for testing in India.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

1% (one percent)

c. A brief on types of customers:

The Company's customers include individual patients, hospitals, other healthcare providers and corporate customers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male No. (B)	% (B / A)	Female No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1,289	1,042	80.84	247	19.16
2.	Other than Permanent (E)	120	64	53.33	56	46.67
3.	Total employees (D + E)	1,409	1,106	78.5	303	21.50
WORKERS*						
4.	Permanent (F)	2,821	2,163	76.67	658	23.33
5.	Other than Permanent (G)	11	5	45.45	6	54.55
6.	Total workers (F + G)	2,832	2,168	76.55	664	23.45

* Based on an internal assessment, we have categorised employees below a certain grade as Workers.

Note: Workers and Employees includes all people who were on the payrolls of the Company as of March 31, 2022, except 11, who were on Lal PathLabs Foundation payroll.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<u>DIFFERENTLY ABLED EMPLOYEES</u>						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	-	-	-	-	-
<u>DIFFERENTLY ABLED WORKERS</u>						
4.	Permanent (F)	12	12	100	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	12	12	100	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	3	30
Key Management Personnel	6	1	17

20. Turnover rate for permanent employees and workers
(Disclose trends for the past 3 years)

	FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in previous FY)			FY 2019-20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25.17	21.69	24.53	16.90	17.05	16.93	23.23	14.62	21.82
Permanent Workers	12.49	15.56	13.21	10.95	12.56	11.33	10.97	14.61	11.84

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Paliwal Diagnostics Private Limited	Subsidiary	80	No
2	Paliwal Medicare Private Limited	Subsidiary	80	No
3	APL Institute of Clinical Laboratory & Research Private Limited	Subsidiary	100	No

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
4	Dr. Lal Ventures Private Limited	Subsidiary	100	No
5	PathLabs Unifiers Private Limited	Subsidiary	100	No
6	Centrapath Labs Private Limited	Step down Subsidiary	70	No
7	APRL PathLabs Private Limited	Step down Subsidiary	70	No
8	Chanre Laboratory Private Limited	Step down Subsidiary	70	No
9	Dr. Lal PathLabs Nepal Private Limited	Subsidiary	100	No
10	Dr. Lal Path Labs Bangladesh Private Limited	Subsidiary	71.83	No
11	Dr. Lal PathLabs Kenya Private Limited	Subsidiary	100	No
12	Suburban Diagnostics (India) Private Limited	Subsidiary	100	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
- (ii) Turnover : ₹ 18,727.06 Millions
- (iii) Net worth : ₹ 16,502.65 Million

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	There weren't any complaints / grievances received from any specific community.					
Investors (other than shareholders)	Yes. Investors can contact the officials mentioned in the link below https://www.lalpathlabs.com/investor/investor-contact.aspx	There were no complaints that were received.					
Shareholders	Yes Shareholders, for any of their grievances can reach out to the Company Secretary at https://www.lalpathlabs.com/investor/investor-contact.aspx	187	5	5 (Five) Shareholders Complaints were unresolved as of March 31, 2022. Those 5 have been resolved as of date.	438	-	6 (Six) Shareholders Complaints were carry forward of previous years which were also resolved during the current year.
Employees and workers	The Company does have a specific internal Grievance Redressal Policy in place.	There weren't any complaints / grievances received.					
Customers*	The Company does not have a specific Grievance Redressal Policy in place. However, there is a dedicated helpline number (011-49885050) and email id customer.care@lalpathlabs.com which address and resolves all customer grievances.	79,274	237	The unresolved complaints as of March 31, 2022 have all been subsequently resolved.	54,177	-	
Value Chain Partners	No	There were no complaints/grievances received from the Value Chain Partners except some outstanding dues related clarifications, which were properly addressed and resolved.					
Other (please specify)		-	-	-	-	-	

* The increase in Customer cases from the previous year is majorly attributable to an unparallel rise in Covid-19 cases

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Occupational hazard affecting health of employees	Risk	Sample collection from infectious disease patients	1. Sample handling staff vaccinated periodically as per guidelines 2. Priority in respect of Covid vaccination 3. Financial assistance in case of loss of life to relatives of staff involved in Covid sample collection. 4. Rotating deployment schedules of staff involved in sample collection 5. All collection outlets to follow safety norms as prescribed by ICMR and MoHFW.	1. Loss of Revenue 2. Challenge in filling up the position due to shortage in manpower supply thereby pushing the recruitment cost higher.

The Company provides diagnostics services wherein sustainability issues pertaining to environment are negligible. However, as a responsible corporate citizen, the Company uses (i) Effluent Treatment Plants and Autoclaving Machines in its Laboratories/Centres (ii) R32 refrigerant operated air conditioning systems to further minimize pollution related issues.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)					YES				
b. Has the policy been approved by the Board? (Yes/No)					YES				
c. Web Link of the Policies, if available	https://www.lalpathlabs.com/pdf/brochures/Business-Responsibility-Policy.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)					YES				
3. Do the enlisted policies extend to your value chain partners? (Yes/No)					NO				

4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NONE
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is determined to follow the path envisioned under the 9 principles laid down in the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company shall continue to monitor its performance against the said principle(s) and take necessary action as and when the need arises.

Governance, leadership and oversight

7.

Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure*)

Given the industry in which the Company operates, the ESG paradigm assumes higher importance; the Company has consistently been helping multiple initiatives to thrive within and yet be fully responsible of its immediate environment.

Commitment to sustainability is at the heart of every corporate endeavor and initiative towards growth, prudently nurturing its human quotient, building social capital, while being responsible towards consumption of resources. Over the years, the Company has enhanced the salience to ESG best practices and has made meaningful and noticeable strides forward in several spheres.

Core teams have been entrusted with ensuring sustainability of approach across key corporate functions; in instances addressing key issues like proper disposal and treatment of bio-medical waste, replacing plastic bags with biodegradable bags, water conservation through water saving reducers, integrating to e-billing to curb usage of paper, solar panel usage and rainwater harvesting among others.

The Company remains mindful of its moral responsibilities as a corporate citizen, and acts in an ethical manner. Being an undisputed leader in the branded diagnostics space, the Company has a long history of transparency in governance practices, and it keenly reviews this to make a positive impact on the society and its stakeholders.

At Dr. Lal PathLabs, our ethos of providing affordable diagnostic tests with easy accessibility endures, with best-in-class service offerings and accurate diagnoses. While doing so, we will continue our focus of scaling our ESG performance parameters with global best practices.

8.

Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

CSR Committee is responsible for implementation and oversight of the Business Responsibility Policies

The constitution of the CSR Committee is as follows:

Name of Director	DIN No.	Designation
(Hony) Brig. Dr. Arvind Lal	00576638	Executive Chairman
Dr. Om Prakash Manchanda	02099404	Managing Director
Mr. Sunil Varma	01020611	Lead Independent Director
Mr. Harneet Singh Chandhoke	02758084	Independent Director

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.
- As mentioned above, CSR Committee is responsible for taking decisions on sustainability related issues

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	N	N	N	N	N	N	N	N	N	-	-	-	-	-	-	-	-	-
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	N	N	N	N	N	N	N	N	N	-	-	-	-	-	-	-	-	-
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P1	P2	P3	P4	P5	P6	P7	P8	P9
										N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	Two	Updates on: 1. Amendments in CSR 2. IT including Data Privacy and Cyber Security	100%
Key Managerial Personnel	Three	1. Human Rights 2. Amendments in CSR 3. IT Update	100%
Employees other than BOD and KMP's	Three	1. Compliance 2. Human Rights 3. Skill upgradation	9.43% 24.40% 65.55%
Workers	Three	1. Compliance 2. Human Rights 3. Skill upgradation	25.74% 65.93% 91.99%

- Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Monetary		Brief of the case	Has an appeal been preferred? (Yes/No)
			Amount (In ₹)			
Penalty/Fine	None	-	-	-	-	-
Settlement	None	-	-	-	-	-
Compounding Fee	None	-	-	-	-	-

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	None	-	-	-
Punishment	None	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.
- The Company complies with all applicable statutory obligations and fully supports the law of the land. It has internal policies and procedures in place for ensuring compliance in letter and spirit.
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Director	-	-
KMP's	-	-
Employees	-	-
Worker	-	-

6. Details of complaints with regard to conflict of interest

	FY 2021-22 (Current Financial Year)		FY 2020-21 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of Interest of the Director	None	-	None	-
Number of complaints received in relation to issues of conflict of Interest of the KMP's	None	-	None	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

None

Leadership Indicators

- a. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness program held	Topics/ Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

The BRSR principles cover only the Company as of now. Going forward, the Company shall strive to include its Value Chain Partners as well.

- b. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

The Company has a Code of Conduct for its Board Members and Senior Management which defines Conflict of Interest and entails the process for avoiding the same.

The Code of Conduct is available on the website of the Company.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	Nil	Nil	
Capex	3.4%	2.2%	<p>i. Waste water treatment plants and Autoclaves were installed at Company's Laboratories for treatment of Bio Medical Wastes</p> <p>ii. E-Bikes were put to use on an experimental basis</p>

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
b. If yes, what percentage of inputs were sourced sustainably?

The Company works towards sustainable sourcing and ensure that its social and environmental performance extends to its supply chain by sharing its expectations with the vendors from time to time. The Company also promotes localization of business by giving preferences to local vendors.

The Company is committed to do business with environmentally responsible vendors with an objective to minimize the adverse effects on the community, the environment and natural resources while safeguarding health and safety of the public.

The Company is currently evaluating projects/designing a program for implementation in FY23 which will emphasize Company's initiatives towards sustainable sourcing.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

The Company is a provider of Diagnostic Services and hence reusing, recycling of wastes is not applicable to the industry in which it operates. However, as a responsible corporate citizen, the Company has entered into agreements with authorized vendors for disposal of bio-medical wastes generated during sample collection and testing of samples and for RO water recycling.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The Extended Producer Responsibility is not applicable since the Company does not qualify to be a Producer under the Plastic Waste Management Rules, 2016.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The Company has not, during the year, conducted any Life Cycle Perspective / Assessments for its services.

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
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Not Applicable

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
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Not Applicable

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)

Not Applicable

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other	-	-	-	-	-	-

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category. **Not Applicable**

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
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Not Applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by									
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities*
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F) %(F/A)
Permanent Employees										
Male	1,042	1,026	98.4	1,041	99.9	-	-	1,042	100	-
Female	247	247	100	246	99.6	247	100	-	-	-
Total	1,289	1,273	99	1,287	99.9	247	19.16	1,042	80.84	-
Other than permanent employees										
Male	64	-	-	55	86	-	-	64	100	-
Female	56	-	-	54	96.4	56	100	-	-	-
Total	120	-	-	109	91	56	100	64	54	-

* During the period under review, the day care facilities were not functional on account of covid impasse/restrictions

- b. Details of measures for the well-being of workers:

Category	% of worker covered by									
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities*
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F) %(F/A)
Permanent workers										
Male	2,163	1,441	66	2,163	100	-	-	2,163	100	-
Female	658	393	60	658	100	658	100	-	-	-
Total	2,821	1,834	65	2,821	100	658	23.33	2,163	76.68	-
Other than permanent worker										
Male	5	-	-	4	80	-	-	5	100	-
Female	6	-	-	6	100	6	100	-	-	-
Total	11	-	-	10	91	6	54.6	5	45.5	-

* During the period under review, the day care facilities were not functional on account of covid impasse/restrictions

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	1.24	34.99	Y	3.10	46.52	Y
Other- please specify	-	-		-	-	

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company believes that sustainable growth is a function of investing in a diverse talent pool. We have built an inclusive culture by creating employment for Opportunity Deprived Indians (ODIs) i.e. individuals who lacked opportunity to become self-sufficient members of society. We are committed to build an accessible inclusive workplace and welcome the skills and talent of differently abled people. Over the year, we have identified appropriate roles to onboard more differently abled team members through our inclusive hiring practices. We are working progressively to increase their participation in the organization and making our physical and digital infrastructure accessible by auditing the existing facilities across the country as per the Rights of Persons with Disabilities Act, 2016. These facilities have been made accessible by altering door width to 900 mm, installing hand grabs in restrooms, fire exit signage's, portable ramps, lift etc. wherever possible. We ensure that our associates have opportunities to perform their best in an inclusive workplace which doesn't discriminate based on physical ability thereby foster a culture of mutual respect, growth and equal opportunities for all.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy

Yes. The Equal Opportunity Policy pledges commitment towards ensuring equality and promoting diversity at our workplace. The Policy also intends to promote everyone's right to equal opportunities; eliminate, as far as possible, discrimination and harassment and provide redress for people whose rights have been breached.

The Company is an Equal Opportunity Employer and offers opportunities to all job seekers, including those with disabilities. Our organization has enrolled 7 (seven) disabled candidates into various roles within the organization.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.00%	81.82%	100.00%	90.00%
Female	66.67%	62.50%	61.70%	78.43%
Total	95.83%	75.95%	90.95%	87.33%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of mechanism in brief)
Permanent workers	2,821
Other than Permanent workers	11
Permanent Employees	1,289
Other than Permanent Employees	120

The organization has a Grievance Redressal policy, which address all kinds of issues an employee may face while at work. The grievance may include:

- Any kind of discrimination on account of disability, gender, race, sexual orientation, religion, marital status and social class
- Violation of human rights
- Bullying / workplace harassment
- Denial of applicable benefits
- Working conditions and Health & Safety Issues

Employees need to report to all/any grievance at - resolve.grievance@lalpathlabs.com for the grievance redressal process to get activated.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) of union (B)	%(B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) of union (D)	%(D/C)
Total Permanent Employees	4	4	100	4	4	100
Male	4	4	100	4	4	100
Female	-	-	-	-	-	-
Total Permanent Workers	98	98	100	100	100	100
Male	30	30	100	31	31	100
Female	68	68	100	69	69	100

8. Details of training given to employees and workers

Category	FY 2021-22 Current Financial Year					FY 2020-21 Previous Financial Year				
	Total (A)		On health and safety measures		On skill upgradation	Total (D)		On health and safety measures		On skill upgradation
		Number (B)	%(B/A)	Number (C)	%(C/A)		Number (E)	%(E/D)	Number (F)	%(F/D)
Employee										
Male	1,042	-	-	695	66.69	971	1	0.10	865	89.08
Female	247	1	0.40	147	59.51	220	-	-	189	85.91
Total	1,289	1	0.07	842	65.32	1,191	1	0.08	1,054	88.50
Worker										
Male	2,158	20	0.92	1,972	91.38	2,156	7	0.32	1,974	91.56
Female	663	1	0.15	623	93.96	649	-	-	554	85.36
Total	2,821	21	0.74	2,595	92	2,805	7	0.25	2,528	90.12

9. Details of performance and career development reviews of employees and worker:

Category	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	%(D/C)
Employees						
Male	1,042	1,042	100	971	971	100
Female	247	247	100	220	220	100
Total	1,289	1,289	100	1,191	1,191	100
Workers						
Male	2,158	2,158	100	2,156	2,156	100
Female	663	663	100	649	649	100
Total	2,821	2,821	100	2,805	2,805	100

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?
 - Yes. The safety manual has guidelines that are applicable to all units/centres.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Appropriate policies / guidelines have been formulated to address various types of hazards and related risk assessment & mitigation.

 - All work related hazards are identified basis the recommended guidelines.
 - Their associated risk assessment procedures are part of the Safety manual.
 - Regular audits are conducted by the Quality dept. to monitor the compliance.
- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
 - The Lab safety program prescribes, the procedures to be followed by the users in the event of any adverse safety incident.
 - A safety incident reporting tool has been developed that records each of such incident/ occurrence at the work units.
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
 - Medclaim coverage is extended to all employees other than those under the ambit of the ESIC act.
 - Those under ESI ambit get all applicable medical benefits under ESIC.
 - Additionally, all employees are eligible for discounted diagnostic investigations.

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.33	-
	Workers	0.30	0.16
Total recordable work-related injuries	Employees	5 (1 major and 4 minor)	-
	Workers	31 (2 major and 29 minor)	16 (1 major and 15 minor)
No. of fatalities	Employees	-	-
	Workers	-	-
High Consequence work related injury or ill health (excluding fatalities)	Employees	1	-
	Workers	2	1

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

General guidelines have been formulated pertaining to personal protection, safety equipment, emergency procedures, fires, chemical hygiene, electrical safety, waste disposal, laboratory equipment's.

- Safety gears are provided to staff - e.g. Eye Wash, Gloves, Lab Coat, Goggles.
- Fire Sprinklers and Fire extinguishers are installed at the work place
- Fire drills are conducted on periodic basis and there are designated safety supervisors
- BMW segregation and disposal as per the BMW management rules and CPCB (Central Pollution control board) guidelines
- Disinfection protocols are implemented in labs
- Ergonomic lab furniture is provided to all staff
- Health check-ups are conducted and Immunization for all those in technical / sample handling roles

13. Number of Complaints on the following made by employees and workers:

	FY 2020-21 Previous Financial Year			FY 2020-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	-	-		-	-	
Health & Safety	-	-		-	-	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	1. Periodic internal audits are conducted by the Quality team of health and safety practices.
Working Conditions`	2. Before all the new labs are made operational, the project and lab operations teams conduct a safety audit of the setups. There are safety trainings conducted regularly
	3. Fire drills are undertaken to make all employees aware of the safety requirements and what needs to be done in case of non-compliance.
	4. Accrediting bodies like NABL, CAP, ISO audit our various labs and evaluate the health & safety practices / policies and the overall working conditions every year.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- The Lab safety manual serves as a guiding document for all safety related issues.
- In case of any safety incident, specific corrective protocols are defined which are being followed
- Training of all staff is being done on a learning portal
- Risk management guide has been defined for all labs

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
 - Yes. The organization has taken up Term insurance for all employees.
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
 - Regular audits are conducted ensuring all statutory dues have been deposited
 - Contractually the Company also obligates third parties to ensure that all such dues are timely deposited
3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Employees	5 (1 major and 4 minor)	-	1	-
Workers	31 (2 major and 29 minor)	16 (1 major and 15 minor)	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
 - Yes. The organization is in the process of creating an assistance program to cover aspects of managing finances, overall wellbeing. The program will encompass experts from each field to conduct webinars for these employees who are retiring.
5. Details on assessment of value chain partners

% of value chain partners (by value of business done with such partners) that were assessed

Health and Safety Practices

Working Conditions

The Company shall strive to initiate the assessment program during Financial Year 2022-23

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners**

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Our approach towards responsible and sustainable business practices involves regular engagement with internal and external stakeholders. This practice helps the Company measure its performance based on the value it brings to its stakeholders and to prioritize key sustainability issues in terms of relevance to its business and stakeholders.

Such stakeholder engagement helps not only in identifying opportunities but also in assessing emerging risks which may increase in magnitude at a later stage in future.

The Company's process to identify key stakeholders stems from:

- Its Mission and Vision statement/policy.
- Key Decision Makers
- Individual stakeholders' and their power and influence on the decision-making process.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholders Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice, Board, Website) Other	Frequency of engagement (Annual/Half yearly /Quarterly others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails	Monthly/Weekly	Regular Company updates / Training Needs
Customers	No	SMS, Newspaper, Pamphlets, Website/ Helpline Desk	Annual/Half Yearly / Quarterly/Monthly	Promotion Schemes / New Tests etc
Investors & Shareholders	No	Newspapers / Website/ Meetings	Annual/Half Yearly / Quarterly	Financial Results / other Corporate Announcements
Govt/ Regulatory Authorities	No	Emails / Community Meetings	Quarterly / Half Yearly	Representations / Perspective on change in regulations / upcoming laws
Communities	No	Community Meetings	Annual/Half Yearly / Quarterly	Developmental / Educational needs as part of the Company's CSR obligation.
Vendors	No	Digital Meetings / In person meetings	Quarterly with Strategic vendors & with other vendors once in a year / need basis	Regular business updates, Performance feedback, Updation about change in regulation pertaining to supplies/services

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Board Members are periodically apprised of the feedbacks from various stakeholders on ESG matters by the Company Management in the Board Meetings.

The initial level dialogue on ESG matters happen between the concerned Business Head / Functional Head and the stakeholder with the summary of discussions rolling up to the Key Managerial Personnel's and then to the Board Members.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity

The feedback received from the concerned stakeholders, as explained above, gets periodically discussed in the Board Meeting and necessary actions arising, if any, are initiated.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups

The Company does not, currently, have a vulnerable & marginalized group amongst its Stakeholders

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year*		
	Total (A)	No. of employees /worker covered (B)	%(B/A)	Total (C)	No. of employees/workers covered (D)	%(D/C)
Employees						
Permanent	1,289	317	24.59			
Other than permanent	120	36	30.00			
Total Employees	1,409	353	25.05			
Workers						
Permanent	2,821	1,876	66.50			
Other than permanent	11	3	27.27			
Total Workers	2,832	1,879	66.63			

* The data for the previous financial year is not available in a structured format.

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2021-22 Current Financial Year					FY 2020-21 Previous Financial Year				
	Total (A)	Equal to Minimum wages		More than Minimum wages		Total (D)	Equal to Minimum wages		More than Minimum wages	
		Number (B)	%(B/A)	Number (C)	%(C/A)		Number (E)	%(E/D)	Number (F)	%(F/D)
Employees										
Permanent	1,289	749	58.10	540	41.89	1,191	837	70.28	354	29.72
Male	1,042	687	65.93	355	34.07	971	758	78.06	213	21.94
Female	247	62	25.10	185	74.90	220	79	35.91	141	64.09
Other than permanent	The Company employees, Trainees or Consultants to whom Minimum Wages are not applicable. Trainees are paid Stipend whereas the Consultants are governed by their respective Contracts									
Male										
Female										
Workers										
Permanent	2,821	2,279	80.79	542	19.21	2,805	2,714	96.76	91	3.24
Male	2,158	1,774	82.21	384	17.79	2,156	2,118	98.24	38	1.76
Female	663	505	76.17	158	23.83	649	596	91.83	53	8.17
Other than permanent	The Company employees, Trainees or Consultants to whom Minimum Wages are not applicable. Trainees are paid Stipend whereas the Consultants are governed by their respective Contracts									
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median *remuneration/ salary / wages of respective category (in ₹)	Number	Median *remuneration/ salary / wages of respective category (in ₹)
Board of Directors (BOD)	2	3,42,12,072	1	2,13,43,836
Key Managerial Personnel	3	1,75,00,000	-	-
Employees other than BOD and KMP's	1,037	6,11,364	246	15,60,000
Workers	2,163	3,62,472	658	3,45,066

* Remuneration means and includes the Cost to the Company (CTC)

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Company's Human Rights policy framework covers all aspects of any violation. There is a detailed redressal mechanism to review any occurrence of violation and its impact due on the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The organization has implemented a Grievance redressal policy, which defines the framework to address and resolve grievances arising as a result of any kind of harassment or human rights violation.

All complaints can be directed to the e-mail resolve.grievance@lalpathlabs.com. A period of 90 days is prescribed to address and resolve the grievance.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	File during the year	Pending resolution at the end of year	Remarks	File during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	4*	-	*Out of the 4 complaints, 3 were pending for resolution at the end of the previous financial year	7*	3	*Out of the 7 complaints, 1 was pending for resolution at the end of the previous financial year
Discrimination at workplace	-	-		-	-	
Child Labour	-	-		-	-	
Forced Labour/ Involuntary Labour	-	-		-	-	
Wages	-	-		-	-	
Other than Human rights related issue	-	-		-	-	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The organization conducts regular training of staff on Human Rights issues and violation which also covers the aspect of any adverse consequence for the complainant. All managers are made aware and accountable for any recurrence of harassment of the employee.

In case, the complainant feels any kind of specific / targeted discrimination, they can raise the complaint once again to the Grievance Redressal committee for further investigation.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the requisite clauses are part of all relevant business agreements/contracts

9. **Assessment for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	No case reported for the period. The Company's systems have inbuilt checks to validate any hiring of employee who is less than 14 years of age. The system will give an alert to the team.
Forced Labour/Involuntary Labour	No case reported for the period. Any such incidence raised shall be addressed by the redressal mechanism
Sexual Harassment	All cases of POSH are handled by the respective committees and the reports are submitted to the management. The annual report has the details on the cases received and their closures.
Discrimination at workplace	No case reported for the period. Any such incidence raised shall be addressed by the redressal mechanism
Wages	No case reported for the period. Additionally, compliance to minimum wage requirement is audited by the Statutory and the Internal auditors
Other-please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable, since there were no cases which were received for principle mentioned under Question 9 above

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company has a defined process for addressing issues relating to human rights, which it believes is currently working properly.

The Company may relook at its processes in future, should the circumstances / particulars of a case calls for.

2. Details of the scope and coverage of any Human rights due-diligence conducted

The Company has not conducted any Human Rights due-diligence for the financial year ended March 31, 2022.

However, the Company may consider doing the same in the current Financial Year, should the Management of the Company decide, depending on circumstances.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016

Our business leadership has committed to put diversity and inclusion on their forefront agenda. We have pledged to work together as a collective, to help drive systemic change and be a more inclusive healthcare service provider for all our patients. The Company offers Home Collection facilities which can be availed by patients who cannot reach the facilities due to any health reasons or disabilities.

It has home collection services across all major cities and seven walk-in labs across Delhi NCR and Kolkata accessible for walk-in patients with disabilities. In their every quest to make our patient experience better, our leadership under ESG initiatives, is improvising our standard store formats to include infrastructure elements from the Rights of Persons with Disabilities Act, 2016 to make our walk-in outlets, corporate and regional offices accessible for all stakeholders.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	-
Forced Labour/Involuntary Labour	-
Wages	-
Other-please specify	-

The BRSR principles covers only the Company as of now and does not include its Value Chain Partners. However, the Company shall strive to initiate the assessment program during Financial Year 2022-23

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

- Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Total electricity consumption (A) <i>(In Giga Joules; calculated at ₹ 11.5 per unit)</i>	54,975	44,309
Total fuel consumption (B) <i>(In Giga Joules; calculated at 0.3 KWH per litre)</i>	154	126
Energy consumption through other sources (C) <i>(In Giga Joules; Solar Energy)</i>	221	261
Total energy consumption (A+B+C)	55,350	44,696
Energy intensity per rupee of turnover <i>(Total energy on consumption/ turnover in rupees)</i>	-	-
Energy intensity <i>(optional)</i> – the relevant metric may be selected by the entity	0.0000030	0.0000030

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

- Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. No
- Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	26,177	34,225
(iii) Third party water	96,139	1,25,964
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,22,316	1,59,919
Total volume of water consumption (in kilolitres)*	1,22,316	1,59,919
Water intensity per rupee of turnover <i>(Water consumed / turnover)</i>	0.0000065	0.0000107
Water intensity <i>(optional)</i> – the relevant metric may be selected by the entity	-	-

* Total Volume of water withdrawal and water consumption has been assumed to be the same

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company, during the period under review, has started adopting the principles towards Zero Liquid Discharge by using the treated water in toilet flush at its National Reference Lab in Rohini and another of its major lab in Delhi 13 Kilolitres water / day is being reutilised at both these Labs.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

The possibility of air emissions being remitted in the atmosphere, considering the business that the Company is in, may arise only on account of the DG sets that the Company uses at its Laboratories/Centres.

The Company, as a first and during the Financial Year 2021-22, to ensure that no polluting radiations are emitted in the atmosphere got testing done for all its DG sets having KVA > 100 load from a State Pollution Control Board empaneled agency.

As per the testing reports, all DG emissions were under permissible limit.

Parameter	Please specify unit	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

The Company is not into manufacturing and therefore the possibility of releasing GHG emissions into the atmosphere is negligible/not applicable.

Parameter	Unit	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	-	-
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. No
8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A) (Plastic Waste is included in the Bio Medical Waste)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	461.5	359
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous wastegenerated (H) . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	461.5	359
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
<i>Bio Medical generated by the Company in the course of its operations cannot be recovered through recycling or reusing by the Company</i>		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	148.7	122-
(ii) Landfilling	-	-
(iii) Other disposal operations – Shredding after disinfection	312.8	237
Total	461.5	359

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

All biomedical waste generated is segregated as per Bio-Medical Waste Management Rules 2016 & handed over to authorized vendor of state pollution control for safe disposal thereonafter. Additionally periodic visits by the Company officials are made to ensure that the vendor is following all due compliances.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	-	-	-

The Company has no operations around ecologically sensitive areas

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not undertaken any EIA project during the year.

However, the Company has undertaken the following environmental friendly projects:

- Electric bikes were used for sample transportation on an experimental basis.
- Solar energy generation has been increased from 50 KW to 100 KW at our National Reference Lab in Rohini, New Delhi.
- Water reutilization has been started at our Reference Lab in Rohini, New Delhi and another of our major lab in Delhi
- Close to 100 new Effluent Treatment Plants have been installed in various Laboratories PAN India.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S. No.	Specify the law / regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines /penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-	-	-	-	-

Leadership Indicators

- Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
From renewable sources		
Total electricity consumption (A) <i>(In Giga Joules; Solar Energy)</i>	221	261
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	221	261
From non-renewable sources		
Total electricity consumption (D) <i>(In Giga Joules; calculated at ₹ 11.5 per unit)</i>	54,975	44,309
Total fuel consumption (E) <i>(In Giga Joules; calculated at 0.3 KWH per litre)</i>	154	126
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	55,129	44,435

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

- Provide the following details related to water discharged:

Parameter	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment <i>(intake effluent treated)</i>	1,06,797	1,45,541
- With treatment – please specify level of Treatment <i>(physio chemical based ETP Treatment)</i>	15,519	14,378
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
Total water discharged (in kilolitres)	1,22,316	1,59,919

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

The Company doesn't have any laboratory in water stress area.

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (<i>Water consumed / turnover</i>)	-	-
Water intensity (<i>optional</i>) – therelevant metric may be selected by the Entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

The possibility of air emissions being remitted in the atmosphere, considering the business that the Company is in, may arise only on account of the DG sets that the Company uses at its Laboratories/Centres.

The Company, as a first and during the Financial Year 2021-22, to ensure that no polluting radiations are emitted in the atmosphere got testing done for all its DG sets having KVA> 100 load from a State Pollution Control Board empaneled agency.

As per the testing reports, all DG emissions were under permissible limit.

Parameter	Unit	FY 2021-22 Current Financial Year	FY 2020-21 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – therelevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company doesn't have any Laboratory in ecologically sensitive area.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	Effluent Treatment Plant installation	Effluent Treatment Plant installed in close to 100 locations for minimizing impact of water pollution	Approx 3,789 KL of effluent treated before being discharged

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has a detailed Business Continuity Plan ("BCP") for its Data Centre / IT systems. The purpose of this plan to operate from an alternate location, in case of any eventuality at a primary location.

Once a Disaster Recovery (DR) Plan is invoked the IT systems of the Company shall start working from DR facility which is geographically a far location (different Seismic zone) from Primary location.

Some of the objectives of BCP plan are:

- To recover Business in agreed time frame as per Policy Terms
- Ensure IT systems are running from alternate location till the primary location is restored.
- Details how the Company respond at the time of crisis.

A mock drill is conducted every year to make sure effectiveness of BCP plan and policy improvements, if any needed.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The BRSR principles cover only the Company as of now. Going forward, the Company shall strive to include its Value Chain Partners as well and thereafter measure and mitigate any environmental related impact

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Since the BRSR principles, as mentioned above, cover only the Company, no assessment was done for the period under review for the value chain partners on environmental aspects

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
3 (Three)
2. b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chamber of Commerce and Industry	National
2	Confederation of Indian Industry	National
3	Healthcare Foundation of India	National

3. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

During the year under review, no adverse orders have been passed by any regulatory body relating to the anti-competitive conduct by the Company.

Name of Authority	Brief of the case	Corrective action taken
-	-	-
-	-	-
-	-	-

Leadership Indicators

1. Details of public policy positions advocated by the entity:

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.

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board(Annually/ Half Yearly/ Quarterly/Other- Please specify)	Web-Link if available
-	-	-	-	-	-
-	-	-	-	-	-

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
-	-	-	-	-	-

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No	Name of Project for which R & R is ongoing	State	District	No. of Project affected families (PAFs)	% of PAFs covered by R & R	Amount paid to PAFs in the FY (In ₹)
-	-	-	-	-	-	-

- Describe the mechanisms to receive and redress grievances of the community

The Company is not into manufacturing operations and as such its operations does not have an impact on the lives of local community from where it operates its diagnostics center

The Company further ensures that no polluting radiations are emitted in the atmosphere from the place where it carries on its operation by testing all its DG sets having KVA> 100 load from a State Pollution Control Board empaneled agency

- Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Directly sourced from MSMEs/Small Producers	₹ 86.34 Cr	₹ 95.99 Cr
Sourced directly from within the district and neighboring districts	The Company shall put in appropriate controls to extract such data from the system, going forward	

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact defined	Corrective action taken
Not Applicable	

- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No	State	Aspirational Districts	Amount spent (In ₹)
1	Andhra Pradesh	Vishakhapatnam	24,05,250 (Twenty four lakh, five thousand, two hundred and fifty only)

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No
- (b) From which marginalized /vulnerable groups do you procure?
- (c) What percentage of total procurement (by value) does it constitute?

Given the nature of the industry in which the Company operates, we deal with organized suppliers for quality purposes. However, going forward the Company shall strive to give preference to marginalized /vulnerable groups

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

The Company does not own or has acquired any intellectual property by way of traditional knowledge

S. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/ No)	Benefit shared (Yes/ No)	Basis of calculating benefit sharing
-	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of case	Corrective action taken
-	-	-

Details of beneficiaries of CSR Projects

S. No	CSR Project	No. of persons benefitted from CSR Projects	%age of beneficiaries from vulnerable and marginalized groups
1	Skill Development Training and Livelihood in Healthcare Sector (LPL Academy for Laboratory Medicine) at Lucknow, Meerut, Varanasi and Gorakhpur (UP), Bhopal, Jabalpur, Indore and Gwalior (MP), Jaipur and Udaipur (Rajasthan), Kolhapur and Nagpur (Maharashtra), Rohini (Delhi), Gurugram and Panipat (Haryana), Dehradun (Uttarakhand), Vishakhapatnam (Andhra Pradesh), Karim Nagar (Telangana) and Kolkata (West Bengal).	2,386	90%
2	Health Education on NCD in 3 Schools in Delhi	500	25%
3	Preventive Health Education, Awareness and Training at the community level in Kanpur and Agra districts (UP)	6,923	95%
4	Support to the State Governments of Himachal Pradesh, J&K, Andhra Pradesh and Assam to fight against COVID 19 by providing medical equipments as per their suggestion	Not Applicable	Not Applicable
5	Provided some medical equipments to India International Center (New Delhi) to support in the medical emergencies	Not Applicable	Not Applicable

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

All complaints received gets tagged in a Customer Relationship Management (CRM) Portal and a unique ID is generated, which is shared with the complainant as well for future references.

The complaint, thereafter, is discussed with the concerned internal stakeholders for effective closure to the satisfaction of the Consumer. The average span of closure is within. 48 hours

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

The Company provides diagnostic services and is not in the business of manufacturing/selling products and as such information on environmental and social parameters/safe usage or disposal is not applicable for it.

	As a percentage of turnover
Environment and Social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

- Number of consumer complaints in respect of following:

	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data Privacy	-	-		-	-	
Advertising	-	-		-	-	
Cyber-security	-	-		-	-	
Delivery of essential services	Please refer to Q-23 of Section A for complaints/queries received for delivery/non-delivery of essential services.					
Restrictive Trade Practices	-	-		-	-	
Unfair Trade Practices	-	-		-	-	
Other	-	-		-	-	

- Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	Not Applicable
Forced recalls	-	Not Applicable

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has policies and procedures on the capabilities of identification of critical assets, risks, controls which will protect, detect, respond and recover against cyber security events. The risks around data security and privacy are identified, evaluated and documented in its internal risk register.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There weren't any material issues arising relating to advertising, delivery of essential services; cyber security and data privacy of customers which required corrective action to be taken. Also there was no penalty imposed / action taken by any regulatory authority during the period under review.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The services of the Company can be accessed from its website (www.lalpathlabs.com), Mobile App or by calling on its Helpline number or by walking up to the nearest centre.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Banners pertaining to safe and responsible usage of the Company's services are visible on all our centers. Additionally, sample collection procedure related videos are periodically posted on the Company's YouTube Channel for the information of the public at large.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company informs its customers of any discontinuation/disruption by virtue of putting notifications on its Website for the awareness of public at large.

The Company is also bound under the SEBI (Listing Obligations and Disclosure Requirements) Regulations to promptly inform the Stock Exchanges about any material event which may have a bearing on the Company's operations.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company is in the business of providing Diagnostic Services and hence the display product information part is not applicable.

NPS, the Company's satisfaction survey is conducted after every transaction with the customer and results analysed to improve performance.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact -
- b. Percentage of data breaches involving personally identifiable information of customers

There are no instances of data breach that have been reported during the period under review.

Annexure-10

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 governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business.

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

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

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

II. BOARD OF DIRECTORS

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

As on March 31, 2022, the Board of Directors of your Company comprised of 10 Directors out of which 3 were Executive, 2 Non-Executive and 5 Independent Directors.

The names and categories of Directors on the Board during the Financial Year 2021-22, their attendance at Board Meetings held during the Financial Year 2021-22 and at the last Annual General Meeting and the number of Directorship and Committees Chairmanship/Membership held by them as on March 31, 2022 are given hereunder:

Name of Director	Category#	Attendance Particulars		Last AGM held on 29.07.2021	No. of other Directorships and Committee Memberships/ Chairmanships			Name of the Listed Companies where Company's Director is also a Director	
		Board Meetings Held	Attended		Other Director ships*	Committee Member ships**	Committee Chairmanships**	Name of Listed Company	Category of Directorship
(Hony) Brig. Dr. Arvind Lal ¹ (DIN: 00576638)	Chairman & PED	7	7	Yes	11	1	Nil	-	-
Dr. Vandana Lal (DIN: 00472955)	PED	7	7	Yes	4	Nil	Nil	-	-
Dr. Archana Lal Erdmann (DIN: 08432506)	PNE	7	7	Yes	1	Nil	Nil	-	-
Dr. Om Prakash Manchanda (DIN: 02099404)	ED	7	7	Yes	4	Nil	Nil	Kaya Limited	NEID
Mr. Rahul Sharma (DIN: 00956625)	NED	7	7	Yes	1	Nil	Nil	-	-
Mr. Anoop Mahendra Singh (DIN: 01963056)	NEID	7	7	Yes	Nil	Nil	Nil	-	-
Mr. Harneet Singh Chandhoke (DIN: 02758084)	NEID	7	7	Yes	Nil	Nil	Nil	-	-
Mr. Sunil Varma (DIN: 01020611)	NEID	7	7	Yes	1	Nil	Nil	-	-
Dr. Saurabh Srivastava (DIN: 00380453)	NEID	7	7	Yes	7	2	Nil	1. Newgen Software Technologies Limited 2. Info Edge (India) Limited	1. NEID 2. NEID
Mrs. Somya Satsangi ² (DIN: 07275574)	NEID	7	7	Yes	1	Nil	Nil	-	-

PED - Promoter Executive Director, PNE- Promoter Non -Executive Director, ED - Executive Director, NED - Non-Executive Director, NEID - Non Executive Independent Director.

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

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

¹ (Hony) Brig. Dr. Arvind Lal was re-appointed as Executive Chairman and Whole Time Director w.e.f. April 1, 2022.

² Mrs. Somya Satsangi was re-appointed as Non-Executive Independent Director w.e.f. February 8, 2022.

Number of Board Meetings

During the Financial Year 2021-22, seven (7) 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 21, 2021
- 2 July 30, 2021
- 3 August 12, 2021
- 4 October 8, 2021
- 5 October 26, 2021
- 6 February 10, 2022
- 7 March 28, 2022

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

The number of directorships, chairmanships and committee memberships of each director is in compliance with the relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The shareholding of Non-Executive Directors as on March 31, 2022 is as follows:

Name of Director	Nature of Directorship	No. of Equity Shares held
Dr. Archana Lal Erdmann	Non-Executive Director (Promoter Group)	18,43,751
Mr. Rahul Sharma ¹	Non-Executive Director	NIL
Mrs. Somya Satsangi	Independent Director	NIL
Mr. Anoop Mahendra Singh	Independent Director	NIL
Mr. Harneet Singh Chandhoke	Independent Director	NIL
Mr. Sunil Varma	Lead Independent Director	NIL
Dr. Saurabh Srivastava	Independent Director	NIL

¹Mr. Rahul Sharma, holds 1,41,983 fully vested stock options granted to him @ ₹ 311.30 in February 2015 under the ESOP 2010 Plan of the Company.

Familiarisation Programme for the Independent Directors

The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Further, periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are also provided to the Directors in the Board Meetings.

The details of Familiarisation Programme are disclosed on the website of the Company and can be accessed at <https://www.lalpathlabs.com/pdf/Familiarization-Programme-for-Independent-Directors.pdf>.

Core skills/expertise/competencies of Board of Directors

In context of your Company`s business, the Board of Directors have identified the following:

- i. Core skills/expertise/competencies for it to function effectively
- ii. Directors who possess such core skills/expertise/competencies

S. No	Skills/Expertise/Competencies	Brief Descriptions	Directors who possess these Skills/Expertise/Competencies
1	Communication and relationship Skills	Ability to communicate expectations and concerns in a constructive manner and develop meaningful interpersonal relationships with other Board members and executive management.	1. (Hony) Brig. Dr. Arvind Lal 2. Dr. Vandana Lal 3. Dr. Archana Lal Erdmann 4. Dr. Om Prakash Manchanda 5. Mr. Rahul Sharma 6. Mr. Anoop Mahendra Singh 7. Mr. Harneet Singh Chandhoke
2	Commitment and Engagement	Commitment to the Company, its culture, values and people; displaying a commitment to the Board and the role individual Directors play in ensuring overall Board effectiveness.	8. Mr. Sunil Varma 9. Dr. Saurabh Srivastava 10. Mrs. Somya Satsangi
3	Board and Governance skills	Experience and knowledge of Board governance practices. Clear understanding of roles and responsibilities of the Board of a Company and responsibilities as a Director of the Company.	1. (Hony) Brig. Dr. Arvind Lal 2. Dr. Vandana Lal 3. Dr. Om Prakash Manchanda 4. Mr. Rahul Sharma 5. Mr. Anoop Mahendra Singh 6. Mr. Harneet Singh Chandhoke 7. Mr. Sunil Varma 8. Dr. Saurabh Srivastava 9. Mrs. Somya Satsangi
4	Specialized Industry and Environmental Knowledge	Specialized knowledge of the industry and environment(s) in which the Company is doing business. Ability to assess and manage strategic and operational risks including but not limited to regulatory and legal risks.	1. (Hony) Brig. Dr. Arvind Lal 2. Dr. Vandana Lal 3. Dr. Archana Lal Erdmann 4. Dr. Om Prakash Manchanda 5. Mr. Anoop Mahendra Singh
5	Finance, Accounting and Financial Reporting and management of financial risk	In depth understanding of financial reporting and the accounting and control practices required to manage financial risks	1. (Hony) Brig. Dr. Arvind Lal 2. Dr. Om Prakash Manchanda 3. Mr. Rahul Sharma 4. Mr. Anoop Mahendra Singh 5. Mr. Sunil Varma 6. Dr. Saurabh Srivastava 7. Mrs. Somya Satsangi
6	Information Technology	Information Technology expertise with knowledge of current and emerging technologies.	1. Dr. Vandana Lal 2. Dr. Archana Lal Erdmann 3. Mr. Rahul Sharma 4. Mr. Anoop Mahendra Singh 5. Mr. Sunil Varma 6. Dr. Saurabh Srivastava 7. Mrs. Somya Satsangi

Confirmation of Independence

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

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

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 2021-22, four (4) meetings of Audit Committee were held on May 21, 2021, July 30, 2021, October 26, 2021 and February 10, 2022.

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

Name of Member	#Category	Position	No. of meetings attended
Mr. Sunil Varma	NEID	Chairman	4
Dr. Saurabh Srivastava	NEID	Member	4
Mr. Anoop Mahendra Singh	NEID	Member	4
Mrs. Somya Satsangi	NEID	Member	4

#NEID – Non Executive Independent Director.

Mr. Rajat Kalra, Company Secretary of the Company, acted as the Secretary of the Committee.

In addition to the members of Audit Committee, these meetings were also attended by Group Chief Financial Officer, Chief Executive Officer,

Internal and Statutory Auditors and other executives considered necessary for providing inputs to the Committee.

Terms of reference

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Director's Report in terms of clause I of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those

- stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
 8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
 9. Approval or any subsequent modification of transactions of the Company with related parties;
 10. Scrutiny of inter-corporate loans and investments;
 11. Valuation of undertakings or assets of the Company, wherever it is necessary;
 12. Evaluation of internal financial controls and risk management systems;
 13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 14. 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;
 15. Discussion with internal auditors of any significant findings and follow up there on;
 16. 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;
 17. 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;
 18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 19. To review the functioning of the whistle blower mechanism;

20. Approval of the appointment of the Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;
21. Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern;
22. Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc.
24. 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 2021-22, two (2) meetings of Nomination and Remuneration Committee were held on May 20, 2021 and October 26, 2021.

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

Name of Member	#Category	Position	No. of meetings attended
Mr. Anoop Mahendra Singh	NEID	Chairman	2
Mr. Harneet Singh Chandhoke	NEID	Member	2
Mr. Rahul Sharma	NED	Member	2
Dr. Saurabh Srivastava	NEID	Member	2
Mr. Sunil Varma	NEID	Member	2

#NEID - Non-Executive Independent Director;
NED - Non-Executive Director

Mr. Rajat Kalra, Company Secretary of the Company, acted as 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 and SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021.
- (viii) Framing suitable policies and procedures to ensure that there is no violation of securities

laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its employees, as applicable.

- (ix) Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- (x) To evaluation, prepare a description of the role and capabilities required of an independent director.
- (xi) Perform such other activities as may be delegated by the Board of Directors and/or statutorily prescribed under any law to be attended to by such Committee.

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out the annual evaluation of (i) its own performance; (ii) Individual Directors Performance (Including Independent Directors); (iii) Chairman of the Board; and (iv) Performance of all Committees of the Board, for the Financial Year 2021-22.

A structured questionnaire was prepared after taking into consideration inputs received from the Nomination and Remuneration Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors and Chairman 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 2021-22, two (2) meetings of Stakeholders Relationship Committee were held on May 20, 2021 and February 10, 2022.

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

Name of Member	#Category	Position	No. of meetings attended
Dr. Saurabh Srivastava	NEID	Chairman	2
Dr. Om Prakash Manchanda	ED	Member	2
Mr. Rahul Sharma	NED	Member	2
Mr. Sunil Varma	NEID	Member	2

#NEID - Non-Executive Independent Director;
ED - Executive Director; NED - Non-Executive Director

Mr. Rajat Kalra, Company Secretary of the Company acted as the Secretary of the Committee.

Terms of Reference:-

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

- Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints.
- Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time.
- Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.
- Review of adherence to the service standards adopted by the Company in respect of various

services being rendered by the Registrar & Share Transfer Agent.

- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Carrying out such other functions as may be specified by the Board from time to time.

Compliance Officer

Mr. Rajat Kalra, Company Secretary and 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, 2022 are given in the table below:

Particulars	No. of Complaints
Number of Shareholders' complaints outstanding as at April 1, 2021	0
Number of shareholders' complaints received during the Financial Year	192
Number of shareholders' complaints resolved to the satisfaction of shareholders during the Financial Year	187
Number of pending shareholders' complaints as at March 31, 2022	5

Those 5 complaints have been resolved as of date.

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 2021-22, two (2) meeting of Corporate Social Responsibility Committee were held on May 20, 2021 and March 28, 2022.

The composition of the Corporate Social Responsibility Committee and the attendance details of the members as on March 31, 2022 are given below: -

Name of Member	#Category	Position	No. of meetings attended
(Hony) Brig. Dr. Arvind Lal	Chairman & PED	Chairman	2
Mr. Harneet Singh Chandhoke	NEID	Member	2
Dr. Om Prakash Manchanda	ED	Member	2
Mr. Sunil Varma	NEID	Member	2

#PED - Promoter Executive Director; NEID - Non-Executive Independent 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) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of CSR Rules.
- (v) Such other activities as the Board of Directors may determine from time to time.

VII. RISK MANAGEMENT COMMITTEE

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

During the Financial Year 2021-22, 3 (three) meetings of Risk Management Committee were held on May 20, 2021, October 25, 2021 and March 28, 2022.

The composition of the Risk Management Committee as on March 31, 2022 is given below:

Name of Member	#Category	Position	No. of meetings attended
Mrs. Somya Satsangi	NEID	Chairperson	3
Mr. Anoop Mahendra Singh	NEID	Member	3
Mr. Rahul Sharma	NED	Member	3
Mr. Sunil Varma	NEID	Member	3
Mr. Bharath U	CEO	Member	3
Mr. Munender Soperna	CIO	Member	3

#NEID - Non-Executive Independent Director; NED - Non-Executive Director, CEO - Chief Executive Officer, CIO - Chief Information Officer.

Mr. Rajat Kalra, Company Secretary of the Company, acted as the Secretary of the Committee.

Terms of Reference:-

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

- (i) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- (v) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (vi) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

VIII. REMUNERATION OF DIRECTORS

The table below gives details of Remuneration of Directors for the Financial Year ended March 31, 2022.

(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	2,57,29,356	-	-	6,62,784	-	None, unless otherwise agreed by Board of Directors	2 years ¹	3 months	2,63,92,140 ⁴
Dr. Vandana Lal	2,06,39,064	-	-	5,31,455	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	2,11,70,519 ⁴
Dr. Archana Lal Erdmann	-	-	11,50,000	-	3,50,000	-	-	-	15,00,000
Dr. Om Prakash Manchanda ²	4,84,92,762 ³	57,00,000	-	19,25,316	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	5,61,18,078 ⁴
Mr. Rahul Sharma	-	-	11,50,000	-	7,00,000	-	-	-	18,50,000
Mr. Harneet Singh Chandhoke	-	-	11,50,000	-	6,00,000	-	-	-	17,50,000
Mr. Sunil Varma	-	-	14,37,500	-	21,00,000	-	-	-	35,37,500
Dr. Saurabh Srivastava	-	-	14,37,500	-	8,00,000	-	-	-	22,37,500
Mr. Anoop Mahendra Singh	-	-	14,37,500	-	8,50,000	-	-	-	22,87,500
Mrs. Somya Satsangi	-	-	14,37,500	-	7,50,000	-	-	-	21,87,500

¹Service Contract was valid till March 31, 2022 and has been renewed for a period of 5 years, with effect from April 1, 2022.

²Does not include a non-cash (stock related) perk of ₹ 13,22,60,554/- arising on exercise of Stock options.

³Includes payment of special onetime incentives.

⁴Does not include retiral benefits.

Dr. Om Prakash Manchanda was granted 41,344 stock options under the RSU, 2016 plan of the Company on April 8, 2021 to be vested over four (4) years and exercisable over a period of five (5) years from the date of vesting.

Criteria for making payments to Non-Executive Directors

Non-Executive Directors of the Company are paid sitting fees for attending Board/ Committee meetings and Commission within the limits prescribed under Companies Act, 2013.

The Nomination and Remuneration Policy of the Company, inter alia, disclosing detailed criteria of making payments to Non-Executive Directors of the Company is placed on Company's website under the web link https://www.lalpathlabs.com/pdf/brochures/Nomination_and_Remuneration_Policy_may.pdf

IX. GENERAL BODY MEETINGS

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

Financial Year	Date	Venue	No. of Special Resolutions set out at the AGM
2020-21	July 29, 2021 at 10:30 A.M.	Meeting convened through Video Conferencing	<ol style="list-style-type: none"> Increasing in the limit of Managerial Remuneration to enable Mr. Rahul Sharma, Non-Executive Director of the Company, to exercise the Stock Options granted under ESOP 2010 Scheme of the Company and Payment of remuneration to Mr. Rahul Sharma for the Financial Year 2021-22 exceeding 50% of the total remuneration payable to all Non-Executive Directors. Increase in the Commission payable to Non-Executive Directors of the Company, to a maximum of ₹ 20,00,000/- (Rupees Twenty Lakhs only) per annum per Director beginning from Financial Year 2021-22
2019-20	July 30, 2020 at 10:30 A.M.	Meeting convened through Video Conferencing	<ol style="list-style-type: none"> Re-designate (Hony) Brig. Dr. Arvind Lal (DIN: 00576638) by appointing him as Executive Chairman and Whole-Time Director of the Company, for a period of two (2) years commencing from April 01, 2020. Payment of remuneration to Mr. Rahul Sharma (DIN: 00956625), Non-Executive Director, for the financial year 2020-21 exceeding fifty percent of the total remuneration payable to all Non-Executive Directors
2018-19	August 12, 2019 at 10:30 AM	Air Force Auditorium, Subroto Park, New Delhi - 110 010	Nil

POSTAL BALLOT

During the Financial Year 2021-22, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") your Company passed the following Special resolutions through postal ballot via remote e-voting facility:

- Re-appointment of (Hony) Brig. Dr. Arvind Lal (DIN: 00576638) as Executive Chairman and Whole-Time Director of the Company, for a period of five (5) years commencing from April 01, 2022*
- Re-appointment of Mrs. Somya Satsangi (DIN: 07275574) as an Independent Director of the Company for a term of Five (5) years commencing from February 8, 2022*

Date of Postal Ballot Notice	October 26, 2021
Cut-off Date of register of members for dispatch of notice	October 22, 2021
Voting Period	November 3, 2021 at 9:00 A.M. to December 2, 2021 at 5:00 P.M.
Date of passing resolution	December 2, 2021
Date of declaration of result	December 3, 2021

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

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

(i) Re-appointment of (Hony) Brig. Dr. Arvind Lal (DIN: 00576638) as Executive Chairman and Whole-Time Director of the Company, for a period of five (5) years commencing from April 01, 2022

Category	Mode of voting	No. of shares held	No. of 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
		(1)	(2)	(3)=[(2)/(1)] *100	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Promoter and Promoter Group	E-Voting		4,60,31,135	100.00	4,60,31,135	0	100.00	0.00
	Poll	4,60,31,135	0	0.00	0	0	0	0
	Postal Ballot (if applicable)		0	0.00	0	0	0	0
	Total	4,60,31,135	4,60,31,135	100.00	4,60,31,135	0	100.00	0.00
Public-Institutions	E-Voting		2,15,53,052	79.92	1,99,49,623	16,03,429	92.56	7.44
	Poll	2,69,67,616	0	0.00	0	0	0	0
	Postal Ballot (if applicable)		0	0.00	0	0	0	0
	Total	2,69,67,616	2,15,53,052	79.92	1,99,49,623	16,03,429	92.56	7.44
Public- Non Institutions	E-Voting		7,65,195	7.40	7,64,978	217	99.97	0.03
	Poll	1,03,46,126	0	0.00	0	0	0	0
	Postal Ballot (if applicable)		0	0.00	0	0	0	0
	Total	1,03,46,126	7,65,195	7.40	7,64,978	217	99.97	0.03
Total	Total	8,33,44,877	6,83,49,382	82.01	6,67,45,736	16,03,646	97.65	2.35

(ii) Re-appointment of Mrs. Somya Satsangi (DIN: 07275574) as an Independent Director of the Company for a term of Five (5) years commencing from February 8, 2022

Category	Mode of voting	No. of shares held	No. of 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
		(1)	(2)	(3)=[(2)/(1)] *100	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Promoter and Promoter Group	E-Voting		4,60,31,135	100.00	4,60,31,135	0	100.00	0.00
	Poll	4,60,31,135	0	0.00	0	0	0	0
	Postal Ballot (if applicable)		0	0.00	0	0	0	0
	Total	4,60,31,135	4,60,31,135	100.00	4,60,31,135	0	100.00	0.00
Public-Institutions	E-Voting		2,15,53,052	79.92	2,14,45,647	1,07,405	99.50	0.50
	Poll	2,69,67,616	0	0.00	0	0	0	0
	Postal Ballot (if applicable)		0	0.00	0	0	0	0
	Total	2,69,67,616	2,15,53,052	79.92	2,14,45,647	1,07,405	99.50	0.50
Public- Non Institutions	E-Voting		7,65,195	7.40	7,64,331	864	99.89	0.11
	Poll	1,03,46,126	0	0.00	0	0	0	0
	Postal Ballot (if applicable)		0	0.00	0	0	0	0
	Total	1,03,46,126	7,65,195	7.40	7,64,331	864	99.89	0.11
Total	Total	8,33,44,877	6,83,49,382	82.01	6,82,41,113	1,08,269	99.84	0.16

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:

Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014, ("Rules") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company provided e-voting facility to its shareholders to cast their votes electronically through e-voting platform by CDSL. The Company completed dispatch of Postal Ballot Notice dated October 26, 2021 on November 1, 2021 to all the members whose names appeared in the Register of Members / List of Beneficial Owners maintained by the Company/Depositories respectively as at close of business hours on Friday, October 22, 2021, (the "Cut-off date") and whose e-mail addresses were registered with the Company / Depositories. The e-Voting commence at 9:00 A.M. (IST) on Wednesday, November 3, 2021 and ended on Thursday, December 2, 2021 at 5:00 P.M. (IST). The Company also published a notice in Newspapers regarding completion of dispatch of postal ballot notice. The scrutinizer submitted the report after completion of the scrutiny and the results of voting by postal ballot were then announced. The voting results were communicated to the Stock Exchanges besides being displayed on the website of the Company, i.e. www.lalpathlabs.com and on the website of CDSL at www.evotingindia.com.

X. MEANS OF COMMUNICATION

The quarterly/half-yearly/yearly results are intimated to the Stock Exchanges immediately after the Board Meeting at which they are approved. The results of the Company are also published in at least one 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 and sent to the Stock Exchanges as well.

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

XI. GENERAL SHAREHOLDER INFORMATION

a. Corporate Identification Number:
L74899DL1995PLC065388

b. Annual General Meeting:

The 28th Annual General Meeting of the Company is scheduled to be held as under:-

Date and Time June 30, 2022 and 10:30 am (IST)

Venue The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2022 and May 5, 2020 and thus venue requirements are not applicable for this AGM. For other details please refer to the Notice of this AGM.

c. Financial Year

The Company follows Financial Year from April 1 to March 31. The Current Financial Year of the Company is April 1, 2021 to March 31, 2022.

d. Final Dividend Payment: On or before July 29, 2022.

e. Listing on Stock Exchanges:

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

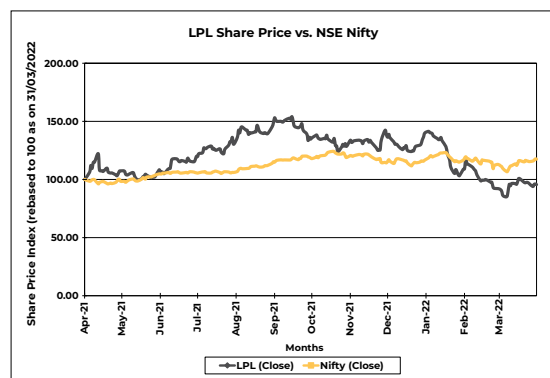
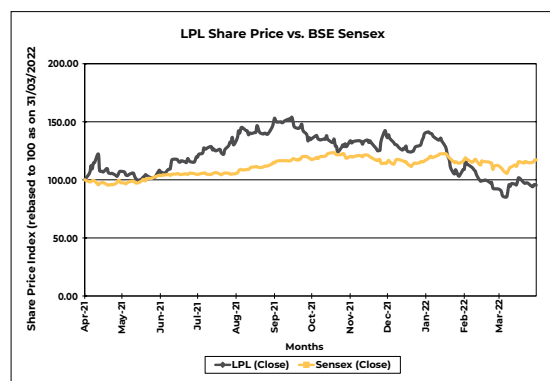
Listing fees for the Financial Year 2021-22 & 2022-23 have been paid to both the Stock Exchange.

f. Market Price Data & Share price performance:

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

Month	BSE Limited		National Stock Exchange (NSE)	
	High	Low	High	Low
Apr-21	3,398.95	2,666.00	3,399.30	2,665.95
May-21	2,970.00	2,630.65	2,973.35	2,632.05
Jun-21	3,293.25	2,852.95	3,294.75	2,850.10
Jul-21	4,047.95	3,253.25	4,050.00	3,252.00
Aug-21	4,079.00	3,573.45	4,083.00	3,571.15
Sep-21	4,243.00	3,571.15	4,245.50	3,573.20
Oct-21	3,800.25	3,286.90	3,800.00	3,285.10
Nov-21	3,943.95	3,301.00	3,944.70	3,300.00
Dec-21	3,876.95	3,310.20	3,878.95	3,310.00
Jan-22	3,890.00	2,784.45	3,893.00	2,781.05
Feb-22	3,270.30	2,474.10	3,275.00	2,465.55
Mar-22	2,850.00	2,265.60	2,842.65	2,263.40

g. Company's equity share price comparison with BSE Sensex and NSE Nifty:



h. Registrar and Share Transfer Agent:

Link Intime India Private Limited
Noble Heights, 1st Floor,
Plot NH 2, C-1 Block LSC,
Near Savitri Market, Janakpuri,
New Delhi - 110058,
Contact No. +91 11 49411000
Email id delhi@linkintime.co.in

i. Share Transfer System:

SEBI has mandated that, effective April 1, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. The Company obtains from a Company Secretary in practice, yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and files a copy of the same with the Stock Exchanges.

j. Distribution of shareholding as on March 31, 2022:

a) Distribution of Shareholding

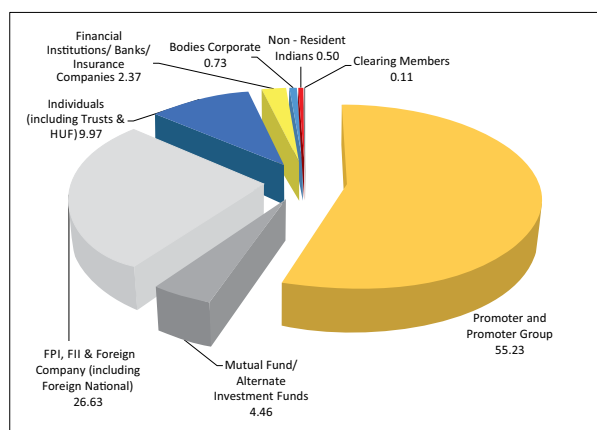
Slab	Shareholders Number	% to total	No. of Shares	% to total
1 - 500	1,75,673	98.95	47,73,215	5.73
501 - 1,000	941	0.53	6,69,878	0.80
1,001 - 2,000	366	0.21	5,05,367	0.61
2,001 - 3,000	130	0.07	3,20,973	0.39
3,001 - 4,000	46	0.03	1,62,162	0.19
4,001 - 5,000	45	0.02	2,00,499	0.24
5,001 - 10,000	85	0.05	5,94,315	0.71
10,001 - Above	244	0.14	7,61,84,68	91.33
Total	1,77,530	100.00	8,33,44,877	100.00

b) Categories of Equity Shareholders as on March 31, 2022

Sl. No.	Category	No. of Shares held	% of Share holding
1	Promoter and Promoter Group	4,60,31,135	55.23
2	Mutual Fund/ Alternate Investment Funds	37,16,371	4.46
3	FPI, FII & Foreign Company (including Foreign National)	2,21,97,386	26.63

Sl. No.	Category	No. of Shares held	% of Share holding
4	Individuals (including Trusts & HUF)	8,310,884	9.97
5	Financial Institutions/ Banks/ Insurance Companies	1,974,019	2.37
6	Bodies Corporate	604,294	0.73
7	Non - Resident Indians	415,035	0.50
8	Clearing Members	95,753	0.11
Total		83,344,877	100.00

Graphic presentation of the Shareholding pattern as on March 31, 2022



k. Dematerialisation of Shares and Liquidity:

The shares of the Company are compulsorily traded in dematerialized form. All equity shares except 1 (One) have been dematerialized as on March 31, 2022. The equity shares of the Company are actively traded at BSE & NSE.

l. Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments:

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

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

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

n. Plant Locations:

The Company does not have any manufacturing or processing plants.

o. Address for Correspondence:

Registered Office	Corporate Office
Dr. Lal PathLabs Limited Block E, Sector-18, Rohini, New Delhi - 110085 Ph: +91-11-4988-5050 E-mail: cs@lalpathlabs.com	Dr. Lal PathLabs Limited 12th Floor, Tower-B, SAS Tower, Medicity, Sector-38, Gurugram - 122001 Ph: +91 124 3016500 E-mail: cs@lalpathlabs.com

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

p. List of Credit Ratings:

Following is the list of credit ratings obtained by the Company from CRISIL during the Financial Year 2021-22.

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

There was no revision in credit ratings during the Financial Year 2021-22.

XII. DISCLOSURES

a. Related Party Transactions (RPTs)

The Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. Transactions with related parties are being disclosed in Note No. 50 to the Standalone Financial Statements of the Company 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 which can be accessed at the Company's website through the following link: <https://www.lalpathlabs.com/pdf/Policy-on-Related-Party-Transactions.pdf>

b. Non-Compliances by the Company

During the last three years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for non-compliance of any matter related to capital markets.

c. Whistle Blower Policy

The Company is committed to conduct its business in accordance with applicable laws, rules and regulations. The Company promotes ethical behaviour in its operations and has a Whistle Blower Policy which is overseen by the Audit Committee. Under the Whistle Blower Policy, employees and stakeholders are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee.

The policy on Whistle Blower Policy has been posted on the website of the Company and can be accessed through the following link: <https://www.lalpathlabs.com/pdf/Whistle-Blower-Policy.pdf>

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

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

e. Subsidiary Companies

Your Company, completed acquisition of 100% stake in Suburban Diagnostics (India) Private Limited (SDIPL) on November 12, 2021. In terms of the provisions of Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SDIPL become an Material Subsidiary of the Company and accordingly necessary compliances with respect to a material subsidiary have been carried out.

The Board of Directors of the Company have also formulated a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company and can be accessed through the following link: <https://www.lalpathlabs.com/pdf/Policy-for-determining-Material-Subsidiaries.pdf>

f. Practicing CS Certification

A certificate from a Company Secretary in Practice that as on March 31, 2022, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company by the Securities and Exchange

Board of India/Ministry of Corporate Affairs or any such statutory authority is annexed to this Report as **Annexure - A**.

g. Statutory Auditor Fee

The total fee paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which Statutory Auditor is a part, for all the services during the Financial Year 2021 -22 is ₹ 23.37 million.

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

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

Status of Complaints under the sexual harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013 during the Financial Year 2021-22 is detailed below:

Particulars	Number of Complaints
Compliant pending at beginning of Financial Year	3*
Complaint received during Financial Year	1
Compliant resolved during Financial Year	4
Compliant pending at end of Financial Year	0

**Due to inadvertence, the number of cases resolved was mentioned as five (5) instead of four (4) in the last year Corporate Governance Report. Accordingly, the number of pending cases at the end of the Financial Year 2020-21 was three (3) instead of two (2).*

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

The Company is in compliance with the applicable corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015. Further, securities of the Company have not been suspended for trading at any point of time during the financial year ended March 31, 2022.

j. Recommendation of Committee(s) of the Board of Directors

During the year, all recommendations of Committees of Board of Directors, which are mandatorily required, were accepted by the Board.

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

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

l. 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.

m. 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.

n. 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 on May 20, 2021 without the presence of Non-Independent Directors and wherein all Independent Directors were present in person.

The Company Secretary was an invitee to the said meeting and facilitated the conduct of the meeting.

o. 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 2021-22, hence, the requirement of maintaining a Chairman's Office was not applicable to the Company.

ii. Shareholder Rights

The quarterly / half yearly / yearly financial results of your Company are published in widely circulated newspapers.

iii. Audit qualifications

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

iv. Reporting of Internal Auditor

The Internal Auditors of the Company i.e. M/s. Ernst & Young LLP (EY) directly reports to the Audit Committee of the Company.

XIII. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management personnel of the Company. The Code has also been posted on the website of the Company.

All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct for the Financial Year 2021-22.

An annual declaration signed by the Chief Executive Officer of the Company affirming compliance to the Code by the Board of Directors and the Senior Management is annexed to this Report as **Annexure - B**. The Code of Conduct is available on website of the Company and can be accessed through the following link: <https://www.lalpathlabs.com/pdf/brochures/Code-of-Conduct-for-Directors-and-Senior-Management.pdf>

XIV. CEO/ CFO CERTIFICATION

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

XV. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a

certificate on Corporate Governance issued by Company Secretary in Practice is annexed to this Report as **Annexure - D**.

XVI. SHAREHOLDERS SATISFACTION SURVEY

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

The feedback in the form of a questionnaire is attached along with Notice of convening 28th Annual General Meeting.

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

Annexures to Report on Corporate Governance for the Financial Year Ended March 31, 2022

Annexure - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dr. Lal PathLabs Limited and having CIN L74899DL1995PLC065388 and having registered office at Block E, Sector-18, Rohini, New Delhi - 110 085 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, or the Ministry of Corporate Affairs or any such other statutory authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of 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. F6047

Certificate of Practice No. 6153

UDIN: F006047D000330987

Date: May 17, 2022

Place: Delhi

Annexure - B

DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Bharath U, Chief Executive Officer 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, 2022.

Date: May 17, 2022

Place: Gurugram

Bharath U
Chief Executive Officer

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	(Hony) Brig. Dr. Arvind Lal	00576638	14/02/1995
2.	Dr. Vandana Lal	00472955	14/02/1995
3.	Dr. Archana Lal Erdmann	08432506	17/05/2019
4.	Dr. Om Prakash Manchanda	02099404	01/02/2011
5.	Mr. Sunil Varma	01020611	21/08/2015
6.	Mr. Anoop Mahendra Singh	01963056	21/08/2015
7.	Dr. Saurabh Srivastava	00380453	21/08/2015
8.	Mr. Rahul Sharma	00956625	22/07/2005
9.	Mr. Harneet Singh Chandhoke	02758084	21/08/2015
10.	Mrs. Somya Satsangi	07275574	08/02/2019

Annexure - C

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 2021-22 and that to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading.
 - II. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee:
 - 1) significant changes in the internal control over financial reporting during this year;
 - 2) significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements; and
 - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Bharath U **Ved Prakash Goel**
Chief Executive Officer **Group Chief Financial Officer**

Date: May 17, 2022
Place: Gurugram

Annexure - D

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, 2022 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (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.

Date: May 17, 2022
Place: Delhi

For PDS & CO.
Company Secretaries
Prashant Kumar Balodia
(Partner)
Membership No. 6047
Certificate of Practice No. 6153
UDIN: F006047D000331020

Independent Auditor's Report

To The Members of Dr. Lal PathLabs Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Dr. Lal PathLabs Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition – Reliance on information technology and system for controls over pricing master file</p> <p>We identified reliance on information technology and system for controls over pricing master file as a key audit matter due to likelihood of material misstatement in revenue recognition, resulting from unauthorised alterations to the pricing master file, on account of high volume of patient transactions.</p> <p>Refer to note 2.3 and note 27 to the standalone Ind AS financial statements.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • Obtained an understanding of and assessed and tested the design, implementation and operating effectiveness of relevant internal controls relating to authorisation of alterations to the pricing master file. • Tested the controls around the access rights to the price masters by involving information technology specialists. • Tested the automated controls for auto pick of the prices defined in the system based on the tests selected. • Tested the reports of changes in the pricing master files for completeness and accuracy by involving information technology specialists and for the selected samples of alterations during the year, verified that the changes were authorised. • Selected samples of the invoices and verified the billed price in respect thereof, to the underlying agreements.

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Impairment of investment in Suburban Diagnostics (India) Private Limited ('SDIPL'): (Refer to note 6 to the standalone financial statements)</p> <p>During the year the Company has acquired 100% stake in SDIPL which is evaluated for impairment if any by the management.</p> <p>We considered this as key audit matter due to the significance of the investment amount and the Company's assessment of impairment of investment using value-in-use approach which involves significant estimations and judgements with respect to expected growth rates (including terminal growth rate) and discount rates to prepare the forecasted financial information.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> Evaluated the design, implementation and tested operating effectiveness of internal controls relating to review of impairment of the investment in SDIPL performed by the Management; Validated the underlying cash flow forecasts prepared by the Company's management in their valuation and compared the same with the Company's approved budgets; With the involvement of our valuation experts, verified the mathematical accuracy of the model and evaluated the appropriateness of the key assumptions viz. discount rate, terminal growth rate and methodology used; Evaluated the sensitivity analysis performed by the management on the projections by varying key assumptions such as discount and growth rates (including terminal growth rate); We have also assessed the adequacy of the related disclosure to be made in the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including annexures to Director's Report, Business Responsibility Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 37 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer note 53 to the standalone financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the

Company - Refer note 54 to the standalone financial statements.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 49 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 49 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year and until

the date of this report is in compliance with section 123 of the Act.

As stated in note 19 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central

Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN 22087104AJCRM2127)

Place: New Delhi
Date: 17 May, 2022

“Annexure A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Dr. Lal PathLabs Limited (“the Company”) as of 31 March, 2022 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 management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Company’s 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, 2022, 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)

(UDIN 22087104AJCRM2127)

Place: New Delhi

Date: 17 May, 2022

“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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress, and right-of-use assets so as 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. Pursuant

to the program, certain property, plant and equipment, capital work-in-progress, and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (i) (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed/ conveyance deed/ lease deeds/ occupancy certificate provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	As at the balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held*	Reason for not being held in name of Company*
	Gross carrying value (₹ Million)	Carrying value in the financial statements (₹ Million)				
Flat No 4A, First Floor, 11 B.T. Road, Baranagar, Parganas (north), Kolkatta	0.18	0.10	Dr. Lal PathLabs Private Limited	No	1 April, 2013	These properties were acquired pursuant to the amalgamation of Medicave Diagnostic Centre Private Limited with the Company with effect from 21 May, 2015 with the appointed date being 1 April, 2013. The title of these properties was mutated in the name of Dr. Lal PathLabs Private Limited on 19 February, 2018.
Flat No 4, First Floor, 11 B.T. Road, Baranagar, Parganas (north), Kolkatta	0.18	0.10	Dr. Lal PathLabs Private Limited	No	1 April, 2013	

Description of property	As at the balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held*	Reason for not being held in name of Company*
	Gross carrying value (₹ Million)	Carrying value in the financial statements (₹ Million)				
Flat no. 3, Premises no. 11, Mouza Nainan, B.T. Road, Baranagar along with Garage	0.18	0.10	Dr. Lal PathLabs Private Limited	No	1 April, 2013	Subsequently, the Company was converted into a public company and the Registrar of Companies NCT of Delhi & Haryana issued a fresh certificate of incorporation w.e.f 19 August, 2015.
Room No 7 & 8, 48B, B.T. Road, Baranagar, Parganas (north), Kolkatta	0.10	0.05	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
Room No 11 & 13, 48B, B.T. Road, Baranagar, Parganas (north), Kolkatta	0.07	0.04	Dr. Lal PathLabs Private Limited	No	1 April, 2013	

In respect of immovable properties that have been taken on lease (where the Company is the lessee) and disclosed in the standalone financial statements as right-of use asset as at the balance sheet date, the lease agreements are duly executed in favour of the Company, except for the following:

Description of property	As at the balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held*	Reason for not being held in name of Company*
	Gross carrying value (₹ Million)	Carrying value in the financial statements (₹ Million)				
Leasehold building situated at Sector 18, Block E, Rohini, Delhi.	130.27	70.28	Held in the name of Dr. Lal PathLabs Private Limited	No	8 April, 2005	The lease deed was signed on 8 April, 2005 in the name of Dr. Lal PathLabs Private Limited. Subsequently, the Company was converted into a public company and the Registrar of Companies NCT of Delhi & Haryana issued a fresh certificate of incorporation w.e.f August 19, 2015.

- (i) (d) The Company has not revalued any of its property, plant, and equipment (including right-of-use assets) and intangible assets during the year.
- (i) (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable

intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.

- (ii) (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores,

in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of fixed deposits. The Company has not created security for working capital facilities amounting to ₹3,060 million. In our opinion and according to the information and explanations given to us, the no returns or statements were required to be filed by the Company with such banks till the date of this report.

(iii) The Company has made investments in companies and granted loans to other parties during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

(₹ Million)	
Loans	
A. Aggregate amount granted / provided during the year:	
- Others	15.22
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Others	10.44

(b) The investments made and the terms and conditions of the grant of all the above mentioned loans provided, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation and no interest is charged based on stipulation in respect thereof.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any

loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

The Company has not made investments in firms, Limited Liability Partnerships or any other parties and has not provided any guarantee or security, and granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and has not granted any loans to companies, firms and Limited Liability Partnerships during the year.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(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 books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a slight delay in a few cases in respect of remittance of Provident Fund dues.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-

tax, duty of Custom, cess, and other material statutory dues in arrears as at 31 March, 2022 for a period of more than six months from the date they became payable.

(vii) (b) There are no statutory dues in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company which have not been deposited on account of disputes as on 31 March, 2022.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible

debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 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) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither

give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal

Partner

Place: New Delhi

Date: 17 May, 2022

(Membership No. 87104)

(UDIN: 22087104AJCRVM2127)

Standalone Balance Sheet

as at 31 March, 2022

(in ₹ million, unless otherwise stated)

Particulars	Note no.	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3a	1,667.84	1,432.71
(b) Capital work-in-progress	3a	144.48	55.14
(c) Right-of-use assets	3b	1,846.33	1,398.70
(d) Goodwill	4	10.80	10.80
(e) Other intangible assets	5	176.30	158.47
(f) Intangible assets under development	5	-	34.78
(g) Financial assets			
(i) Investments	6	10,690.42	1,204.03
(ii) Loans	7	1.07	0.70
(iii) Other financial assets	8	146.76	54.16
(h) Non-current tax assets (net)	9	177.23	205.34
(i) Deferred tax assets (net)	10	300.12	269.15
(j) Other non-current assets	11	13.98	13.79
Total non-current assets		15,175.33	4,837.77
2 Current assets			
(a) Inventories	12	397.15	389.37
(b) Financial assets			
(i) Investments	13	-	502.14
(ii) Trade receivables	14	666.49	635.37
(iii) Cash and cash equivalents	15a	3,490.09	2,316.65
(iv) Bank balances other than (iii) above	15b	1,915.99	6,569.68
(v) Loans	16	9.37	7.92
(vi) Other financial assets	17	324.50	365.13
(c) Other current assets	18	160.28	106.74
Total current assets		6,963.87	10,893.00
Total ASSETS		22,139.20	15,730.77
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	19	833.45	833.45
(b) Other equity	20	13,931.24	11,337.40
Total Equity		14,764.69	12,170.85
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	1,666.67	-
(ii) Other financial liabilities		1,209.64	1,037.42
Total non-current liabilities		2,876.31	1,037.42
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	1,787.56	-
(ia) Lease liabilities		387.16	376.26
(ii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		73.45	70.60
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,160.04	1,285.12
sub-total		1,233.49	1,355.72
(iii) Other financial liabilities	24	566.70	362.66
(b) Provisions	25	203.77	158.75
(c) Current tax liabilities (net)	9	29.98	49.09
(d) Other current liabilities	26	289.54	220.02
Total current liabilities		4,498.20	2,522.50
Total Liabilities		7,374.51	3,559.92
Total EQUITY AND LIABILITIES		22,139.20	15,730.77
See accompanying notes to the Standalone Financial Statements	1-55		

In terms of our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: New Delhi
Date: 17 May, 2022

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Executive Chairman]
Place: Gurugram
Date: 17 May, 2022

Ved Prakash Goel
[Chief Financial Officer]
Place: Gurugram
Date: 17 May, 2022

Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 17 May, 2022

Dr. Om Prakash Manchanda
(DIN: 02099404)
[Managing Director]
Place: Gurugram
Date: 17 May, 2022

Rajat Kalra
[Company Secretary]
Place: Gurugram
Date: 17 May, 2022

Standalone Statement of Profit and Loss

for the year ended 31 March, 2022

(in ₹ million, unless otherwise stated)

Particulars	Note no.	Year ended 31 March, 2022	Year ended 31 March, 2021
1 Income			
(a) Revenue from operations	27	18,727.06	14,905.55
(b) Other income	28	530.16	512.67
Total income		19,257.22	15,418.22
2 Expenses			
(a) Cost of materials consumed	29	4,463.19	3,739.00
(b) Employee benefits expense	30	3,202.23	2,574.38
(c) Finance costs	31	285.26	148.25
(d) Depreciation and amortisation expense	32	753.13	697.79
(e) Fees to collection centers/channel partners		2,736.97	2,007.08
(f) Other expenses	33	3,222.50	2,511.29
Total expenses		14,663.28	11,677.79
3 Profit before tax		4,593.94	3,740.43
4 Tax expense			
(a) Current tax	34	1,180.07	984.31
(b) Deferred tax	10	(26.67)	(44.94)
Total tax expense		1,153.40	939.37
5 Profit for the year (A)		3,440.54	2,801.06
6 Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit obligations		(17.08)	(9.53)
- Income tax in relation to items that will not be reclassified to profit	10	4.30	2.40
Total of other comprehensive Income/(Loss) (B)		(12.78)	(7.13)
7 Total comprehensive income for the year (A+B)		3,427.76	2,793.93
8 Earnings per equity share	35		
- Basic earnings per share (Face value of ₹ 10 each)		41.61	33.93
- Diluted earnings per share (Face value of ₹ 10 each)		41.48	33.85
See accompanying notes to the Standalone Financial Statements	1-55		

In terms of our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: New Delhi
Date: 17 May, 2022

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Executive Chairman]
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Dr. Om Prakash Manchanda
(DIN: 02099404)
[Managing Director]
Place: Gurugram
Date: 17 May, 2022

Rajat Kalra
[Company Secretary]
Place: Gurugram
Date: 17 May, 2022

Standalone Cash Flow Statement

for the year ended 31 March, 2022

(in ₹ million, unless otherwise stated)

Particulars	Note no.	Year ended 31 March, 2022	Year ended 31 March, 2021
Cash flows from operating activities			
Profit for the year		3,440.54	2,801.06
Adjustments for :			
Tax expense		1,153.40	939.37
Interest income		(448.00)	(426.75)
Dividend income from a subsidiary company		(16.00)	(16.00)
Gain on sale or fair valuation of investments		(20.23)	(43.70)
Provision for impairment of trade receivables and advances written back		(36.96)	-
Surrender value of keyman insurance policy		(4.95)	(5.42)
Sundry balances written back		-	(5.27)
(Profit)/Loss on disposal/discard of property, plant and equipment		(2.69)	1.77
Expense recognised in respect of employee share based compensation		315.13	203.74
Finance cost		285.26	148.25
Depreciation and amortisation expense		753.13	697.79
Provision for impairment of trade receivables and advances		-	39.39
Provision for impairment of non current investment in subsidiary		48.31	-
Bad debts and advances written off (net)		8.28	0.62
Security deposits amortisation		7.73	6.09
Remeasurement of the defined benefit obligation		(17.08)	(9.53)
Operating profit before working capital and other changes		5,465.87	4,331.41
Changes in working capital:			
Adjustment for (increase)/decrease in operating assets:			
(Increase)/decrease in inventories		(7.78)	160.64
(Increase)/decrease in trade receivables		(2.44)	(172.86)
(Increase)/decrease in loans		(1.82)	0.68
(Increase)/decrease in other financial assets		(28.34)	(23.17)
(Increase)/decrease in other assets		(45.92)	48.09
Adjustment for increase/(decrease) in operating liabilities:			
Increase/(decrease) in trade payables		(122.23)	233.54
Increase/(decrease) in other financial liabilities		37.29	32.97
Increase/(decrease) in provisions		45.02	14.51
Increase/decrease in other liabilities		69.52	78.92
Cash generated from operations		5,409.17	4,704.73
Income taxes paid		(1,171.07)	(971.16)
Net cash generated from operating activities (a)		4,238.10	3,733.57

Standalone Cash Flow Statement

for the year ended 31 March, 2022

(in ₹ million, unless otherwise stated)

Particulars	Note no.	Year ended 31 March, 2022	Year ended 31 March, 2021
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(630.26)	(280.47)
Proceeds from disposal of property, plant and equipment		3.87	0.81
Payments for purchase of other intangible assets		(54.43)	(69.69)
Dividend received from a subsidiary company		16.00	16.00
Interest received		478.27	385.46
Net cash outflow for investment in subsidiaries		(9,417.41)	(265.20)
Payments for purchase of investments in mutual funds		(3,161.34)	(3,553.29)
Proceeds from sale of investments in mutual funds		3,683.71	4,683.77
Bank deposits placed with the banks		(4,194.20)	(8,500.32)
Bank deposits with banks encashed		8,790.75	5,631.01
Net cash used in investing activities (b)		(4,485.04)	(1,951.92)
Cash flows from financing activities			
Proceeds from exercise of share options		1.38	1.49
Repayment of application money received at the time of IPO		-	(0.01)
Proceeds from borrowings		3,454.23	-
Interest paid		(101.22)	(0.23)
Repayment of lease liability		(593.01)	(219.83)
Interest paid on lease liability		(184.04)	(148.02)
Dividend paid on equity shares including dividend tax		(1,156.96)	(990.83)
Net cash used in financing activities (c)		1,420.38	(1,357.43)
Net increase in cash and cash equivalents (a+b+c)		1,173.44	424.22
Cash and cash equivalents at the beginning of the year	15a	2,316.65	1,892.43
Cash and cash equivalents at the end of the year	15a	3,490.09	2,316.65
Components of cash and cash equivalents			
Cash on hand		10.17	12.26
Balance with scheduled banks:			
- on current accounts		48.49	101.15
- on cash credit accounts		21.87	66.12
- deposits with maturity of less than 3 months		3,409.56	2,137.12
Cash and cash equivalents in Cash Flow Statement	15a	3,490.09	2,316.65
See accompanying notes to the Standalone Financial Statements	1-55		

In terms of our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: New Delhi
Date: 17 May, 2022

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Executive Chairman]
Place: Gurugram
Date: 17 May, 2022

Ved Prakash Goel
[Chief Financial Officer]
Place: Gurugram
Date: 17 May, 2022

Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 17 May, 2022

Dr. Om Prakash Manchanda
(DIN: 02099404)
[Managing Director]
Place: Gurugram
Date: 17 May, 2022

Rajat Kalra
[Company Secretary]
Place: Gurugram
Date: 17 May, 2022

Standalone Statement of Changes in Equity

for the year ended 31 March, 2022

a. Equity share capital

Particulars	(in ₹ million, unless otherwise stated)	Amount
Balance as at 1 April, 2020		833.45
Add/(Less): Changes in equity share capital due to prior period errors		-
Restated balance as at 1 April, 2020		833.45
Equity share capital issued against share options		-
Balance as at 31 March, 2021		833.45
Balance as at 1 April, 2021		833.45
Add/(Less): Changes in equity share capital due to prior period errors		-
Restated balance as at 1 April, 2021		833.45
Equity share capital issued against share options		-
Balance as at 31 March, 2022		833.45

b. Other equity

Particulars	Reserves and surplus						Total other equity
	Capital reserve	Capital redemption reserve account	Securities premium	General reserve	Share options outstanding account	Treasury shares	Retained earnings
Balance as at 1 April, 2020	(33.00)	4.45	927.95	606.73	328.83	(241.23)	7,735.64
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	(33.00)	4.45	927.95	606.73	328.83	(241.23)	7,735.64
Profit for the year	-	-	-	-	-	-	2,801.06
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	(7.13)
Total comprehensive income for the year	-	-	-	-	-	-	2,793.93
Movement during the year on account of issue of equity shares	-	-	-	-	-	-	-
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(991.13)
Share options exercised during the year (Refer to note 20 and 45)	-	-	-	94.86	(134.57)	41.20	-
Employee share based compensation expense (Refer to note 30)	-	-	-	-	203.74	-	-
Balance as at 31 March, 2021	(33.00)	4.45	927.95	701.59	398.00	(200.03)	9,538.44
Balance as at 1 April, 2021	(33.00)	4.45	927.95	701.59	398.00	(200.03)	11,337.40
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	(33.00)	4.45	927.95	701.59	398.00	(200.03)	11,337.40

Standalone Statement of Changes in Equity

for the year ended 31 March, 2022

Particulars		Reserves and surplus						Total other equity	
		Capital reserve	Capital redemption reserve account	Securities premium	General reserve	Share options outstanding account	Treasury shares		Retained earnings
Profit for the year		-	-	-	-	-	-	3,440.54	3,440.54
Other comprehensive income/ (loss) for the year, net of income tax		-	-	-	-	-	-	(12.78)	(12.78)
Total comprehensive income for the year		-	-	-	-	-	-	3,427.76	3,427.76
Movements during the year on account of issue of equity shares		-	-	-	-	-	-	-	-
Payments of dividends (Refer to note 20)		-	-	-	-	-	-	(1,157.05)	(1,157.05)
Share options exercised during the year (Refer to note 20 and 45)		-	-	-	108.42	(145.35)	38.31	-	1.38
Employee share based compensation expense (Refer to note 30)		-	-	-	-	321.75	-	-	321.75
Balance as at 31 March, 2022		(33.00)	4.45	927.95	810.01	574.40	(161.72)	11,809.15	13,931.24
See accompanying notes to the Standalone Financial Statements		1-55							

In terms of our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: New Delhi
Date: 17 May, 2022

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

(Hony) Brig. Dr. Arvind Lal
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[Executive Chairman]
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Dr. Om Prakash Manchanda
(DIN: 02099404)
[Managing Director]
Place: Gurugram
Date: 17 May, 2022

Rajat Kalra
[Company Secretary]
Place: Gurugram
Date: 17 May, 2022

Notes

to the Standalone Financial Statements

1 GENERAL INFORMATION

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

2.2 Basis of preparation and presentation

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

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

Fair value measurement

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

- 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

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

Effective 1 April, 2018, the Company had adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 had been insignificant.

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a

separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied.

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

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

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

The Company disaggregates revenue from contracts with customers by geography.

2.4 Leasing

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

2.4.1 The Company as lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2.4.2 The Company as lessee

On 1 April, 2019, The Company had adopted Ind AS 116 "Leases" using the modified retrospective approach by applying the standard to all leases existing at the date of initial application. The Company also elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a

purchase option ("short-term leases") and lease contracts for which the underlying asset is of low value other than land. ("low value assets").

The standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves use of an identified asset, (ii) the Company has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company as a lessee

The Company determines whether an arrangement is a lease at contract inception by establishing if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. On commencement date, it recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short term leases and low value assets. For these short-term and low value leases, the Company recognises the lease payments on straight-line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

The ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at present value of the future lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if it is not readily determinable, using the incremental borrowing rate. For leases with similar characteristics, the Company, on a lease by lease basis, adopts either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The interest cost on lease liability (computed using effective interest method), is expensed in the Statement of Profit and Loss.

ROU assets and lease liability includes the options to extend / terminate the lease before the end of the lease term when it is reasonably certain that this option will be exercised.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments have been classified as financing cash flows.

2.5 Functional and presentation currency

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

2.6 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

2.6.1 Defined contribution plan

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

2.6.2 Defined benefit plan

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

present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

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

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

The Company has taken 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.

Effective 1 April, 2019, the Company has adopted Appendix C to Ind AS 12 – Income taxes, which clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments.

2.7.2 Deferred tax

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

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

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

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

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

2.7.3 Current and deferred tax for the year

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

and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8 Property, plant and equipment

2.8.1 Property, plant and equipment acquired separately

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

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

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

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

2.8.2 Depreciation methods, estimated useful lives and residual value

Depreciation on furniture and fixtures is calculated using the straight-line method on

a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

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

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

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

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

The asset's 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.

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

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

2.8.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill such as trademark, non-compete fee and customer relationship are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Significant estimates are required to be made in determining the value of these intangible assets as per Ind AS 103. These valuations are conducted by independent valuation experts. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.8.4 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 on 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.8.5 Derecognition of tangible asset

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

2.9 Intangible assets

2.9.1 Intangible assets acquired separately

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

2.9.2 Amortisation methods and useful lives

Trademarks and softwares are amortised on a straight-line basis over its estimated useful life i.e 5 years. An intangible asset is derecognised when no future economic benefits are expected from use.

2.9.3 Deemed cost on transition to Ind AS

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

2.9.4 Derecognition of intangible asset

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

2.10 Impairment of tangible and intangible assets other than goodwill

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

2.11 Inventories

Inventories comprise of reagents, chemicals, surgical and laboratory supplies and stores and

others and are valued at lower of cost and net realisable value. Cost is determined on moving weighted average basis.

2.12 Provisions, contingent liability and contingent asset

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

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

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

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

2.13 Financial instruments

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

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

2.14 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised

cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Effective interest method

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

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

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

2.14.1 Cash and cash equivalents

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

2.14.2 Financial assets at amortised cost

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

2.14.3 Financial assets at fair value through other comprehensive income

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

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

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

2.14.5 Investments in subsidiaries

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

2.14.6 Foreign exchange gain and losses

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

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

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

2.14.7 Impairment of financial assets

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

2.14.8 Derecognition of financial assets

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

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

2.14.9 Income recognition

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

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

2.15 Financial liabilities and equity instruments

2.15.1 Classification of debt or equity

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

2.15.2 Equity instruments

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

2.15.3 Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

2.15.4 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' in the line-item 'Net foreign exchange gains/(losses)' except where capitalised as part of borrowing cost.

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

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

2.15.5 Derecognition of financial liabilities

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

2.16 Finance costs

Finance costs comprise interest cost on borrowings, lease liabilities and net defined benefit liability, gains or losses arising on re-measurement of financial assets measured at FVTPL, gains/ (losses), net, on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

2.17 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.

2.18 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 45.

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.

2.19 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any

attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.20 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.

2.21 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.

2.22 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

2.23 Use of estimates and judgements

The preparation of Standalone Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Standalone Financial Statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Standalone Financial Statements are included in the following notes:

Accounting of reagent rental equipments

The Company has entered into agreements with certain suppliers for purchase of reagent. As part of the agreement, the Company has the right to use equipment supplied by the suppliers free of charge subject to purchase of minimum committed quantities of reagents.

The cost of reagents which includes the cost of rental of the equipment is recorded as cost of material consumed.

Carrying amount of investments in subsidiaries

Determining whether the carrying amount of investments in subsidiaries is recoverable involves significant estimates as these investments are in unlisted companies with fair values not readily available. The Company reviews the investments for impairment to assess whether the carrying amount is recoverable based on a number of factors including profitability, net asset value, liquidity and working capital (Refer to note 6).

Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There is no such change in the useful life of the assets (Refer to note 3).

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss may arise (Refer to note 4).

Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates (Refer to note 43).

2A. New standards/amendments that are not yet effective and have not been early adopted:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 notifies new standard or amendments to the standards. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. This amendment comes into effect from April 1, 2022.

The Company does not expect the amendment to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). This amendment comes into effect from April 1, 2022.

The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 109 – Financial Instruments

The amendment specifies that for the purpose of paragraph 3.3.2 of IndAS 109, the terms shall be considered to be substantially different if the discounted present value of the cash flows under the new terms of a debt instrument, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. This amendment comes into effect from April 1, 2022.

The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

3a: Property, plant and equipment

(Refer to Note 2.8)

(in ₹ million, unless otherwise stated)

	As at 31 March, 2022	As at 31 March, 2021
Carrying amounts of :		
Freehold land	109.57	109.57
Freehold buildings	12.74	14.00
Leasehold buildings	312.73	345.83
Plant and equipment	903.01	681.54
Computers	77.97	81.69
Furniture and fixtures	30.13	20.78
Vehicles	25.84	16.92
Leasehold improvements	195.85	162.38
	1,667.84	1,432.71
Capital work-in-progress	144.48	55.14
	1,812.32	1,487.85

	Freehold land	Freehold buildings	Leasehold buildings	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost or deemed cost									
Balance as at 1 April, 2020	109.57	18.14	502.32	1,113.69	298.43	60.62	37.71	321.13	2,461.61
Additions	-	-	3.61	223.35	19.40	9.66	-	50.43	306.45
Disposals/ adjustments	-	-	-	(14.44)	(0.76)	(0.34)	-	(11.80)	(27.34)
Balance as at 31 March, 2021	109.57	18.14	505.93	1,322.60	317.07	69.94	37.71	359.76	2,740.72
Additions	-	0.52	1.21	421.03	45.27	21.08	15.40	84.67	589.18
Disposals/ adjustments	-	-	-	(5.37)	(0.66)	(1.27)	(8.22)	(0.46)	(15.98)
Balance as at 31 March, 2022	109.57	18.66	507.14	1,738.26	361.68	89.75	44.89	443.97	3,313.92
Accumulated depreciation									
Balance as at 1 April, 2020	-	2.40	122.07	483.34	174.41	39.48	13.15	159.57	994.42
Elimination on disposals of assets	-	-	-	(9.66)	(0.36)	(0.34)	-	(11.07)	(21.43)
Depreciation expense	-	1.74	38.03	167.38	61.33	10.02	7.64	48.88	335.02
Balance as at 31 March, 2021	-	4.14	160.10	641.06	235.38	49.16	20.79	197.38	1,308.01
Elimination on disposals of assets	-	-	(5.35)	(5.35)	(0.66)	(1.27)	(7.06)	(0.46)	(14.80)
Depreciation expense	-	1.78	34.31	199.54	48.99	11.73	5.32	51.20	352.87
Balance as at 31 March, 2022	-	5.92	194.41	835.25	283.71	59.62	19.05	248.12	1,646.08
Carrying amount									
Balance as at 1 April, 2020	109.57	15.74	380.25	630.35	124.02	21.14	24.56	161.56	1,467.19
Additions	-	-	3.61	223.35	19.40	9.66	-	50.43	306.45
Disposals/ adjustments	-	-	-	(4.78)	(0.40)	-	-	(0.73)	(5.91)
Depreciation expense	-	(1.74)	(38.03)	(167.38)	(61.33)	(10.02)	(7.64)	(48.88)	(335.02)
Balance as at 31 March, 2021	109.57	14.00	345.83	681.54	81.69	20.78	16.92	162.38	1,432.71
Additions	-	0.52	1.21	421.03	45.27	21.08	15.40	84.67	589.18
Disposals/ adjustments	-	-	-	(0.02)	-	-	(1.16)	-	(1.18)
Depreciation expense	-	(1.78)	(34.31)	(199.54)	(48.99)	(11.73)	(5.32)	(51.20)	(352.87)
Balance as at 31 March, 2022	109.57	12.74	312.73	903.01	77.97	30.13	25.84	195.85	1,667.84

Note: 1 The Company had not revalued its property, plant and equipment during the year ended 31 March, 2022 and 31 March, 2021

2. Refer Note 49 in respect of title deeds of immovable properties not in the name of the Company

3. Refer to Note 21 (Non-Current borrowings) and 22 (Current Borrowings) for disclosure of assets held as security

3b: Right-of-use-assets

(in ₹ million, unless otherwise stated)

	Right-of-use land	Right-of-use buildings	Total
Gross carrying value			
Balance as at 1 April, 2020	160.26	1,423.88	1,584.14
Transition impact of Ind AS 116	-	-	-
Additions	-	421.51	421.51
Disposals	-	(33.70)	(33.70)
Balance as at 31 March, 2021	160.26	1,811.69	1,971.95
Additions	-	434.60	434.60
Disposals	-	(2.08)	(2.08)
Balance as at 31 March, 2022	160.26	2,244.22	2,404.48
Accumulated depreciation			
Balance as at 1 April, 2020	1.64	279.61	281.25
Elimination on disposals of assets	-	-	-
Depreciation expense	1.64	290.37	292.01
Balance as at 31 March, 2021	3.28	569.98	573.26
Elimination on disposals of assets	-	-	-
Depreciation expense	1.64	327.25	328.89
Balance as at 31 March, 2022	4.92	897.23	902.15
Net carrying value			
Balance as at 1 April, 2020	158.62	1,144.27	1,302.89
Transition impact of Ind AS 116	-	-	-
Additions	-	421.51	421.51
Disposals	-	(33.70)	(33.70)
Depreciation expense	(1.64)	(290.37)	(292.01)
Balance as at 31 March, 2021	156.98	1,241.71	1,398.69
Additions	-	778.61	778.61
Disposals	-	(2.08)	(2.08)
Depreciation expense	(1.64)	(327.25)	(328.89)
Balance as at 31 March, 2022	155.34	1,690.99	1,846.33

Note:

1. The Company had not revalued its right-of use assets during the year ending 31 March, 2022 and 31 March, 2021
2. Refer to note 49 in respect of immovable properties that have been taken on lease and the lease agreements are not duly executed in favour of the Company.

3c: Capital-Work-in Progress ('CWIP)

(a) CWIP ageing schedule

(in ₹ million, unless otherwise stated)

	As at 31 March , 2022	As at 31 March , 2021
Projects in progress		
- Less than 1 year	144.48	55.14
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(A)	144.48	55.14
Projects temporarily suspended		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(B)	-	-
Total (A+B)	144.48	55.14

- (b) There is no capital-work-progress , whose completion is overdue or has exceeded its cost compared to its original plan.

4: Goodwill

(Refer to note 2.16)

(in ₹ million, unless otherwise stated)

	As at 31 March, 2022	As at 31 March, 2021
Cost or deemed cost	10.80	10.80
Accumulated impairment loss	-	-
	10.80	10.80

	Year ended 31 March, 2022	Year ended 31 March, 2021
Cost or deemed cost		
Balance at the beginning of year	10.80	10.80
Additions on account of acquisitions	-	-
	10.80	10.80

	Year ended 31 March, 2022	Year ended 31 March, 2021
Accumulated impairment loss		
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
	-	-

The Company had, in the earlier years purchased the business of "Dr.Bhanudas Yashwant Shinagare" engaged in the business of providing pathological diagnostics services in Pune, on a going concern basis for a purchase consideration of ₹ 15.00 million (including goodwill of ₹ 10.80 million).

Impairment of goodwill

For the purpose of impairment testing, goodwill has been allocated to the cash generating unit – 'Labs CGU'. The recoverable amount of cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial forecasts covering a five-year period, and a discount rate of 14.50% per annum (as at 31 March, 2021: 14.50% per annum).

Cash flow projections during the forecast period are based on the same expected gross margins and inflation throughout the forecast period. The cash flows beyond that five-year period have been extrapolated using a steady growth rate of 10% per annum (as at March 31, 2021: 10% 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, 2022	As at 31 March, 2021
Carrying amounts of :		
Computer software	174.27	155.86
Trademarks	2.03	2.61
	176.30	158.47
Intangible assets under development	-	34.78
	176.30	193.25

	Computer software	Trademarks	Total
Cost or deemed cost			
Balance as at 1 April, 2020	421.85	11.16	433.01
Additions	41.95	2.90	44.85
Disposals	-	-	-
Balance as at 31 March, 2021	463.80	14.06	477.86
Additions	89.21	-	89.21
Disposals	-	-	-
Balance as at 31 March, 2022	553.01	14.06	567.07
Accumulated amortisation			
Balance as at 1 April, 2020	237.47	11.16	248.63
Amortisation expense	70.47	0.29	70.76
Elimination on disposals of assets	-	-	-
Balance as at 31 March, 2021	307.94	11.45	319.39
Amortisation expense	70.80	0.58	71.38
Elimination on disposals of assets	-	-	-
Balance as at 31 March, 2022	378.74	12.03	390.77
Carrying amount			
Balance as at 1 April, 2020	184.38	-	184.38
Additions	41.95	2.90	44.85
Amortisation expense	(70.47)	(0.29)	(70.76)
Balance as at 31 March, 2021	155.86	2.61	158.47
Additions	89.21	-	89.21
Amortisation expense	(70.80)	(0.58)	(71.38)
Balance as at 31 March, 2022	174.27	2.03	176.30

Note: The Company had not revalued its Intangible Assets during the year ending 31 March, 2022 and 31 March, 2021

Note : Intangible assets under development:**(a) Intangible assets under development ageing schedule****(in ₹ million, unless otherwise stated)**

Intangible assets under development	As at 31 March , 2022	As at 31 March , 2021
Projects in progress		
- Less than 1 year	-	34.78
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(A)	-	34.78
Projects temporarily suspended		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(B)	-	-
Total (A+B)	-	34.78

Note: There were no projects in respect of which the completion is overdue or which had exceeded its cost compared to its original plan as at March 31, 2022 and March 31, 2021.

Financial assets (non-current)**6: Investments****(in ₹ million, unless otherwise stated)**

Particulars	As at 31 March, 2022	As at 31 March, 2021
In Shares (unquoted)		
In subsidiary companies		
12,800 (31 March, 2021: 12,800) equity shares of ₹ 10 each fully paid up in Paliwal Diagnostics Private Limited	129.48	129.48
8,000 (31 March, 2021: 8,000) equity shares of ₹ 10 each fully paid up in Paliwal Medicare Private Limited	52.18	52.18
10,000 (31 March, 2021: 10,000) equity shares of ₹ 10 each fully paid up in APL Institute of Clinical Laboratory & Research Private Limited (Refer to note 40)	72.35	72.35
3,979,793 (31 March, 2021: Nil) equity shares of ₹ 10 each fully paid up in suburban Diagnostics (India) Private Limited (Refer to note 41)	9,488.69	-
400,000 (31 March, 2021: 400,000) equity shares of NPR 100 each fully paid up in Dr Lal PathLabs Nepal Private Limited	25.05	25.05
276,811 (31 March, 2021: 276,811) equity shares of BDT 100 each fully paid up in Dr. Lal PathLabs Bangladesh Private Limited	42.67	42.67
1,000,000 (31 March, 2021: 1,000,000) equity shares of ₹ 10 each fully paid up in Dr. Lal Ventures Private Limited	10.00	10.00
71,307,692 (31 March, 2021: 6,95,76,923) equity shares of ₹ 10 each fully paid up in PathLabs Unifiers Private Limited (Refer to note 39)	870.00	825.00
69,953 (31 March, 2021: 68,478) equity shares of KES 1000 each fully paid up in Dr. Lal PathLabs Kenya Private Limited (Refer to note 40)	48.31	47.30
Less: Provision for impairment (Refer to note 40b)	(48.31)	-
Total	10,690.42	1,204.03
Aggregate carrying value of unquoted investments	10,690.42	1,204.03
Aggregate amount of impairment in value of investments	48.31	-

7: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loans to employees (unsecured, considered good)*	1.07	0.70
Total	1.07	0.70

*includes loan given to related parties, refer to Note 50

8: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security deposits	49.93	20.10
Surrender value of keyman insurance policy	36.89	33.93
Non-current bank balances*	57.36	0.13
Interest accrued on loans, fixed deposits and others	2.58	-
Total	146.76	54.16

* Refer Note 22 for disclosure of assets held as security.

9: Non-current tax assets/Current tax liabilities (net)

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Tax assets		
Taxes paid (net)	177.23	205.34
Tax liabilities		
Income tax payable (net)	(29.98)	(49.09)
Total	147.25	156.25

10: Deferred tax assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred tax assets	309.40	278.62
Deferred tax liabilities	(9.28)	(9.47)
Total	300.12	269.15

(in ₹ million, unless otherwise stated)

2021-22	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Deferred tax assets on:				
Property, plant and equipment	128.09	24.99	-	153.08
Goodwill	-	-	-	-
Short-term provisions-compensated absences	27.65	(4.44)	-	23.21
Short-term provisions- gratuity	12.31	11.46	4.30	28.07
Provision for impairment of trade receivables, advances	52.68	(11.78)	-	40.90
Disallowed expenditure	57.89	6.25	-	64.14
Deferred tax liabilities on:				
Surrender value of keyman insurance policy	(8.54)	(0.74)	-	(9.28)
Fair valuation gains on mutual funds	(0.93)	0.93	-	-
Total	269.15	26.67	4.30	300.12

(in ₹ million, unless otherwise stated)

2020-21	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Deferred tax assets on:				
Property, plant and equipment	96.82	31.27	-	128.09
Goodwill	11.13	(11.13)	-	-
Short-term provisions-compensated absences	23.75	3.90	-	27.65
Short-term provisions- gratuity	12.56	(2.65)	2.40	12.31
Provision for impairment of trade receivables and advances	40.60	12.08	-	52.68
Disallowed expenditure	44.67	13.22	-	57.89
Deferred tax liabilities on:				
Surrender value of keyman insurance policy	(7.65)	(0.89)	-	(8.54)
Fair valuation gains on mutual funds	(0.07)	(0.86)	-	(0.93)
Total	221.81	44.94	2.40	269.15

11: Other non-current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advances	13.51	12.31
Advances to related parties (corpus) (Refer to Note 50)	0.24	0.24
Others	0.23	1.24
Total	13.98	13.79

12: Inventories

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Reagents, chemicals, surgicals and laboratory supplies	389.36	381.58
Stores and others	7.79	7.79
Total	397.15	389.37

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, 2022	As at 31 March, 2021
Investment in mutual funds (unquoted) carried at fair value through profit or loss		
UTI Money Market Fund Regular Growth Nil (31 March, 2021: 34,834.99) units of ₹ 1,000 each	-	82.73
UTI Money Market Fund Direct Growth Nil (31 March, 2021: 2,174.77) units of ₹ 1,000 each	-	5.21
ICICI Prudential Money Market Fund Direct Plan Growth Nil (31 March, 2021: 311,953.12) units of ₹ 100 each	-	92.11
Invesco India Liquid Fund Direct Plan Growth Nil (31 March, 2021: 14,217.07) units of ₹ 1,000 each	-	40.18
Mahindra Manulife Liquid Fund Direct Growth Nil (31 March, 2021: 52,661.88) units of ₹ 1,000 each	-	70.42
Kotak Liquid Fund Direct Growth Nil (31 March, 2021: 16,904.70) units of ₹ 1,000 each	-	70.31
SBI Liquid Fund Direct Plan Growth Nil (31 March, 2021: 187,08.59) units of ₹ 1,000 each	-	60.27
HDFC Money Market Fund Direct Plan Growth Nil (31 March, 2021: 18,083.83) units of ₹ 1,000 each	-	80.91
Total	-	502.14

14: Trade receivables

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables		
Secured, considered good	160.54	141.44
Unsecured, considered good	505.95	493.93
Credit impaired	159.60	197.78
	826.09	833.15
Less: Allowance for doubtful debts (expected credit loss allowance)	(159.60)	(197.78)
Total	666.49	635.37

The average credit period from service is 0-60 days. No interest is charged on the trade receivables for the amount overdue above the credit period. There are no customers who represent more than 5% of the total balance of trade receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

(in ₹ million, unless otherwise stated)

Age of receivables	As at 31 March, 2022	As at 31 March, 2021
0-90 days	578.75	598.75
90-180 days	115.75	140.36
180-360 days	47.86	45.74
More than 360 days	83.73	48.30
Total	826.09	833.15

Movement in the expected credit loss allowance	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at beginning of the year	197.78	158.39
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(38.18)	39.39
Balance at end of the year	159.60	197.78

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%

Trade receivables ageing schedule

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Undisputed, trade receivable considered good		
- Less than 6 months	658.51	624.85
- 6 months - 1 year	7.98	10.52
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	666.49	635.37

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Undisputed, trade receivable which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
Undisputed, trade receivable credit impaired		
- Less than 6 months	35.99	114.26
- 6 months - 1 year	39.88	35.22
- 1-2 years	76.73	41.30
- 2-3 years	-	-
- More than 3 years	-	-
	152.60	190.78
(A)	819.09	826.15
Disputed, trade receivable considered good		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Disputed, trade receivable which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
Disputed, trade receivable credit impaired		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	7.00	7.00
- 2-3 years	-	-
- More than 3 years	-	-
(B)	7.00	7.00
Total (A+B)	826.09	833.15

15a: Cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with banks		
- in current accounts	48.49	101.15
- in cash credit accounts*	21.87	66.12
Deposit with maturity of less than 3 months **	3,409.56	2,137.12
Cash on hand	10.17	12.26
Total	3,490.09	2,316.65

*secured by first charge on the current assets of the Company, both present and future.

** Refer Note 22 for disclosure of assets held as security.

15b: Bank balances other than cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance in unclaimed dividend accounts	0.91	0.82
Balance in escrow account*	1.43	1.43
Deposit with banks held as margin money deposits against guarantees	11.61	10.81
Deposit with maturity of 3-12 months **	1,902.04	6,556.62
Total	1,915.99	6,569.68

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

** Refer note 22 for disclosure of assets held as security.

16: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loans to employees	9.37	7.92
Total	9.37	7.92

*includes loan given to related parties, refer to Note 50

17: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deposit with others	136.94	135.27
Interest accrued on deposits	187.56	229.86
Total	324.50	365.13

18: Other current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with government authorities	3.31	3.88
Advances to suppliers	18.12	17.98
Other advances	6.44	4.70
Other receivables from related party (Refer to Note 50)	6.61	-
Prepaid expenses	113.34	59.99
Prepaid rent	12.46	20.19
Total	160.28	106.74

19: Equity share capital

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Equity share capital	833.45	833.45
Authorised		
107,950,000 equity shares of ₹ 10 each (as at 31 March, 2021: 107,950,000 equity shares of ₹ 10 each)*	1,079.50	1,079.50
Issued, subscribed and fully paid-up		
83,344,877 equity shares of ₹ 10 each (as at 31 March, 2021: 83,344,877 equity shares of ₹ 10 each)	833.45	833.45

Refer notes below

- (i) **The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March, 2022 and 31 March, 2021 is set out below:**

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity share capital				
At the beginning of the year	83,344,877	833.45	83,344,877	833.45
Issued during the year		-		-
Others				
Outstanding at the end of the year	83,344,877	833.45	83,344,877	833.45

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

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	26,415,443	31.69%	26,415,443	31.69%
(ii) Dr Vandana Lal	16,082,327	19.30%	16,082,327	19.30%

(iii) Details of shares held by promoters*:

Particulars	As at 31 March, 2022		As at 31 March, 2021		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
(i) Dr Arvind Lal	26,415,443	31.69%	26,415,443	31.69%	0%
(ii) Dr Vandana Lal	16,082,327	19.30%	16,082,327	19.30%	0%
(iii) Archana Lal Erdmann	1,843,751	2.21%	1,843,751	2.21%	0%
(iv) Anjaneya Lal	1,689,614	2.03%	1,689,614	2.03%	0%

*Promoter here means as defined in Companies Act, 2013

(iv) 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 final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(v) Proposed dividends on equity shares

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Proposed dividend on equity shares for the year ended on 31 March 2022: ₹ 6 per share (31 March 2021: ₹ 8 per share)	500.07	666.76
Dividend distribution tax on proposed dividend	-	-
	500.07	666.76

(vi) There are no 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.

(vii) Share options granted under the Company's employee share options plans

- The shareholders of the Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2010' ("ESOP 2010") at the Annual General Meeting held on 20 August, 2010 to grant a maximum of 3,808,960 options (after considering bonus shares issued during the previous year and subdivision of shares of ₹ 100 each into 10 shares of ₹ 10 each) to specified categories of employees of the Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. As per resolution passed on 21 August, 2015, the Company approved to cease further grants under the ESOP 2010. Refer to note 45 for details of options granted, vested and issued under the ESOP 2010.
- 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 and its subsidiaries. Each RSU granted and vested shall entitle the holder to acquire 1 equity share of ₹ 10 each. Refer to note 45 for details of RSUs granted, vested and issued under RSU 2016.

(viii) Subsequent to the year end, the Company has issued 7,000 Equity shares of Face Value of ₹ 10/- each on exercise of Employees stock options.

20: Other equity

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
General reserve	810.01	701.59
Securities premium	927.95	927.95
Share option outstanding account	574.40	398.00
Retained earnings	11,809.15	9,538.44
Capital redemption reserve account	4.45	4.45
Treasury shares	(161.72)	(200.03)
Capital reserve	(33.00)	(33.00)
Total	13,931.24	11,337.40

(i) General reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	701.59	606.73
Addition on share options exercised*	108.42	94.86
Balance at the end of the year	810.01	701.59

*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 of the Company and its subsidiaries.

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

(ii) Securities premium

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	927.95	927.95
Additions during the year	-	-
Balance at the end of the year	927.95	927.95

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(iii) Share option outstanding account

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	398.00	328.83
Compensation options granted during the year	321.75	203.74
Options exercised	(145.35)	(134.57)
Balance at the end of the year	574.40	398.00

The above relates to share options granted by the Company under its employee share option plans. Upon exercise of the share options by the employees of the Company and its subsidiaries, the proportionate cost of shares exercised is transferred to General Reserves after adjusting the cost of related treasury shares. Further information about share based payments to employees is set out in Note 45.

(iv) Retained earnings**(in ₹ million, unless otherwise stated)**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	9,538.44	7,735.64
Profit for the year	3,440.54	2,801.06
Remeasurement of defined benefit obligation, net of income tax	(12.78)	(7.13)
Less: Appropriations		
Interim dividend on equity shares ₹ 14.00 per share (Previous year ₹ 12 per share)	(1,157.05)	(991.13)
Balance at the end of the year	11,809.15	9,538.44

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on requirements of Companies Act, 2013. Refer Note 19(iv) for details of equity dividend declared.

(v) Capital redemption reserve account**(in ₹ million, unless otherwise stated)**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
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 erstwhile section 77 of Companies Act, 1956, nominal value of the shares so purchased was transferred to the capital redemption reserve account.

(vi) Treasury shares**(in ₹ million, unless otherwise stated)**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	(200.03)	(241.23)
Change during the year	38.31	41.20
Balance at the end of the year	(161.72)	(200.03)

During the year ended 31 March, 2012, the Company had constituted Dr. Lal PathLabs Employee Welfare Trust ("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 have been included in the financial statements of the Company, in accordance with the requirements of Ind AS.

Equity shares of the Company purchased from employees and primary market from time to time in the earlier years and held by EWT as at 31 March, 2022 aggregated to 582,964 equity shares (31 March, 2021: 721,036 equity shares) of face value ₹ 10 each.

(vii) Capital reserve**(in ₹ million, unless otherwise stated)**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	(33.00)	(33.00)
Balance at the end of the year	(33.00)	(33.00)

On approval of the Scheme of Amalgamation between the Company (Transferee Company) and its wholly owned subsidiary, by the name of Delta Ria and Pathology Private Limited (Transferor Company) by the Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal on 23 October 2018 and 11 December 2018 respectively, the difference between the carrying value of investments in the books of account of the Transferee Company and the amount of the net assets of Transferor Company had been adjusted in Capital reserve as stipulated in the scheme.

Finance Liabilities-Non current

21: Borrowings

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Term loans from Banks		
Secured		
HDFC Bank Limited (HDFC)	1,666.67	-
Total	1,666.67	-
Current maturities of long-term borrowings (included in note 22)	833.33	-

Particulars of term loans:

i) Security

Term loan from HDFC Bank Limited is secured by way exclusive charge on the movable assets of plant and machinery and current assets of the company both present and future.

ii) Terms of repayment and interest rate

Term loan from HDFC Bank Limited (including current maturities) is repayable in 36 quarterly installments of ₹ 208.33 Million starting from May 2022 and ending on March 2025, with put call option (applicable after 6 months) and carries interest which is linked to 3 month T-Bill and presently the effective rate is 4% p.a with quarterly reset.

iii) The Company has used the borrowings from banks for the specific purpose for which it was taken.

iv) The Company has borrowings from banks on the basis of security of current assets and is yet to submit the annual financial statements with the bank for which the Company has 90 days after the end of the financial year. No other returns were required to be filed with the bank.

22: Borrowings

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current maturities of long term borrowings (Refer note 21)	833.33	-
Bank Overdraft	954.23	-
Total	1,787.56	-

Notes

- The Company has used the borrowings from banks for the specific purpose for which it was taken at the balance sheet date.
- Bank overdraft is secured against deposits with respective banks of the Company.

23: Trade payables

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises	73.45	70.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,160.04	1,285.12
Total	1,233.49	1,355.72

Trade payables are non- interest bearing and are normally settled within a period of 30 days.

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 ₹ 73.45 million (₹ 70.60 million on 31 March, 2021) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006.

Trade payables ageing schedule

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Outstanding dues of micro enterprises and small enterprises		
- Less than 1 year	73.45	70.60
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	73.45	70.60
Outstanding disputed dues of micro enterprises and small enterprises		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(A)	73.45	70.60
Outstanding dues of other than micro enterprises and small enterprises		
- Less than 1 year	588.73	784.64
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
	588.73	784.64
Outstanding disputed dues of other than micro enterprises and small enterprises		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(B)	588.73	784.64
Unbilled dues	(C) 571.31	500.48
Total (A+B +C)	1,233.49	1,355.72

Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**(in ₹ million, unless otherwise stated)**

Particulars	As at 31 March, 2022	As at 31 March, 2021
a. Amounts payable to suppliers under MSMED (suppliers) as on last day		
Principal	73.45	70.60
Interest due thereon	-	-
b. Payments made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest due thereon	-	-
c. Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSMED	-	-
d. Amount of interest accrued and remaining unpaid as on last day	-	-
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

24: Other financial liabilities - current**(in ₹ million, unless otherwise stated)**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Payable towards capital goods	91.87	42.41
Creditors against business purchase	117.29	-
Share application money refundable	1.43	1.43
Security deposits received	354.76	317.54
Other payables	1.35	1.28
Total	566.70	362.66

25: Provisions**(in ₹ million, unless otherwise stated)**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits		
- Provision for compensated absences	92.23	109.86
- Provision for gratuity (Refer note 43)	111.54	48.89
Total	203.77	158.75

26: Other current liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances from customers	94.71	84.42
Statutory dues	110.75	50.19
Unearned revenue	84.08	85.40
Total	289.54	220.02

27: Revenue from operations

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Sale of services	18,725.77	14,904.72
Other operating revenues	1.29	0.83
Total	18,727.06	14,905.55

Revenue disaggregation as per geography has been included in segment information (Refer to note 38).

- (i) The Company generates its entire revenue from contracts with customers for the services at a point in time. The Company is engaged mainly in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations.

- (ii) Transaction price allocated to the remaining performance obligations

The Company has applied practical expedient in Ind AS 115 and has accordingly not disclosed information about remaining performance obligations which are part of the contracts that have original expected duration of one year or less and where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

- iii) **Disclosure of contract balances**

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Trade receivables (Refer to note 14)	666.49	635.37
Advances from customers (Refer to note 26)	94.71	84.42
Unearned revenue (Refer to note 26)	84.08	85.40

- iv) **Movement in contract liabilities during the year:**

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at beginning of the year	85.40	11.69
Add: Addition during the year	84.08	85.40
Less: Deletion during the year	(85.40)	(11.69)
Balance at end of the year	84.08	85.40

28: Other income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
a) Interest income from		
- Bank deposits (at amortised cost)	437.91	417.30
- Income-tax refund	0.64	-
- Others	9.45	9.45
b) Dividend income from		
- Dividend income from a subsidiary company	16.00	16.00
c) Others		
- Gain on sale or fair valuation of investments (at FVTPL)	20.23	43.70
- Surrender value of keyman insurance policy (at FVTPL)	4.95	5.42
- Sundry balances written back	-	5.27
- Profit on disposal of property, plant and equipment (net)	2.69	-
- Provisions/ liabilities written back	36.96	-
- Miscellaneous non operating income	1.33	15.53
Total	530.16	512.67

29: Cost of materials consumed

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Inventories at the beginning of the year	381.58	546.14
Add : Purchases	4,470.97	3,574.44
Less : Inventories at the end of the year	(389.36)	(381.58)
Total	4,463.19	3,739.00

30: Employee benefits expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Salaries, wages and bonus	2,668.90	2,183.93
Employee share based compensation (Net of reimbursement)	315.13	203.74
Contribution to provident and other funds	109.66	103.91
Gratuity expense (Refer to Note 43)	47.06	39.49
Staff welfare expenses	61.48	43.31
Total	3,202.23	2,574.38

31: Finance costs

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest on lease liability	184.04	148.02
Interest on:		
- Term loan	12.05	-
- overdraft facilities	88.41	-
Interest others [Including tax deducted at source ₹ 0.76 million (31 March 2021: ₹ 0.19 million)]	0.76	0.23
Total	285.26	148.25

31a : Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March, 2022	Cash flows	Non cash changes		As at 31 March, 2021
			New leases	Other *	
Borrowings					
Non-current borrowings	1,666.67	1,666.67	-	-	-
Current borrowings	1,787.56	1,787.56	-	-	-
Lease liabilities					
Non-current lease liabilities	1,209.64	(489.59)	664.28	(2.47)	1,037.42
Current lease liabilities	387.16	(103.42)	114.32	-	376.26
Total liabilities from financing activities	5,051.03	2,861.22	778.60	(2.47)	1,413.68

* the effect of derecognition of lease liabilities.

31b : Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March, 2021	Cash flows	Non cash changes		As at 31 March, 2020
			New leases	Other *	
Borrowings					
Non-current borrowings	-	-	-	-	-
Current borrowings	-	-	-	-	-
Lease liabilities					
Non-current lease liabilities	1,037.42	(142.37)	313.21	(37.02)	903.60
Current lease liabilities	376.26	(77.46)	108.30	-	345.42
Total liabilities from financing activities	1,413.68	(219.83)	421.51	(37.02)	1,249.02

* the effect of derecognition of lease liabilities.

32: Depreciation and amortisation expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation of property, plant and equipment	352.86	335.02
Depreciation of right-of-use assets	328.89	292.01
Amortisation of intangible assets	71.38	70.76
Total	753.13	697.79

33: Other expenses

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Electricity and water charges	195.39	171.76
Rent	133.17	126.64
Rates and taxes	10.69	10.24
Insurance	66.32	53.58
Repairs and maintenance		
- Building	33.86	26.92
- Plant and equipment	85.20	83.45
- Others	386.52	213.86
Advertisement and sales promotion	324.64	301.81
Travelling and conveyance	337.46	261.96
Postage and courier	508.44	424.02
Communication costs	63.49	59.41
Commission to directors	10.38	9.41
Printing and stationery	115.49	83.50
Retainership fees to technical consultants	117.44	108.28
Director sitting fees	7.26	5.61
Legal and professional charges	293.89	124.73
Laboratory test charges	72.38	53.78
Payment to auditors (Refer note below)	10.79	10.53
Donation other than to political parties	0.47	0.11
Corporate social responsibility expense (Refer note 42)	66.07	57.42
Loss on disposal / discard of property, plant and equipment (net)	-	1.77
Provision for impairment of trade receivables and advances	-	39.39
Provision for impairment of non current investment in subsidiary	48.31	-
Bad debts / advances written off (net)	8.28	0.62
Miscellaneous expenses	326.56	282.49
Total	3,222.50	2,511.29

Note:

(i) Payments to the auditors comprise *

As auditors:

Audit fees	7.49	6.74
Limited review	1.77	1.77
Tax audit fees	0.59	0.44
Other services	0.30	0.65
Reimbursement of expenses	0.65	0.93
Total	10.79	10.53

*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.

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 22% (2020-21: 22%) plus a surcharge and education cess. The combined Indian statutory tax rate for the fiscal year 2020-21 and for the fiscal year 2021-22 was 25.168%.

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 Statement of Profit And Loss

(in ₹ million, unless otherwise stated)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Current tax		
In respect of the current year	1,210.45	1,039.39
In respect of the prior years	(30.38)	(55.08)
	1,180.07	984.31
Deferred tax		
In respect of the current year	(52.47)	(82.98)
In respect of the prior years	25.80	38.04
	(26.67)	(44.94)
Total income tax expenses recognised in the current year	1,153.40	939.37

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

(in ₹ million, unless otherwise stated)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit before tax	4,593.94	3,740.43
Statutory tax rate	25.168%	25.168%
Income tax expenses calculated at 25.168%	1,156.20	941.39
Effect of expenses that are not deductible in determining taxable profit	15.63	13.63
Tax difference on account of deduction under chapter VI-A	(9.27)	(12.77)
Adjustments recognised in the current year in relation to taxes of previous years	(4.58)	(17.04)
Deferred tax on defined benefit obligation recognised in OCI	(4.30)	(2.40)
Income taxable at different rate	3.85	4.03
Effect of reversal of deferred tax on goodwill	-	11.13
Others	(4.13)	1.40
Income tax expenses recognised in profit or loss	1,153.40	939.37

34.2: Income tax recognised in other comprehensive income

(in ₹ million, unless otherwise stated)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	4.30	2.40
	4.30	2.40

35: Earnings per equity share

(in ₹ million, unless otherwise stated)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit for the year - (in ₹ million)	3,440.54	2,801.06
Number of equity shares	83,344,877	83,344,877
Weighted average number of equity shares outstanding during the year	83,344,877	83,344,877
Weighted average shares held with the "Dr. Lal PathLabs Employee Welfare Trust"	656,207	801,945
Dilutive impact of share options outstanding	253,937	197,749
Basic earnings per share of ₹ 10 each	41.61	33.93
Diluted earnings per share of ₹ 10 each	41.48	33.85
Face value per share - (in ₹)	10	10

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

(in ₹ million, unless otherwise stated)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Weighted average number of shares for calculating basic earnings per share	82,688,670	82,542,932
Add : share options outstanding	253,937	197,749
Weighted average number of shares for calculating dilutive earnings per share	82,942,607	82,740,681

36: Capital and other commitments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	115.57	75.74
Other Commitments*	-	-

* The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services and employee benefits, in the normal course of business

37: Contingent liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
i) Claims against the Company not acknowledged as debts*	130.58	116.08
ii) Other claims against the Company not acknowledged as debts	-	-

* 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 is considered necessary at this point in time as the likelihood of liability devolving on the Company is less than probable.

38: Segment Reporting

The Company is engaged solely in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company, in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments', notified under the Companies (Indian Accounting Standard) Rules, 2015.

Information about geographical areas

- a) The Company is domiciled in India. The amount of its revenue from operations from external customers broken down by location of customers is tabulated below:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
India	18,539.13	14,762.44
Outside India	187.93	143.11
Total	18,727.06	14,905.55

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

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
India	4,036.49	3,308.25
Outside India	-	-
Total	4,036.49	3,308.25

c) Information about major customers

No single customer contributed more than 10% or more to the Company's revenue during the years ended 31 March, 2022 and 31 March, 2021.

39. During the year ended 31 March 2022, the Company has made a further investment of ₹ 45.00 million in its wholly owned subsidiary Company, PathLabs Unifiers Private Limited, through subscription of additional 1,730,769 equity shares of ₹ 10 each at a premium of ₹ 26 per share.

40. a) During the year ended 31 March, 2022, the Company has made a further investment of ₹ 1.01 million (KES 1.5 million) in its wholly owned subsidiary, Dr. Lal PathLabs Kenya Private Limited, through subscription of additional equity shares of 1,500 shares of KES 1,000.

During the previous year ended 31 March 2021, the Company had made a further investment of ₹ 40.00 million (KES 59 million) in its wholly owned subsidiary, Dr. Lal PathLabs Kenya Private Limited, through subscription of additional equity shares of 58,598 shares of KES 1,000.

- b) The Board of Directors of the Company in their meeting held on 28 March, 2022, had approved the closure of Dr. Lal PathLabs Kenya Private Limited, Kenya a subsidiary. Considering this decision, the Company has fully provided for the investment in Dr. Lal PathLabs Kenya Private Limited, Kenya as on 31 March, 2022.
 - c) The Board of Directors of the subsidiaries, Paliwal Medicare Private Limited (PMPL) and Paliwal Diagnostics Private Limited (PDPL) in their meetings held on 25 October, 2021 and 25 October, 2021 respectively have approved the "Scheme of Amalgamation" of PMPL with PDPL w.e.f. 1 April, 2021, the appointed date. As per the said scheme, the undertaking of PMPL shall stand transferred to and vested in PDPL on a going concern basis without any further act, deed of matter. The scheme of amalgamation is subject to approval by the shareholders of the respective companies, National Company Law Tribunal and other statutory approvals
 - d) The Board of Directors of the company in their meeting held on 3 February, 2020 had approved the "Scheme of Amalgamation" of APL Institute of Clinical Laboratory & Research Private Limited (APL), a wholly owned subsidiary, with the Company w.e.f. 1 April, 2020 (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.** The Company has completed the acquisition of Suburban Diagnostics (India) Private Limited ("SDIPL") on November 12, 2021 as per the terms and conditions of the Share Purchase Agreement for a cash consideration of ₹ 9,250 million plus certain performance linked payments capped at ₹ 2,250 million and subject to certain adjustments. The Company has estimated the consideration for the purchase of shares of SDIPL on a fully dilutive basis, including for employee stock option's granted by SDIPL ("ESOP's") at ₹ 9,667.10 million. Pursuant to completion of the aforesaid acquisition Suburban Diagnostics (India) Private Limited has become a wholly-owned subsidiary and the Company had invested ₹ 9,488.69 million in SDIPL as at 31 March, 2022. SDIPL is primarily engaged in providing diagnostics and healthcare services.
- 42.** In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹ 66.07 Million (Previous year ₹ 57.42 Million) for CSR activities.

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Amount required to be spent by the Company during year	66.07	57.42
(b) Amount approved by the board to be spent during the year	66.07	57.42
(c) Amount of expenditure incurred	66.07*	57.42*
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above	66.07*	57.42*
(d) Shortfall at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	Not Applicable	Not Applicable
(g) Details of related party transactions		
- Donations made to Lal PathLab Foundation	66.07	47.42
(h) Liability against contractual obligations for CSR	-	-

* The Company has contributed ₹ 66.07 Million (Previous year ₹ 47.42 Million) to "Lal PathLabs Foundation" which is carrying out Corporate Social Responsibility (CSR) activities on behalf of the Company, as mentioned in Schedule VII of Companies Act, 2013. The Company's CSR activities primarily focuses on programs that promote health education and create sustainable livelihood opportunities through skill development.

Details of ongoing projects under 135(6) of the Companies Act, 2013

(in ₹ million, unless otherwise stated)

Balance as on 1 April 2021		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2022	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil		Nil	Nil	Nil	Nil	Nil

Balance as on 1 April 2020		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2021	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil		Nil	Nil	Nil	Nil	Nil

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

(in ₹ million, unless otherwise stated)

Balance as on 1 April 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2022
Nil	Nil	66.07	66.07	Nil

Balance as on 1 April 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2021
Nil	Nil	57.42	57.42	Nil

Details of excess CSR expenditure under Section 135(5) of the Act

(in ₹ million, unless otherwise stated)

Balance excess spent as at 1 April 2021	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2022
Nil	Nil	Nil	Nil

Balance excess spent as at 1 April 2020	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2021
Nil	Nil	Nil	Nil

43: Employee benefit plans

43.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for all its qualifying employees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

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

The total expense recognised in profit or loss of ₹100.09 million (for the year ended 31 March, 2021: ₹92.04 million) represents contributions payable to provident fund by the Company at rates specified in the rules of the plans. As at 31 March, 2022, contributions of ₹16.99 million (as at 31 March, 2021: ₹16.05 million) due in respect of the reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

43.2 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.

43.3 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.

43.4 Actuary assumptions - Gratuity:

Date of Valuation	Refer note below	As at 31 March, 2022	As at 31 March, 2021
Discount rate (per annum)	1	6.35%	6.94%
Rate of salary increase (per annum)	2	10.00%	10-12%
Rate of return (per annum)	3	6.35%	6.94%
Retirement age		60 years	60 years
Attrition rate		1.67-17.07%	5-13.77%
Mortality table		Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

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.

43.5 Amounts recognised in the financial statements before allocation in respect of these defined benefit plan are as follows:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Service cost :		
Current service cost	43.66	35.63
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	3.40	3.86
Components of defined benefit costs recognised in employee benefit expenses	47.06	39.49
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.54)	(1.66)
Actuarial (gains)/losses arising from changes in demographic assumptions	(10.28)	0.81
Actuarial (gains)/losses arising from changes in financial assumptions	9.33	9.93
Actuarial (gains)/losses arising from experience adjustments	18.57	0.45
Components of remeasurement	17.08	9.53
Total	64.14	49.02

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

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening defined benefit obligation	276.18	225.01
Current service cost	43.66	35.63
Interest cost	19.15	15.58
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	(10.28)	0.81
Actuarial gains and losses arising from changes in financial assumptions	9.33	9.93
Actuarial gains and losses arising from experience adjustments	18.57	0.45
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(16.69)	(11.23)
Closing defined benefit obligation	339.92	276.18

43.7 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, 2022	As at 31 March, 2021
Present value of funded defined benefit obligation	339.92	276.18
Fair value of plan assets	228.38	227.29
Net liability arising from defined benefit obligation	111.54	48.89

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

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening fair value of plan assets	227.29	175.13
Interest income	15.76	11.73
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.54	
Actuarial gain/ (loss) on plan assets	-	1.66
Contributions from the employer	1.50	50.00
Benefits paid	(16.71)	(11.23)
Closing fair value of plan assets	228.38	227.29

Expected contribution in respect of gratuity for the next year is ₹ 111.54 million (For the year ended 31 March, 2021 ₹ 48.89 million)

43.9 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, 2022	As at 31 March, 2021
Insurer managed funds	228.38	227.29

43.10 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, 2022	As at 31 March, 2021
Discount rate		
- Impact due to increase of 100 basis points	(21.64)	(20.94)
- Impact due to decrease of 100 basis points	24.58	22.04
Salary increase		
- Impact due to increase of 100 basis points	20.71	19.44
- Impact due to decrease of 100 basis points	(19.45)	(17.79)
Withdrawal rate		
- Impact due to 25% increase	(12.23)	(7.35)
- Impact due to 25% decrease	18.53	8.42

44 Financial instruments

(a) Capital management

The Company's objectives when managing capital is to safeguard the ability to continue as a going concern, so that it 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 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's strategy is to maintain adequate gearing ratio. The gearing ratios is as follows:

(in ₹ million, unless otherwise stated)	
	31 March, 2022
Net debt *	1,560.94
Total equity	14,764.69
Net debt to equity ratio	11%
* Net debt represents borrowings and lease liabilities less cash and cash equivalents computed as follows:	
Term loan from banks (including current maturities)	2,500.00
Bank overdraft	954.23
Less: Cash and cash equivalents	(3,490.09)
Debt	(35.86)
Lease liabilities	
Lease liabilities-Current	387.16
Lease liabilities-Non Current	1,209.64
Net debt(including lease liabilities)	1,560.94

The Company had no outstanding debt as at the end of the previous year other than lease liabilities, the amount of which was lower than cash and cash equivalents. Accordingly, the Company has not calculated the gearing ratio as at 31 March, 2022.

(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, 2022

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	-	-	-	-	-
Trade receivables	-	-	666.49	666.49	666.49
Cash and cash equivalents	-	-	3,490.09	3,490.09	3,490.09
Bank balances other than cash and cash equivalents above	-	-	1,915.99	1,915.99	1,915.99
Loans	-	-	10.44	10.44	10.44
Other financial assets	36.89	-	434.37	471.26	471.26
Total	36.89	-	6,517.38	6,554.27	6,554.27

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Borrowings			3,454.23	3,454.23	3,454.23
Lease liabilities			1,596.80	1,596.80	1,596.80
Trade payables	-	-	1,233.49	1,233.49	1,233.49
Other financial liabilities	-	-	566.70	566.70	566.70
Total	-	-	6,851.22	6,851.22	6,851.22

As at 31 March, 2021

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	502.14	-	-	502.14	502.14
Trade receivables	-	-	635.37	635.37	635.37
Cash and cash equivalents	-	-	2,316.65	2,316.65	2,316.65
Bank balances other than cash and cash equivalents above	-	-	6,569.68	6,569.68	6,569.68
Loans	-	-	8.62	8.62	8.62
Other financial assets	33.93	-	385.36	419.29	419.29
Total	536.07	-	9,915.68	10,451.75	10,451.75

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Lease liabilities			1,413.68	1,413.68	1,413.68
Trade payables	-	-	1,355.72	1,355.72	1,355.72
Other financial liabilities	-	-	362.66	362.66	362.66
Total	-	-	3,132.06	3,132.06	3,132.06

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

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

(in ₹ million, unless otherwise stated)

Financial assets	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 March, 2022	As at 31 March, 2021		
Current investments:				
Investment in mutual funds*	-	502.14	Level II	NAV declared by respective Asset Management Companies.
Surrender value of keyman insurance policy	36.89	33.93	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, are at approximate of their fair values.

(d) Risk management framework

The Company's business is subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company's risk management process is in line with the corporate policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximisation.

Financial risk

The Company's Board of Directors approves financial risk policies comprising liquidity, foreign currency, interest rate and counterparty credit risk. The Company does not engage in the speculative treasury activity but seeks to manage risk and optimise interest through proven financial instruments.

(i) Liquidity risk

The Company requires funds for short-term operational needs and has been rated by CRISIL Limited (CRISIL) for its banking facilities.

The Company remains committed to maintaining a healthy liquidity, gearing ratio and strengthening the balance sheet. The maturity profile of the Company's financial liabilities and realisability of financial assets based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual cash obligation of the Company.

(in ₹ million, unless otherwise stated)

	As at 31 March, 2022				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<u>Non-current</u>					
Borrowings		1,666.67	-	-	1,666.67
Lease liabilities	-	1021.14	258.74	660.07	1,939.95
<u>Current</u>					
Borrowings	1,787.56	-	-	-	1,787.56
Lease liabilities	387.16	-	-	-	387.16
Trade payables	1,233.49	-	-	-	1,233.49
Other current financial liabilities	566.70	-	-	-	566.70
Total	3,974.91	2,687.81	258.74	660.07	7,581.53

(in ₹ million, unless otherwise stated)

	As at 31 March, 2021				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<u>Non-current</u>					
Lease liabilities	-	658.74	484.35	586.83	1,729.92
<u>Current</u>					
Trade payables	1,355.72	-	-	-	1,355.72
Lease liabilities	376.26	-	-	-	376.26
Other current financial liabilities	362.66	-	-	-	362.66
Total	2,094.64	658.74	484.35	586.83	3,824.56

As at 31 March, 2022, the Company had access to funding facilities of ₹ 4,483.96 million as set out below:

	(in ₹ million, unless otherwise stated)		
	Total Facility	Drawn	Undrawn
Secured cash credit facility at variable rate of interest, reviewed annually and payable at call	4,483.96	954.23	3,529.73
Total	4,483.96	954.23	3,529.73

As at 31 March, 2021, the Company had access to funding facilities of ₹ 200 million (entire amount not drawn) as set out below:

	(in ₹ million, unless otherwise stated)		
	Total Facility	Drawn	Undrawn
Secured cash credit facility at variable rate of interest, reviewed annually and payable at call	200.00	-	200.00
Total	200.00	-	200.00

(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 borrowing to interest rate changes at the end of the reporting period depends on the expected movement of market interest rate.

The exposure of the Company's financial assets as at 31 March, 2022 to interest rate risk is as follows:

	(in ₹ million, unless otherwise stated)			
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	1.07	1.07
Other financial assets	-	57.36	89.40	146.76
	-	57.36	90.47	147.83
Current				
Investments	-	-	-	-
Trade receivables	-	-	666.49	666.49
Cash and cash equivalents	-	3,409.56	80.53	3,490.09
Bank balances other than cash and cash equivalents above	-	1,913.65	2.34	1,915.99
Loans	-	-	9.37	9.37
Other financial assets	-	-	324.50	324.50
	-	5,323.21	1,083.23	6,406.44
Total	-	5,380.57	1,173.70	6,554.27
Range of interest rate applicable	4.40% - 5.30% p.a.			

The exposure of the Company's financial liabilities as at 31 March, 2022 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)				
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Borrowings	-	1,666.67	-	1,666.67
Lease liabilities	-	-	1,209.64	1,209.64
	-	1,666.67	1,209.64	2,876.31
Current				
Borrowings	-	1,787.56	-	1,787.56
Lease liabilities	-	-	387.16	387.16
Trade payables	-	-	1,233.49	1,233.49
Other financial liabilities	-	-	566.70	566.70
	-	1,787.56	2,187.35	3,974.91
Total	-	3,454.23	3,396.99	6,851.22
Range of interest rate applicable	4.00% p.a.			

The exposure of the Company's financial assets as at 31 March, 2021 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)				
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.70	0.70
Other financial assets	-	0.13	54.03	54.16
	-	0.13	54.73	54.86
Current				
Investments	502.14	-	-	502.14
Trade receivables	-	-	635.37	635.37
Cash and cash equivalents	-	2,137.12	179.53	2,316.65
Bank balances other than cash and cash equivalents above	-	6,567.43	2.25	6,569.68
Loans	-	-	7.92	7.92
Other financial assets	-	-	365.13	365.13
	502.14	8,704.55	1,190.20	10,396.89
Total	502.14	8,704.68	1,244.93	10,451.75
Range of interest rate applicable	6.00% - 8.00% p.a.			

The exposure of the Company's financial liabilities as at 31 March, 2021 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	-	-	1,037.42	1,037.42
	-	-	1,037.42	1,037.42
Current				
Trade payables	-	-	1,355.72	1,355.72
Other financial liabilities	-	-	738.92	738.92
	-	-	2,094.64	2,094.64
Total	-	-	3,132.06	3,132.06

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate assets, the analysis is prepared assuming the amount of the assets balance at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Impact on profit or loss for the year for increase in interest rate	9.92	43.52
Impact on profit or loss for the year for decrease in interest rate	(9.92)	(43.52)

(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, 2022 and 31 March, 2021 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, 2022 would increase/decrease by Nil (for the year ended 31 March, 2021 would increase/ decrease by ₹ 25.11 million) as a result of the changes in net asset value of investment in mutual funds.

45 Share based payments

45.1 Employee Share Option Plan-2010

45.1.1 Details of employee share based plan of the Company

The shareholders of the Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2010' ("ESOP 2010") at the Annual General Meeting held on 20 August, 2010 to grant a maximum of 3,808,960 options to specified categories of employees of the Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. The Company had granted 3,730,340 options till the year ended 31 March, 2015, all of which have all been vested as at 31 March 2019. As per resolution passed on 21 August, 2015, the Company approved to cease any further grants under the ESOP 2010.

The following ESOP 2010 tranches were in existence during the current year:

Grant date	Number	Expiry date	Exercise price (in ₹)	Fair Value at grant date (in ₹)
23 January, 2015	162,180	Refer Note 1 below	311.30	490.42

Note 1: All options vest after 48-60 months from date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date on which the Company's shares were listed on a recognised stock exchange in India or a period of 10 years from date of respective vesting, whichever period ends later. Options not exercised within exercise period lapses.

45.1.2 Fair value of share options granted in the year

There were no options granted during the years ended 31 March, 2022 and 31 March, 2021.

45.1.3 Movements in share options during the year

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

Particulars	2021-22		2020-21	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	141,983	311.30	141,983	311.30
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	141,983	311.30	141,983	311.30

45.1.4 Share options exercised during the year

No share options were exercised during the year.

45.1.5 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 ₹ 311.30 (as at 31 March, 2021: ₹ 311.30) and a weighted average remaining contractual life of years 5.13 (as at 31 March, 2021: 6.13 years)

45 Share based payments

45.2 Restricted Share Option Plan

45.2.1 Details of employee share based plan of the Company

The shareholders of the Company approved 'Dr. Lal PathLabs Employees Restricted Stock Unit Plan 2016' ('RSU 2016') at the Annual General Meeting held on 28 July, 2016 to grant a maximum of 12,44,155 Restricted Stock Units ("RSUs") to key employees and directors of the Company and its subsidiaries. Each RSU granted and vested shall entitle the holder to acquire 1 equity share of ₹ 10 each. Under RSU 2016, for the performance year 2016-17, options of ₹ 10 each granted to eligible employees is 225,000 out of which 6,225 options were forfeited on non satisfaction of vesting conditions. For the performance year 2017-18, options of ₹ 10 each granted to eligible employees is 225,716 and 9,602 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2018-19, options of ₹ 10 each granted to eligible

employees is 219,132 and 28,498 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2019-20, options of ₹ 10 each granted to eligible employees is 213,841 and 27,631 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2020-21, options of ₹ 10 each granted to eligible employees is 1,12,200 and 12,468 options were forfeited on non satisfaction of vesting conditions.

Further, for the performance year 2021-22, options of ₹ 10 each granted to eligible employees is 131,594 and 11,793 options were forfeited on non satisfaction of vesting conditions. The Company has accounted for the expense of options proportionately for the period under employee cost on the basis of weighted average fair value.

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

Option series	Number	Grant date	Expiry date	Exercise Price (in ₹)	Fair Value at grant date (in ₹)
Series 1	203,400	29 July, 2016	Refer Note 1 below	10.00	943.00
Series 2	3,600	1 August, 2016	Refer Note 1 below	10.00	953.59
Series 3	8,000	21 September, 2016	Refer Note 1 below	10.00	1,182.34
Series 4	10,000	10 October, 2016	Refer Note 1 below	10.00	1,030.56
Series 5	214,716	7 August, 2017	Refer Note 1 below	10.00	795.15
Series 6	11,000	8 February, 2018	Refer Note 1 below	10.00	854.73
Series 7	210,132	10 August, 2018	Refer Note 1 below	10.00	908.45
Series 8	9,000	6 November, 2018	Refer Note 1 below	10.00	855.73
Series 9	213,841	13 August, 2019	Refer Note 1 below	10.00	1,045.81
Series 10	112,200	31 July, 2020	Refer Note 1 below	10.00	1,811.83
Series 11	114,844	8 April, 2021	Refer Note 1 below	10.00	3,002.90
Series 12	750	29 July, 2021	Refer Note 1 below	10.00	3,002.90
Series 13	4,500	1 November, 2021	Refer Note 1 below	10.00	3,461.04
Series 14	11,500	6 December, 2021	Refer Note 1 below	10.00	3,461.04

Note 1: All options vest after 1 year but within 4 years of date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date of respective vesting or such other shorter period as may be decided by the Nomination and Remuneration Committee from time to time. Options not exercised within the exercise period lapse.

45.2.2 Fair value of share options granted in the year

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Option Series	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6
Grant date share price	961.75	972.50	1,201.35	1,049.65	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%

Option Series	Series 7	Series 8	Series 9	Series 10	Series 11	Series 12
Grant date share price	939.45	886.75	1,086.45	1,881.05	2,987.35	3,621.45
Exercise price (in ₹)	10	10	10	10	10	10
Expected volatility	22.33%	25.66%	31.79%	32.28%	33.29%	33.29%
Option life	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years
Dividend yield	0.35%	0.37%	0.41%	0.53%	0.54%	0.54%
Risk-free interest rate	7.99%- 8.19%	7.92%- 8.01%	6.69%- 6.98%	5.65%- 5.96%	6.12%- 6.52%	6.12%- 6.52%

Option Series	Series 13	Series 14
Grant date share price	3,508.85	3,710.00
Exercise price (in ₹)	10	10
Expected volatility	33.72%	33.72%
Option life	6-9 Years	6-9 Years
Dividend yield	0.56%	0.56%
Risk-free interest rate	6.07%- 6.35%	6.07%- 6.35%

45.2.3 Movements in share options during the year

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

Particulars	2021-22		2020-21	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	554,812	10.00	603,601	10.00
Granted during the year	131,594	10.00	112,200	10.00
Forfeited during the year	12,193	10.00	12,468	10.00
Exercised during the year	138,072	10.00	148,521	10.00
Expired during the year	-	-	-	-
Balance at end of year	536,141	10.00	554,812	10.00

45.2.4 Share options exercised during the year

The following share options were exercised during the year.

Option series	Number exercised	Exercise date	Share price at exercise date
Series 1	14,830	Various dates	3,313.73*
Series 2	1,112	Various dates	3,247.00*
Series 3	-	-	-
Series 4	-	-	-
Series 5	45,399	Various dates	3,319.22*
Series 6	1,650	Various dates	3,139.11*
Series 7	22,516	Various dates	3,423.56*
Series 8	-	-	-
Series 9	30,384	Various dates	3,511.10*
Series 10	22,181	Various dates	3,646.10*
Series 11	-	-	-
Series 12	-	-	-
Series 13	-	-	-
Series 14	-	-	-
Total	138,072		

*weighted average share price during the period

45.2.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year has a weighted average exercise price of ₹ 10 (as at 31 March, 2021: ₹ 10) and a weighted average remaining contractual life of 5.62 years (as at 31 March, 2021: 5.96 years)

- 46.** Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" to its leases using the modified retrospective approach with the option to measure the right-of-use asset at an amount equal to the lease liability (i.e. as per para C8(c) (ii) of Ind AS 116), adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Company has applied this standard to land leases and building leases etc. to evaluate whether these contracts contains lease or not. Based on evaluation of the terms and conditions of the arrangements, the Company has evaluated such arrangements to be leases. Under this standard, all lease contracts, with limited exceptions, are recognised in the financial statements by way of right-of-use assets and corresponding lease liabilities.

When measuring lease liabilities, the weighted average discount rate used to calculate the lease liability in the opening balance under Ind AS 116 on April 1, 2019 was 11.25%.

On transition, the adoption of the new standard had resulted in reclassification of ₹ 81.41 million from property, plant and equipment to right-of-use assets, reclassification of ₹. 76.35 million from prepaid rent- Other non-current assets to right-of-use assets, reclassification of ₹ 0.82 million from prepaid rent- Other current assets to right-of-use assets, reclassification of ₹ 12.17 million from Payment obligation-leasehold land- Other financial liabilities - non current to lease liabilities and reclassification of ₹ 1.53 million from Payment obligation-leasehold land- Other financial liabilities - current to lease liabilities. There had been no impact on the retained earnings on initial application of the standard.

The Company recognises a lease liability measured at the present value of the remaining lease payments. The right-of-use assets are recognised at cost, which comprises the amount of the measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease.

The Company has cash outflows for lease of underlying assets amounting to ₹ 504.33 (31 March, 2021: 395.23 million) out of which rent charges is amounting to ₹ Nil million (31 March, 2021: 27.38 million) which includes rentals for short term lease and low value lease.

Payments recognised as an expenses

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Short term lease	71.28	27.38
Low value assets	-	-

Details of lease liability:

The following is the movement in lease liabilities during the year:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance as at beginning of the year	1,413.68	1,249.02
Additions	778.60	421.51
Finance cost accrued during the period	184.04	148.02
Payment/adjustment of lease liabilities	(777.05)	(367.85)
Derecognition of lease liability	(2.47)	(37.02)
Balance as at end of the year	1,596.80	1,413.68
Current	387.16	376.26
Non-current	1,209.64	1,037.42

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Less than one year	387.16	376.26
One to five years	1,279.88	1,143.09
More than five years	660.07	586.83
Total	2,327.11	2,106.18

Details of right-of-use assets:

The following is the movement in right-of-use assets during the year ended:

(in ₹ million, unless otherwise stated)

Particulars	Land	Buildings
As at 1 April, 2020	158.62	1,144.27
Additions	-	421.51
Deletions	-	(33.70)
Depreciation expense	(1.64)	(290.37)
As at 31 March, 2021	156.98	1,241.72
Additions	-	778.61
Deletions	-	(2.08)
Depreciation expense	(1.64)	(327.25)
As at 31 March, 2022	155.34	1,690.99

- 47.** In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent dismissal of the review petition in August 2019 had ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company has assessed possible outcomes of the judgment on determination of provident fund contributions and based on the legal opinion obtained and current evaluation, the Company believes it is not probable that certain components paid by the Company will be subject to payment of Provident Fund due to the Supreme Court order. The Company will continue to monitor and evaluate its position based on future events and developments.
- 48.** The Indian Parliament has approved the Code on Social Security, 2020 ('the Code') which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

49. Additional disclosures with respect to amendments to Schedule III

The title deeds comprising all the immovable properties of land and buildings which are freehold (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) and the building constructed on leasehold land disclosed as property, plant and equipment in the financial statements, are held in the name of the Company as at the balance sheet date except the following:

- a. List of immovable properties not held in the name of the Company/ immovable properties that have been taken on lease and the lease agreements are not duly executed in the favour of the Company.

Relevant line item in the Balance sheet	Description of property	Gross carrying value in the standalone financial statements	Carrying value in the standalone financial statements	Held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in name of Company
Property, plant and equipment - Freehold Building	Flat No 4A, First Floor, 11 B.T. Road, Baranagar, Parganas (North), Kolkata.	0.18	0.1	Dr. Lal PathLabs Private Limited	No	1 April, 2013	These properties were acquired pursuant to the amalgamation of Medicave Diagnostic Centre Private Limited with the Company with effect from 21 May, 2015 with the appointed date being 1 April, 2013. The title of these properties was mutated in the name of Dr. Lal PathLabs Private Limited on 19 February, 2018. Subsequently, the Company was converted into a public company and the Registrar of Companies NCT of Delhi & Haryana issued a fresh certificate of incorporation w.e.f August 19, 2015.
Property, plant and equipment - Building	Flat No 4, First Floor, 11 B.T. Road, Baranagar, Parganas (North), Kolkata.	0.18	0.1	Dr. Lal PathLabs Private Limited	No	1 April, 2013	

Relevant line item in the Balance sheet	Description of property	Gross carrying value in the standalone financial statements	Carrying value in the standalone financial statements	Held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in name of Company
Property, plant and equipment - Building	Flat no. 3, Premises no. 11, Mouza Nainan, B.T. Road, Baranagar, Parganas (North), Kolkata along with garage.	0.18	0.1	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
Property, plant and equipment - Building	Room No 7 & 8, 48B, B.T. Road, Baranagar, Parganas (North), Kolkata.	0.1	0.05	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
Property, plant and equipment - Building	Room No 11 & 13, 48B, B.T. Road, Baranagar, Parganas (North), Kolkata.	0.07	0.04	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
Right-of-use-assets - Building	Leasehold building situated at Sector 18, Block E, Rohini, Delhi.	130.27	70.28	Dr. Lal PathLabs Private Limited	No	8 April, 2005	The lease deed was signed on 8 April, 2005 in the name of Dr. Lal PathLabs Private Limited. Subsequently, the Company was converted into a public company and the Registrar of Companies NCT of Delhi & Haryana issued a fresh certificate of incorporation w.e.f August 19, 2015.

- b. The Company had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- c. The Company was not holding any benami property and no proceedings were initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- d. The Company had not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

- e. The Company did not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- f. The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.
- g. The Company has not traded or invested in Crypto currency or Virtual Currency during year ended 31 March, 2022.
- h. The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) any funds to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- i. The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- j. The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- k. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

50. Related Party Disclosures

I. Names of related parties and related party relationship

a. Related parties where control exists

Subsidiaries held directly

- 1 Paliwal Diagnostics Private Limited
- 2 Paliwal Medicare Private Limited
- 3 Dr. Lal PathLabs International B.V. (liquidated on 20 October, 2020)
- 4 APL Institute of Clinical Laboratory & Research Private Limited
- 5 Dr. Lal PathLabs Nepal Private Limited
- 6 Dr. Lal PathLabs Bangladesh Private Limited
- 7 PathLabs Unifiers Private Limited
- 8 Dr. Lal Ventures Private Limited
- 9 Dr. Lal Pathlabs Kenya Private Limited
- 10 Suburban Diagnostics India Private Limited (w.e.f 12 November, 2021)

Subsidiaries held indirectly

- 1 Centrapath Labs Private Limited
- 2 APRL PathLabs Private Limited
- 3 Chanre Laboratory Private Limited (w.e.f 25 January, 2021)

b. Entities in which key managerial personnel can exercise significant influence

- 1 Central Clinical Laboratory
- 2 Eskay House HUF - Dr. Arvind Lal
- 3 New Delhi Centre for Sight Limited
- 4 Lal PathLabs Foundation (formerly Dr. Lal PathLabs Welfare Trust)
- 5 ALVL Foundation

c. Key managerial personnel

- 1 (Hony) Brig. Dr. Arvind Lal - Executive Chairman (w.e.f 1 April, 2020)
- 2 Dr. Vandana Lal – Director
- 3 Dr. Om Prakash Manchanda - Managing Director (w.e.f 1 April, 2020)
- 4 Mr. Ved Prakash Goel - Chief Financial Officer
- 5 Mr. Rajat Kalra - Company Secretary
- 6 Mr. Bharath U - Chief Executive Officer (w.e.f 1 April, 2020)
- 7 Harneet Singh Chandhoke- Independent Director
- 8 Saurabh Srivastava - Independent Director
- 9 Sunil Varma - Independent Director
- 10 Anoop Singh - Independent Director
- 11 Somya Satsangi - Independent Director
- 12 Rahul Sharma - Director
- 13 Dr. Archana Lal Erdmann - Director

d. Relatives of key management personnel

- 1 Mr. Anjaneya Lal
[Son of (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal]

e. Other related parties

- 2 Dr. Lal PathLabs Limited Group Gratuity Trust (formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)
(Trust to manage and administer gratuity liability of the Company)

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

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

Particulars	Subsidiaries	Entities in which KMP 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	6.46	-	-	-	-	6.46
	(34.28)	-	-	-	-	(34.28)
Dr. Lal PathLabs Nepal Private Limited	40.53	-	-	-	-	40.53
	(29.42)	-	-	-	-	(29.42)
Dr. Lal PathLabs Bangladesh Private Limited	13.32	-	-	-	-	13.32
	(9.68)	-	-	-	-	(9.68)
ALVL Foundation	-	0.08	-	-	-	0.08
	(-)	(-)	(-)	(-)	(-)	-
Pathlabs Unifiers Private Limited	8.01	-	-	-	-	8.01
	(3.53)	-	-	-	-	(3.53)
APRL PathLabs Private Limited	2.32	-	-	-	-	2.32
	(1.02)	(-)	(-)	(-)	(-)	(1.02)
Centrapath Labs Private Limited	2.05	-	-	-	-	2.05
	(3.15)	(-)	(-)	(-)	(-)	(3.15)
Dr. Lal Ventures Private Limited	3.56	-	-	-	-	3.56
	(4.77)	(-)	(-)	(-)	(-)	(4.77)
Chanre Laboratory Private Limited	0.78	-	-	-	-	0.78
	(0.09)	(-)	(-)	(-)	(-)	(0.09)
Total	73.47	0.08	-	-	-	73.55

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

Particulars	Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
ii. Laboratory test charges	(85.94)	(-)	-	-	(-)	(85.94)
Paliwal Diagnostics Private Limited	12.22	-	-	-	-	12.22
	(19.38)	(-)	(-)	(-)	(-)	(19.38)
APRL PathLabs Private Limited	1.77	-	-	-	-	1.77
	(1.76)	(-)	(-)	(-)	(-)	(1.76)
Centrapath Labs Private Limited	1.67	-	-	-	-	1.67
	(-)	(-)	(-)	(-)	(-)	(-)
Total	15.66	-	-	-	-	15.66
	(21.14)	(-)	(-)	(-)	(-)	(21.14)
iii. Compensation of Key Managerial Personnel and their relatives						
The remuneration of key managerial personnel during the year was as follows:						
- Short term employee benefits	-	-	160.53	2.65	-	163.18
	(-)	(-)	(113.39)	(2.10)	(-)	(115.49)
- Post employment benefits*	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
- Share based payments to employees**	-	-	196.99	-	-	196.99
	(-)	(-)	(172.74)	(-)	(-)	(172.74)
Total	-	-	357.52	2.65	-	360.17
	(-)	(-)	(286.13)	(2.10)	(-)	(288.23)

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

Particulars	Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
iv. Contribution to Fund						
Lal PathLabs Foundation	-	-	-	-	66.07	66.07
(formerly Dr. Lal PathLabs Welfare Trust)	(-)	(-)	(-)	(-)	(47.42)	(47.42)
Dr. Lal PathLabs Limited Group Gratuity Trust	-	-	-	-	-	-
(formerly Dr. Lal PathLabs Private Limited Group Gratuity Trust)	(-)	(-)	(-)	(-)	(50.00)	(50.00)
Total	-	-	-	-	66.07	66.07
(-)	(-)	(-)	(-)	(-)	(97.42)	(97.42)
v. Rent						
Dr. Vandana Lal	-	-	0.74	-	-	0.74
	(-)	(-)	(0.70)	(-)	(-)	(0.70)
Total	-	-	0.74	-	-	0.74
(-)	(-)	(-)	(0.70)	(-)	(-)	(0.70)
vi. Dividend Paid						
(Hony) Brig. Dr. Arvind Lal	-	-	369.82	-	-	369.82
	(-)	(-)	(316.99)	(-)	(-)	(316.99)
Dr. Vandana Lal	-	-	225.15	-	-	225.15
	(-)	(-)	(192.99)	(-)	(-)	(192.99)
Dr. Om Prakash Manchanda	-	-	20.62	-	-	20.62
	(-)	(-)	(17.70)	(-)	(-)	(17.70)

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

Particulars	Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
Mr. Bharath U	-	-	0.21	-	-	0.21
	(-)	(-)	(0.17)	(-)	(-)	(0.17)
Mr. Ved Prakash Goel	-	-	0.27	-	-	0.27
	(-)	(-)	(0.23)	(-)	(-)	(0.23)
Dr. Archana Lal Erdmann	-	-	-	25.81	-	25.81
	(-)	(-)	(-)	(22.13)	(-)	(22.13)
Mr. Anjaneya Lal	-	-	-	23.65	-	23.65
(Son of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(-)	(-)	(20.28)	(-)	(20.28)
Mr. Rajat Kalra	-	-	0.03	-	-	-
	(-)	(-)	(0.01)	(-)	(-)	(-)
Total	-	-	616.10	49.46	-	665.56
	(-)	(-)	(528.09)	(42.41)	(-)	(570.50)
vii. Dividend received						
Paliwal Diagnostics Private Limited	16.00	-	-	-	-	16.00
	(16.00)	(-)	(-)	(-)	(-)	(16.00)
Total	16.00	-	-	-	-	16.00
	(16.00)	(-)	(-)	(-)	(-)	(16.00)
viii. Investment in equity shares						
PathLabs Unifiers Private Limited	45.00	-	-	-	-	45.00
	(225.00)	(-)	(-)	(-)	(-)	(225.00)
Dr Lal PathLabs Kenya Private Limited	1.01	-	-	-	-	1.01
	(40.21)	(-)	(-)	(-)	(-)	(40.21)
Total	46.01	-	-	-	-	46.01
	(265.21)	(-)	(-)	(-)	(-)	(265.21)

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

Particulars	Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
ix. Share options exercised***						
Dr. Om Prakash Manchanda	-	-	0.40	-	-	0.40
	(-)	(-)	(0.71)	(-)	(-)	(0.71)
Mr. Bharath U	-	-	0.08	-	-	0.08
	(-)	(-)	(0.14)	(-)	(-)	(0.14)
Mr. Ved Prakash Goel	-	-	0.03	-	-	0.03
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Rajat Kalra	-	-	0.08	-	-	0.08
	(-)	(-)	(0.01)	(-)	(-)	(0.01)
	-	-	0.59	-	-	0.59
	(-)	(-)	(0.86)	(-)	(-)	(0.86)
x. Sitting fees						
Dr. Archana Lal Erdmann	-	-	-	0.35	-	0.35
	(-)	(-)	(-)	(0.25)	(-)	(0.25)
Anoop Mahendra Sigh	-	-	0.85	-	-	0.85
	(-)	(-)	(0.70)	(-)	(-)	(0.70)
Harneet Singh Chandhoke	-	-	0.60	-	-	0.60
	(-)	(-)	(0.50)	(-)	(-)	(0.50)
Ms. Somya Satsangi	-	-	0.75	-	-	0.75
	(-)	(-)	(0.45)	(-)	(-)	(0.45)
Rahul Sharma	-	-	0.70	-	-	0.70
	(-)	(-)	(0.50)	(-)	(-)	(0.50)
Saurabh Srivastava	-	-	0.80	-	-	0.80
	(-)	(-)	(0.55)	(-)	(-)	(0.55)
Sunil Varma	-	-	2.10	-	-	2.10
	(-)	(-)	(1.80)	(-)	(-)	(1.80)
	-	-	5.80	0.35	-	6.15
	(-)	(-)	(4.50)	(0.25)	(-)	(4.75)

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

Particulars	Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
xi. Commission to Directors						
Dr. Archana Lal Erdmann	-	-	-	1.10	-	1.10
	(-)	(-)	(-)	(1.00)	(-)	(1.00)
Anoop Mahendra Singh	-	-	1.38	-	-	1.38
	(-)	(-)	(1.25)	(-)	(-)	(1.25)
Harneet Singh Chandhoke	-	-	1.10	-	-	1.10
	(-)	(-)	(1.00)	(-)	(-)	(1.00)
Ms. Somya Satsangi	-	-	1.38	-	-	1.38
	(-)	(-)	(1.25)	(-)	(-)	(1.25)
Rahul Sharma	-	-	1.10	-	-	1.10
	(-)	(-)	(1.00)	(-)	(-)	(1.00)
Saurabh Srivastava	-	-	1.38	-	-	1.38
	(-)	(-)	(1.25)	(-)	(-)	(1.25)
Sunil Varma	-	-	1.38	-	-	1.38
	(-)	(-)	(1.25)	(-)	(-)	(1.25)
	-	-	7.72	1.10	-	8.82
	(-)	(-)	(7.00)	(1.00)	(-)	(8.00)

Particulars	(in ₹ million, unless otherwise stated)					
	Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
B. Outstanding balances at the year end						
i. Other non-current/current assets						
Other advances*****						
Lal PathLabs Foundation	31 March, 2022	-	-	-	0.10	0.10
(formerly Dr. Lal PathLabs Welfare Trust)	31 March, 2021	(-)	(-)	(-)	(0.10)	(0.10)
Dr. Lal PathLabs Limited Group Gratuity Trust	31 March, 2022	-	-	-	0.14	0.14
(formerly Dr. Lal PathLabs Private Limited Group Gratuity Trust)	31 March, 2021	(-)	(-)	(-)	(0.14)	(0.14)
Total	31 March, 2022	-	-	-	0.24	0.24
	31 March, 2021	(-)	(-)	(-)	(0.24)	(0.24)
ii. Trade receivables						
Dr. Lal PathLabs Nepal Private Limited	31 March, 2022	34.80	-	-	-	34.80
	31 March, 2021	(13.16)	(-)	(-)	(-)	(13.16)
Dr. Lal PathLabs Bangladesh Private Limited	31 March, 2022	37.23	-	-	-	37.23
	31 March, 2021	(26.62)	(-)	(-)	(-)	(26.62)
Total	31 March, 2021	72.03	-	-	-	72.03
	31 March, 2020	(39.78)	(-)	(-)	(-)	(39.78)
iii. Loans						
Mr. Ved Prakash Goel	31 March, 2022	-	-	6.00	-	6.00
	31 March, 2021	(-)	(-)	(1.23)	(-)	(1.23)
	31 March, 2022	-	-	6.00	-	6.00
	31 March, 2021	(-)	(-)	(1.23)	(-)	(1.23)

*The remuneration to the key managerial personnel and their relatives does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

**Excludes share based expenses accounted for during the year related to RSU Plan, 2016

*** Shares directly issued to the employees by the EWT Trust @ ₹ 10.00 (Previous year @ ₹ 10) per equity share of ₹ 10/- each.

**** Shares directly issued to the employees by the Company @ ₹ 110.80 per equity share of ₹ 10/- each.

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

Particulars	Numerator	Denominator	Year ended 31 March, 2022	Year ended 31 March, 2021	Variance	Reasons for variance
Current ratio (in times)	Current assets	Current liabilities	1.55	4.32	-64%	Refer note (a) below
Debt-Equity ratio (in times)	Total debt (Non-current and current including lease liabilities)	Shareholder's equity (Total equity)	0.38	0.13	196%	Refer note (b) below
Debt service coverage ratio (in times)	Earnings available for debt service = net profit after taxes + depreciation and amortisation expense + finance costs + non-cash operating expenses + other non-cash adjustments	Debt service = interest and lease payments + principal repayments	5.53	10.59	-48%	Refer note (c) below
Return on equity ratio (in %)	Net profit after taxes	Average shareholder's equity	25.55%	25.08%	2%	
Inventory turnover ratio (in times)	Cost of goods sold (COGS)	Average total inventory	11.58	8.06	44%	Refer note (d) below
Trade receivables turnover ratio (in times)	Net sales	Average net trade receivables	28.77	26.19	10%	
Trade payables turnover ratio (in times)	Purchases	Average accounts payable	7.95	6.43	24%	
Net capital turnover ratio (in times)	Net sales	Working capital = current assets - current liabilities	7.60	1.78	327%	Refer note (e) below
Net profit ratio (in %)	Net profit after taxes	Total Income	18.37%	18.79%	-2%	
Return on capital employed (in %)	Earning before interest and taxes	Capital employed = tangible net worth + total debt + deferred tax liability	24.84%	29.04%	-14%	
Return on investment (in %)	Income generated from investments	Time weighted average investments	3.59%	3.98%	-10%	

Notes:

- (a) Decreased on account of decrease in current assets and increase in current liabilities mainly on account of acquisition of Suburban Diagnostics (India) Private Limited ("SDIPL"), a wholly owned subsidiary during the current year.
- (b) Increased on account of availment of term loan during the year for acquisition of SDIPL.
- (c) Decrease is due to increase in debt service on account of higher lease payments vis-a-vis increase in earnings available for debt services.
- (d) Increase is due to increase in consumption and decrease in average inventory due to increase in business operations.
- (e) Increase is on account of increase in net sales and decrease in working capital.

52. Disclosure pursuant to section 186 of the Companies Act 2013:

Sr. No.	Nature of the transaction (loans given/ Investment made/ guarantee given/ security provided)	As at 31 March, 2022	As at 31 March, 2021
1	Loan and advances	-	-
2	Other advances	-	-
3	Guarantees	-	-
4	Investments in fully paid equity instruments and current investments	Refer Note 6 and 13	Refer Note 6 and 13

- 53.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 54.** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 55.** The Standalone Financial Statements were approved by the Board of Directors and authorised for issue on 17 May, 2022.

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

(Hony) Brig. Dr. Arvind Lal

(DIN: 0576638)
 [Executive Chairman]
 Place: Gurugram
 Date: 17 May, 2022

Dr. Om Prakash Manchanda

(DIN: 02099404)
 [Managing Director]
 Place: Gurugram
 Date: 17 May, 2022

Ved Prakash Goel

[Chief Financial Officer]
 Place: Gurugram
 Date: 17 May, 2022

Rajat Kalra

[Company Secretary]
 Place: Gurugram
 Date: 17 May, 2022

Bharath U

[Chief Executive Officer]
 Place: Gurugram
 Date: 17 May, 2022

Independent Auditor's Report

To The Members of Dr. Lal PathLabs Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Dr. Lal PathLabs Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated

changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition – Reliance on information technology and system for controls over pricing master file</p> <p>We identified reliance on information technology and system for controls over pricing master file as a key audit matter due to a likelihood of material misstatement in revenue recognition, resulting from unauthorised alterations to the pricing master file, on account of high volume of patient transactions.</p> <p>Refer to notes 2.3 and 28 to the consolidated financial statements.</p>	<p>The principal audit procedures performed by us as the Parent Company auditor's and the procedures performed by the Other Auditors, as reported by them, have been provided below:</p> <ul style="list-style-type: none"> • Obtained an understanding of and assessed and tested the design, implementation and operating effectiveness of relevant internal controls relating to authorisation of alterations to the pricing master file. • Tested the controls around the access rights to the price masters by involving information technology specialists. • Tested the automated controls for auto pick of the prices defined in the system based on the tests selected. • Tested the reports of changes in the pricing master files for completeness and accuracy by involving information technology specialists and for the selected samples of alterations during the year, verified that the changes were authorised. • Selected samples of the invoices and verified the billed price in respect thereof, to the underlying agreements.

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Impairment of goodwill and other intangible assets pertaining to Suburban Diagnostics (India) Private Limited ('SDIPL'): (Refer to note 4 and 5.2 to the consolidated financial statements)</p> <p>As detailed in Note 4 and 5.2 to the consolidated financial statements the company has recognised the goodwill arising on consolidation amounting to ₹ 4,647.77 million and other intangible assets comprising of customer relationships, brand and non compete agreement aggregated to ₹ 3,726.40 million pursuant to the acquisition of 100% stake in SDIPL during the year.</p> <p>We considered this as key audit matter due to the significance of the goodwill and intangible assets amount and the Company's assessment of impairment of goodwill and intangible assets using value-in-use approach which involves significant estimations and judgements with respect to expected growth rates (including terminal growth rate) and discount rates to prepare the forecasted financial information.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • Evaluated the design, implementation and tested operating effectiveness of internal controls relating to review of impairment of goodwill and other intangible assets performed by the Management; • Validated the underlying cash flow forecasts prepared by the Company's management in their valuation and compared the same with the Company's approved budgets; • With the involvement of our valuation experts, verified the mathematical accuracy of the model and evaluated the appropriateness of the key assumptions viz. discount rate, terminal growth rate and methodology used; • Evaluated the sensitivity analysis performed by the management on the projections by varying key assumptions such as discount and growth rates (including terminal growth rate); • We have also assessed the adequacy of the related disclosure to be made in the consolidated financial statements.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including annexures to Director's Report, Business Responsibility Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments

and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 198.91 million as at 31 March, 2022, total revenues of ₹ 202.36 million and net cash inflows amounting to ₹ 15.57 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2022 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2022 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer note 38 to the consolidated financial statements;
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts - Refer note 57 to the consolidated financial statements.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India - Refer note 58 to the consolidated financial statements.
 - iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 54 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any

other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 54 to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Parent during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in note 19 to the consolidated financial statements, the Board of Directors of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiaries at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

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

Jitendra Agarwal
Partner

Place: New Delhi
Date: 17 May, 2022

(Membership No. 87104)
(UDIN 22087104AJCSBU3259)

“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”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2022, we have audited the internal financial controls over financial reporting of Dr. Lal PathLabs Limited (hereinafter referred to as “Parent”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed

under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, which is a company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report 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, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company which is a company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN 22087104AJCSBU3259)

Place: New Delhi
Date: 17 May, 2022

Consolidated Balance Sheet

as at 31 March, 2022

(in ₹ million, unless otherwise stated)

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
Assets			
1. Non-current assets			
(a) Property, plant and equipment	3a	2,047.70	1,575.84
(b) Capital work-in-progress	3a	144.48	61.34
(c) Right-of-use assets	3b	2,106.03	1,482.88
(d) Goodwill	4	5,499.04	853.60
(e) Other intangible assets	5	4,100.01	560.30
(f) Intangible assets under development	5	5.56	34.78
(g) Financial assets			
(i) Loans	6	1.07	0.70
(ii) Other financial assets	7	242.91	67.80
(h) Non-current tax assets (net)	8	246.57	228.94
(i) Deferred tax assets (net)	9	370.38	280.23
(j) Other non-current assets	10	16.94	15.19
Total non-current assets		14,780.69	5,161.60
2. Current assets			
(a) Inventories	11	525.41	425.58
(b) Financial assets			
(i) Investments	12	654.59	593.03
(ii) Trade receivables	13	853.95	667.01
(iii) Cash and cash equivalents	14	3,781.95	2,442.98
(iv) Bank balances other than (iii) above	15	2,393.96	6,817.30
(v) Loans	16	10.68	9.31
(vi) Other financial assets	17	346.64	379.45
(c) Other current assets	18	184.33	117.04
Total current assets		8,751.51	11,451.70
Total assets		23,532.20	16,613.30
Equity and liabilities			
1. Equity			
(a) Equity share capital	19	833.45	833.45
(b) Other equity	20	14,247.32	11,617.14
Equity attributable to owners of the Company		15,080.77	12,450.59
Non-controlling interests	21	354.60	309.56
Total equity		15,435.37	12,760.15
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	1,667.97	1.19
(ii) Lease liabilities	41	1,388.59	1,101.56
(b) Deferred tax liabilities (net)	9	40.39	7.55
Total non-current liabilities		3,096.95	1,110.30
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	1,788.53	-
(ii) Lease liabilities	41	480.56	402.10
(iii) Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		87.26	76.18
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,386.58	1,365.10
sub-total		1,473.84	1,441.28
(iv) Other financial liabilities	25	608.55	440.89
(b) Provisions	26	270.47	172.17
(c) Current tax liabilities (net)	8	31.56	49.44
(d) Other current liabilities	27	346.37	236.97
Total current liabilities		4,999.88	2,742.85
Total liabilities		8,096.83	3,853.15
Total Equity and liabilities		23,532.20	16,613.30
See accompanying notes to the Consolidated Financial Statements	1-60		

In terms of our report of even date attached

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

Jitendra Agarwal
Partner

Place: New Delhi
Date: 17 May, 2022

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Executive Chairman]
Place: Gurugram
Date: 17 May, 2022

Ved Prakash Goel
[Chief Financial Officer]
Place: Gurugram
Date: 17 May, 2022

Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 17 May, 2022

Dr. Om Prakash Manchanda
(DIN: 02099404)
[Managing Director]
Place: Gurugram
Date: 17 May, 2022

Rajat Kalra
[Company Secretary]
Place: Gurugram
Date: 17 May, 2022

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2022

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
1. Income			
(a) Revenue from operations	28	20,874.08	15,812.66
(b) Other income	29	525.46	513.33
Total income		21,399.54	16,325.99
2. Expenses			
(a) Cost of materials consumed	30	5,022.52	3,972.61
(b) Employee benefits expense	31	3,649.35	2,737.02
(c) Finance costs	32	301.82	160.03
(d) Depreciation and amortisation expense	33	1,081.07	771.98
(e) Fees to collection centers/channel partners		2,845.40	2,042.83
(f) Other expenses	34	3,749.56	2,697.43
Total expenses		16,649.72	12,381.90
3. Profit before tax		4,749.82	3,944.09
4. Tax expense			
(a) Current tax	35	1,264.79	1,021.14
For current period		1,295.17	1,075.62
For earlier years		(30.38)	(54.48)
(b) Deferred tax	9	(17.88)	(41.84)
For current period		(43.68)	(79.88)
For earlier years		25.80	38.04
Total tax expense		1,246.91	979.30
5. Profit for the year (A)		3,502.91	2,964.79
6. Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit obligations		(17.14)	(9.24)
- Income tax in relation to items that will not be reclassified to profit or loss		4.29	2.34
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(0.17)	(1.16)
- Income tax in relation to the items that will be reclassified to profit or loss		-	-
Total other comprehensive income/ (loss) (B)		(13.02)	(8.06)
7. Total comprehensive income for the year (A+B)		3,489.89	2,956.73
Profit for the year attributable to:			
- Owners of the Company		3,448.33	2,916.21
- Non-controlling interests		54.58	48.58
		3,502.91	2,964.79
Other comprehensive income/ (loss) for the year attributable to:			
- Owners of the Company		(13.12)	(7.80)
- Non-controlling interests		0.10	(0.26)
		(13.02)	(8.06)
Total comprehensive income for the year attributable to:			
- Owners of the Company		3,435.21	2,908.41
- Non-controlling interests		54.68	48.32
		3,489.89	2,956.73
8. Earnings per equity share	36		
- Basic earnings per share (Face value of ₹ 10 each)		41.70	35.33
- Diluted earnings per share (Face value of ₹ 10 each)		41.57	35.25
See accompanying notes to the Consolidated Financial Statements	1-60		

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants**Jitendra Agarwal**
PartnerPlace: New Delhi
Date: 17 May, 2022For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited**(Hony) Brig. Dr. Arvind Lal**
(DIN: 0576638)
[Executive Chairman]
Place: Gurugram
Date: 17 May, 2022**Ved Prakash Goel**
[Chief Financial Officer]
Place: Gurugram
Date: 17 May, 2022**Bharath U**
[Chief Executive Officer]
Place: Gurugram
Date: 17 May, 2022**Dr. Om Prakash Manchanda**
(DIN: 02099404)
[Managing Director]
Place: Gurugram
Date: 17 May, 2022**Rajat Kalra**
[Company Secretary]
Place: Gurugram
Date: 17 May, 2022

Consolidated Cash Flow Statement

for the year ended 31 March, 2022

(in ₹ million, unless otherwise stated)

Particulars	Note no.	Year ended 31 March, 2022	Year ended 31 March, 2021
Cash flows from operating activities			
Profit for the year		3,502.91	2,964.79
Adjustments for :			
Tax expense		1,246.91	979.30
Interest income		(472.61)	(438.75)
Gain on sale or fair valuation of investments		(31.62)	(47.29)
Surrender value of keyman insurance policy		(4.95)	(5.42)
Sundry balances written back		(1.78)	(5.27)
(Profit)/Loss on disposal/discard of property, plant and equipment		6.00	1.74
Expense recognised in respect of employee share based compensation		323.09	203.74
Finance cost		301.82	160.03
Depreciation and amortisation expense		1,081.07	771.98
Provision for impairment of trade receivables and advances		-	48.87
Provision for impairment of trade receivables and advances written back		(13.12)	-
Bad debts and advances written off (net)		6.16	2.39
Security deposits amortisation		7.72	6.09
Remeasurement of the defined benefit obligation		(17.14)	(9.24)
Exchange differences on translation of foreign operations		(0.17)	(1.16)
Operating profit before working capital changes		5,934.29	4,631.80
Changes in working capital:			
Adjustment for (increase)/decrease in operating assets:			
(Increase)/decrease in inventories		(99.83)	144.02
(Increase)/decrease in trade receivables		(179.98)	(204.39)
(Increase)/decrease in loans		(1.74)	(0.69)
(Increase)/decrease in other financial assets		(109.15)	(27.79)
(Increase)/decrease in other assets		(67.90)	45.42
Adjustment for increase/(decrease) in operating liabilities:			
Increase/(decrease) in trade payables		34.33	269.20
Increase/(decrease) in other financial liabilities		49.51	34.05
Increase/(decrease) in provisions		98.30	18.59
Increase/(decrease) in other liabilities		109.40	88.30
Cash generated from operations		5,767.23	4,998.51
Income taxes paid		(1,300.29)	(1,017.01)
Net cash generated by operating activities (a)		4,466.94	3,981.50
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(941.06)	(355.64)
Proceeds from disposal of property, plant and equipment		16.47	4.16
Payments for purchase of other intangible assets		(3,820.37)	(240.26)
Interest received		496.29	396.18
Payments for business purchase on slump sale basis*		(44.75)	(31.50)

Consolidated Cash Flow Statement

for the year ended 31 March, 2022

(in ₹ million, unless otherwise stated)

Particulars	Note no.	Year ended 31 March, 2022	Year ended 31 March, 2021
Net cash outflow for investment in subsidiaries		(4,531.22)	-
Payments for purchase of investments in mutual funds		(3,756.42)	(3,823.56)
Proceeds from sale of investments in mutual funds		3,726.48	4,920.57
Bank deposits placed with the banks		(4,720.39)	(8,756.59)
Bank deposits with banks encashed		9,082.50	5,766.48
Net cash used in investing activities (b)		(4,492.47)	(2,120.16)
Cash flows from financing activities			
Proceeds from exercise of share options		1.38	1.49
Repayment of application money received at the time of IPO		-	(0.01)
Proceeds from issue of preference shares		-	1.50
Proceeds from Borrowings		3,454.23	-
Interest paid		(104.71)	(2.81)
Repayment of lease liability		(620.57)	(235.27)
Interest paid on lease liability		(199.22)	(155.63)
Dividend paid on equity shares		(1,166.60)	(994.83)
Net cash used in financing activities (c)		1,364.51	(1,385.56)
Net increase in cash and cash equivalents (a+b+c)		1,338.97	475.78
Cash and cash equivalents at the beginning of the year	14	2,442.98	1,967.20
Cash and cash equivalents at the end of the year	14	3,781.95	2,442.98
Components of cash and cash equivalents			
Cash on hand		14.22	14.91
Balance with scheduled banks:			
- on current accounts		173.63	180.50
- on cash credit accounts		21.87	66.12
- deposits with maturity of less than 3 months		3,572.23	2,181.45
Cash and cash equivalents in Cash Flow Statement	14	3,781.95	2,442.98
*Value of assets and liabilities acquired on business purchase through slump sale have been included in movement of respective assets and liabilities			
See accompanying notes to the Consolidated Financial Statements	1-60		

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants**Jitendra Agarwal**
PartnerPlace: New Delhi
Date: 17 May, 2022For and on behalf of the Board of Directors of
Dr. Lal PathLabs Limited**(Hony) Brig. Dr. Arvind Lal**
(DIN: 0576638)
[Executive Chairman]
Place: Gurugram
Date: 17 May, 2022**Ved Prakash Goel**
[Chief Financial Officer]
Place: Gurugram
Date: 17 May, 2022**Bharath U**
[Chief Executive Officer]
Place: Gurugram
Date: 17 May, 2022**Dr. Om Prakash Manchanda**
(DIN: 02099404)
[Managing Director]
Place: Gurugram
Date: 17 May, 2022**Rajat Kalra**
[Company Secretary]
Place: Gurugram
Date: 17 May, 2022

Consolidated Statement of Changes in Equity

for the year ended 31 March, 2022

A. EQUITY SHARE CAPITAL

Particulars	(in ₹ million, unless otherwise stated)	Amount
Balance as at 1 April, 2020		833.45
Add/(Less): changes in equity share capital due to prior period errors		-
Restated balance as at 1 April, 2020		833.45
Changes in equity share capital during the period		-
Balance as at 31 March, 2021		833.45
Balance as at 1 April, 2021		833.45
Add/(Less): changes in equity share capital due to prior period errors		-
Restated balance as at 1 April, 2021		833.45
Changes in equity share capital during the period		-
Balance as at 31 March, 2022		833.45

B. OTHER EQUITY

Particulars	(in ₹ million, unless otherwise stated)						Attributable to owners of the Company	Non-controlling interests	Total
	Capital reserve	Capital redemption reserve account	Securities premium	General reserve	Share options outstanding account	Treasury shares	Retained earnings	Other comprehensive income	
								Foreign currency translation reserve	
Balance as at 1 April, 2020	(33.00)	4.45	927.95	614.54	328.83	(241.23)	7,892.52	0.57	212.19
changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April, 2020	(33.00)	4.45	927.95	614.54	328.83	(241.23)	7,892.52	0.57	212.19
Profit for the year	-	-	-	-	-	-	2,916.21	-	48.58
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	(6.64)	(1.16)	(0.26)
Total comprehensive income for the year	(33.00)	4.45	927.95	614.54	328.83	(241.23)	10,802.09	(0.59)	260.51
Movement during the period on account of issue of equity shares	-	-	-	-	-	-	-	-	-
Payments of dividends (Refer note 20)	-	-	-	-	-	-	(991.13)	-	(4.00)
Share options exercised during the year (refer note 20 and 51)	-	-	-	94.86	(134.57)	41.20	-	-	-
Employee share based compensation expense (Refer note 31)	-	-	-	-	203.74	-	-	-	-
Non-controlling interests arising on the acquisition of subsidiary Centrapath Labs Private Limited (Refer note 21)	-	-	-	-	-	-	-	-	52.65
Non-controlling interests arising on the acquisition of subsidiary APL PathLabs Private Limited (Refer note 21)	-	-	-	-	-	-	-	-	0.40
Balance as at 31 March, 2021	(33.00)	4.45	927.95	709.40	398.00	(200.03)	9,810.96	(0.59)	309.56
Balance as at 1 April, 2021	(33.00)	4.45	927.95	709.40	398.00	(200.03)	9,810.96	(0.59)	309.56
Balance as at 31 March, 2022	(33.00)	4.45	927.95	709.40	398.00	(200.03)	9,810.96	(0.59)	309.56
Balance as at 1 April, 2021	(33.00)	4.45	927.95	709.40	398.00	(200.03)	9,810.96	(0.59)	309.56
Balance as at 31 March, 2022	(33.00)	4.45	927.95	709.40	398.00	(200.03)	9,810.96	(0.59)	309.56

for the year ended 31 March, 2022

Dr. Om Prakash Mani
(DIN: 02099404)
[Managing Director]
Place: Gurugram
Date: 17 May, 2022

Rajat Kalra
[Company Secretary]
Place: Gurugram
Date: 17 May, 2022

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 0576638)
[Executive Chairman]
Place: Gurugram
Date: 17 May, 2022

Ved Prakash Goel
[Chief Financial Officer]
Place: Gurugram
Date: 17 May, 2022

Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 17 May, 2022

In terms of our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: New Delhi
Date: 17 May, 2022

Notes

to the Consolidated Financial Statements

1 GENERAL INFORMATION

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

2.2 Basis of preparation and presentation

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

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

Fair value measurement

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

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

2.3 Revenue recognition

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

Effective 1 April, 2018, the Group had adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 had been insignificant.

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised at a point in time when the Group satisfies performance obligations by transferring

the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied.

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

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

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities, referred to as "unearned revenue". Refer to note 28.

The Group disaggregates revenue from contracts with customers by geography.

2.4 Leasing

On April 1, 2019, The Group had adopted Ind AS 116 "Leases" using the modified retrospective approach by applying the standard to all leases existing at the date of initial application. The Group also elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option ("short-term leases") and lease contracts for which the underlying asset is of low value other than land. ("low value assets").

The standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves use of an identified asset, (ii) the Group has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

2.4.1 The Group as a lessee

The Group determines whether an arrangement is a lease at contract inception by establishing if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. On commencement date, it recognises a right-of-use assets (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short term leases and low value assets. For these short-term and low value leases, the Group recognises the lease payments on straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

The right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or its useful life.

The lease liability is initially measured at present value of the future lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if it is not readily determinable, using the incremental borrowing rate. For leases with similar characteristics, the Group, on a lease by lease basis, adopts either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The interest cost on lease liability (computed using effective interest method), is expensed in the statement of profit and loss.

Right-of-use assets and lease liability includes the options to extend/terminate the lease before the end of the lease term when it is reasonably certain that this option will be exercised.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-

alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments have been classified as financing cash flows.

2.4.2 The Group as lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2.5 Functional and presentation currency

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

2.6 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

2.6.1 Defined contribution plan

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

2.6.2 Defined benefit plan

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

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

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

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

The Parent Company has taken 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. Effective April 1, 2019, the Group has adopted Appendix C to Ind AS 12 – Income taxes, which clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments.

2.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of

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

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

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

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

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

2.7.3 Current and deferred tax for the year

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

2.8 Property, plant and equipment

2.8.1 Property, plant and equipment acquired separately

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

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

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

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

2.8.2 Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

The asset's residual value, 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.

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

Freehold land is not amortised.

2.8.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill such as trademark, non-compete fee and customer relationship are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Significant estimates are required to be made in determining the value of these intangible assets as per Ind AS 103. These valuations are conducted by independent valuation experts. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.8.4 Deemed cost on transition to Ind AS

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

2.8.5 Derecognition of tangible assets

A tangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses arising from derecognition of a tangible asset, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.9 Intangible assets

2.9.1 Intangible assets acquired separately

Trademarks, computer software, customer relationship and non-compete agreement fees 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. 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.

Estimated useful life of intangible assets are as follows

Trademark & Patent- 5-17 years

Customer relationship –11 - 12 years

Non compete agreement fees - 5 years

Computer software – 5 years

2.9.2 Amortisation methods and useful lives

Trademarks and softwares are amortised on a straight-line basis over its estimated useful life i.e. 5 years. An intangible asset is derecognised when no future economic benefits are expected from use.

2.9.3 Deemed cost on transition to Ind AS

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

2.9.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are

expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.10 Impairment of tangible and intangible assets other than goodwill

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

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

2.11 Inventories

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

2.12 Provisions, contingent liability and contingent asset

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

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

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

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

2.13 Financial instruments

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

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

value through profit or loss are recognised immediately in the Statement of Profit and Loss.

2.14 Financial assets

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

Classification of financial assets

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Effective interest method

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

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

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

2.14.1 Cash and cash equivalents

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

2.14.2 Financial assets at amortised cost

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

2.14.3 Financial assets at fair value through other comprehensive income

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

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

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

2.14.5 Foreign exchange gain and losses

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

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

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

2.14.6 Impairment of financial assets

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

2.14.7 Derecognition of financial assets

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

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

2.14.8 Interest

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

2.14.9 Income from units in mutual funds

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

2.15 Financial liabilities and equity instruments

2.15.1 Classification of debt or equity

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

2.15.2 Equity instruments

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

2.15.3 Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

All financial liabilities are subsequently measured at amortised cost using the effective

interest rate method or at fair value through profit or loss.

2.15.4 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' in the line-item 'Net foreign exchange gains/(losses)' except where capitalised as part of borrowing cost.

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

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

2.15.5 Derecognition of financial liabilities

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

2.16 Goodwill

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the

impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

2.17 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 51.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.18 Earnings per share

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

2.19 Operating cycle

The Group has determined its operating cycle as 12 months for the purpose of classification

of its assets and liabilities as current and non-current.

2.20 Cash Flow Statement

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

2.21 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Group.

2.22 Use of estimates and judgements

The preparation of Consolidated Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Consolidated Financial Statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements are included in the following notes:

Accounting of reagent rental equipments

The 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.

Carrying amount of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss may arise (Refer to note 4).

Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There is no such change in the useful life of the assets (Refer to note 3).

Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates (Refer to note 40).

2.23 Basis of consolidation and equity accounting

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balance and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Change in Equity and Consolidated Balance Sheet respectively.

The following subsidiary companies have been considered in the preparation of the Consolidated Financial Statements:

S. No.	Name of the Company
1	Paliwal Diagnostics Private Limited
2	Paliwal Medicare Private Limited
3	APL Institute of Clinical Laboratory & Research Private Limited
4	Dr Lal PathLabs Nepal Private Limited
5	Dr Lal PathLabs Bangladesh Pvt Ltd
6	Suburban Diagnostics (India) Private Limited (w.e.f 12 November, 2021)
7	Dr. Lal Ventures Private Limited
8	PathLabs Unifiers Private Limited
9	Centrapath Labs Private Limited
10	APRL Pathlabs Private Limited
11	Dr. Lal PathLabs Kenya Private Limited
12	Chanre Laboratory Private Limited (w.e.f 25 January, 2021)

2A. New standards/amendments that are not yet effective and have not been early adopted:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 notifies new standard or amendments to the standards. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. This amendment comes into effect from April 1, 2022.

The Company does not expect the amendment to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental

costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). This amendment comes into effect from April 1, 2022.

The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 109 – Financial Instruments

The amendment specifies that for the purpose of paragraph 3.3.2 of Ind-AS 109, the terms shall be considered to be substantially different if

the discounted present value of the cash flows under the new terms of a debt instrument, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. This amendment comes into effect from April 1, 2022.

The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

(in ₹ million, unless otherwise stated)

[illegible]

Note: The Group had not revalued its property, plant and equipment during the year ended 31st March, 2022 and 31st March, 2021

3b: Right-of-use assets

(in ₹ million, unless otherwise stated)

	Right-of-use land	Right-of-use buildings	Total
Gross carrying value			
Balance as at 1 April, 2020	160.26	1,476.01	1,636.27
Additions	-	482.22	482.22
Disposals		(33.68)	-33.68
Balance as at 31 March, 2021	160.26	1,924.55	2,084.81
Addition on account of business combinations		199.96	199.96
Additions	-	870.16	870.16
Disposals		(3.38)	(3.38)
Balance as at 31 March, 2022	160.26	2,991.29	3,151.55
Accumulated depreciation			
Balance as at 1 April, 2020	1.64	289.98	291.62
Depreciation expense	1.64	308.67	310.31
Elimination on disposals of assets	-	-	-
Balance as at 31 March, 2021	3.28	598.65	601.93
Additions on account of business combinations		77.27	77.27
Depreciation expense	1.64	364.68	366.32
Elimination on disposals of assets	-	-	-
Balance as at 31 March, 2022	4.92	1,040.60	1,045.52
Net carrying value			
Balance as at 1 April, 2020	158.62	1,186.03	1,344.65
Additions	-	482.22	482.22
Disposals	-	(33.68)	(33.68)
Depreciation expense	(1.64)	(308.67)	(310.31)
Balance as at 31 March, 2021	156.98	1,325.90	1,482.88
Addition on account of business combinations	-	122.69	122.69
Additions	-	870.16	870.16
Disposals	-	(3.38)	(3.38)
Depreciation expense	(1.64)	(364.68)	(366.32)
Balance as at 31 March, 2022	155.34	1,950.69	2,106.03

Note: The Group had not revalued its Right-of Use Assets during the year ending 31st March, 2022 and 31st March, 2021

3c: Capital-Work-in Progress ('CWIP)

(a) CWIP ageing schedule

CWIP Ageing Schedule

(in ₹ million, unless otherwise stated)

	As at 31 March , 2022	As at 31 March , 2021
Projects in progress		
- Less than 1 year	144.48	61.34
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(A)	144.48	61.34
Projects temporarily suspended		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(B)	-	-
Total (A+B)	144.48	61.34

- (b) There is no capital-work-progress , whose completion is overdue or has exceeded its cost compared to its original plan.

4: Goodwill

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cost or deemed cost	5,499.04	853.60
Accumulated impairment loss	-	-
	5,499.04	853.60

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Cost or deemed cost		
Balance at the beginning of year	853.60	772.26
Additions on account of acquisitions/ business combinations*	4,647.77	81.50
Adjustments	(2.50)	
Foreign currency translation reserve	0.17	(0.16)
Balance at the end of the year	5,499.04	853.60

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
Balance at the end of the year	-	-

Notes*(i) Goodwill on account of acquisitions**

During the previous year ended 31 March, 2021, the Group had purchased the following businesses engaged in the business of providing pathological diagnostics services, on a going concern basis:

(in ₹ million, unless otherwise stated)			
Name of the entity in the Group	Particulars	Purchase consideration	Goodwill
Parent	Bindish Diagnostic Laboratory LLP	38.86	17.80
	Total	38.86	17.80
Indian subsidiaries			
Chanre Laboratory Private Limited	Business of Chanre Diagnostic Services Private Limited	5.50	2.26
	Proprietorship in the name of Chanre Diagnostics Laboratory	169.50	9.30
	Total	175.00	11.56
Total		213.86	29.36

(ii) Goodwill on account of business combinations

During the year ended 31 March 2022, Dr. Lal Pathlabs limited (parent company), as approved in the Board of Directors meetings, held on 26 October, 2021 had acquired 100% equity stake in "Suburban Diagnostics (India) Private Limited" engaged in the business of providing pathological diagnostics services, on a going concern basis through purchase and subscription for a total consideration of ₹ 9667.10 million.

During the previous ended 31 March 2021, PathLabs Unifiers Private Limited (wholly owned subsidiary), as approved in the Board of Directors meetings, held on 01 November, 2021 had acquired 70% equity stake in "Chanre Laboratory Private Limited" engaged in the business of providing pathological diagnostics services, on a going concern basis through purchase and subscription for a total consideration of ₹ 175 million.

(in ₹ million, unless otherwise stated)		
Name of indian subsidiaries	As at 31, March 2022	As at 31, March 2021
Centra Pathlabs Private Limited	-	52.14
Suburban Diagnostics (India) Private Limited*	4,647.77	-
Total	4,647.77	52.14

* Included amount of ₹ 14.19 million relating to the goodwill in the financials of Suburban Diagnostics (India) Private Limited.

Impairment of goodwill

For the purpose of impairment testing, goodwill has been allocated to cash generating units (CGU) – Labs. The recoverable amount of cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial forecasts covering a five-year period, and a discount rate of 10-11.50% per annum (as at 31 March, 2021: 10-11.50% 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 5-15% per annum (as at March 31, 2021: 5-15% 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 2022	As at 31, March 2021
Carrying amounts of :		
Computer software	194.25	156.64
Customer relationships	1,864.26	184.23
Non-compete agreements	44.24	8.74
Brand	1,805.44	-
Trademarks	191.82	210.69
	4,100.01	560.30
Intangible assets under developments	5.56	34.78
	4,105.57	595.08

	Computer software	Customer relationships (Refer note below)	Non- compete agreements (Refer note below)	Brand (Refer note below)	Trademarks (Refer note below)	Total
Cost or deemed cost						
Balance as at 1 April, 2020	422.14	104.61	8.39		166.76	701.90
Additions	42.51	0.03	-		2.90	45.44
Additions on account of slump sale purchase	0.23	95.74	2.91		71.10	169.98
Disposals	-	-	-		-	-
Foreign currency translation reserve	-	-	-		-	-
Balance as at 31 March, 2021	464.88	200.38	11.30	-	240.76	917.32
Additions	93.44	-	-	-	-	93.44
Additions on account of business combinations	25.48	1,732.00	40.97	1,957.70	-	3,756.15
Disposals	-	-	-		-	-
Foreign currency translation reserve	-	-	-		-	-
Balance as at 31 March, 2022	583.80	1,932.38	52.27	1,957.70	240.76	4,766.91
Accumulated amortisation						
Balance as at 1 April, 2020	237.51	5.65	0.83		17.15	261.14
Amortisation expense	70.73	10.50	1.73		12.92	95.88
Elimination on disposals of assets	-	-	-		-	-
Foreign currency translation reserve	-	-	-		-	-
Balance as at 31 March, 2021	308.24	16.15	2.56		30.07	357.02
Amortisation expense	73.35	51.97	4.97	152.26	18.87	301.42
Additions on account of business combinations	7.96		0.50			8.46
Eliminated on disposals of assets	-	-	-		-	-
Foreign currency translation reserve	-	-	-		-	-
Balance as at 31 March, 2022	389.55	68.12	8.03	152.26	48.94	666.90
Carrying amount						
Balance as at 1 April, 2020	184.63	98.96	7.56		149.61	440.76
Additions	42.51	0.03	-		2.90	45.44
Additions on account of slump sale purchase	0.23	95.74	2.91		71.10	169.98
Disposals	-	-	-		-	-
Amortisation expense	(70.73)	(10.50)	(1.73)		(12.92)	(95.88)
Balance as at 31 March, 2021	156.64	184.23	8.74	-	210.69	560.30
Additions	93.44	-	-		-	93.44
Additions on account of business combinations	17.52	1,732.00	40.47	1,957.70	-	3,747.69
Disposals	-	-	-		-	-
Amortisation expense	(73.35)	(51.97)	(4.97)	(152.26)	(18.87)	(301.42)
Balance as at 31 March, 2022	194.25	1,864.26	44.24	1,805.44	191.82	4,100.01

Notes:

- 5.1** The Group had not revalued its Intangible Assets during the year ending 31st March, 2022 and 31st March, 2021.
- 5.2** On 12 November, 2021, the Group completed the acquisition of Suburban Diagnostics (India) Private Limited (SDIPL) as per the terms and conditions of the Share Purchase Agreement for a cash consideration of ₹9,250.00 million plus certain performance linked payments capped at ₹2,250.00 million subject to certain adjustments and has estimated the purchase consideration at ₹9,667.10 million. SDIPL is primarily engaged in providing diagnostic and helathcare services. Pursuant to completion of the aforesaid acquisition, the Group recorded goodwill and other intangible assets comprising customer relationship, brand and non compete agreement as detailed below:

(in ₹ million, unless otherwise stated)

Name of the entity in the Group	Particulars	Purchase consideration	Customer relationships	Brands	Non-compete agreements
Suburban Diagnostics Private Limited	Suburban Diagnostics Private Limited	9,667.10	1,732.00	1,957.70	37.40
Total (ii)		9,667.10	1,732.00	1,957.70	37.40

- 5.3** During the previous year ended 31 March 2021, the Group had acquired other intangible assets as given below comprising customer relationships, non compete fees and trademarks on account of the purchase of the following businesses engaged in the business of providing pathological diagnostics services, on a going concern basis for a purchase consideration aggregating to ₹213.86 million

(in ₹ million, unless otherwise stated)

Name of the entity in the Group	Particulars	Purchase consideration	Customer relationships	Non-compete agreements	Trademarks
Parent PathLabs Unifers Private Limited	Bindish Diagnostic Laboratory LLP	38.86	6.07	0.47	11.79
Total (i)		38.86	6.07	0.47	11.79

Indian subsidiaries

Chanre Laboratory Private Limited	Chanre Diagnostic Services Private Limited Chanre Diagnostics Laboratory	5.50 169.50	0.55 89.12	0.04 2.40	2.12 57.19
Total (ii)		175.00	89.67	2.44	59.31
Total (i+ii)		213.86	95.74	2.91	71.10

Refer note 46 to 48

Note : Intangible assets under development:**(a) Intangible assets under development ageing schedule**

(in ₹ million, unless otherwise stated)

Intangible assets under development	As at 31 March, 2022	As at 31 March, 2021
Projects in progress		
- Less than 1 year	5.56	34.78
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(A)	5.56	34.78

(in ₹ million, unless otherwise stated)

Intangible assets under development	As at 31 March, 2022	As at 31 March, 2021
Projects temporarily suspended		
- Less than 1 year		
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(B)	-	-
Total (A+B)	5.56	34.78

- (b) There is no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

Financial assets (non-current)

6: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loans to employees (unsecured, considered good)*	1.07	0.70
Total	1.07	0.70

*Includes loan given to related parties (refer note 52)

7: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security deposits	136.13	27.79
Surrender value of keyman insurance policy	36.89	33.93
Non-current bank balances	67.12	5.80
Interest accrued on loans, fixed deposits and others	2.77	0.28
Total	242.91	67.80

8: Non-current tax assets/ Current tax liabilities (net)

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Tax assets		
Taxes paid (net)	246.57	228.94
Tax liabilities		
Income tax payable (net)	(31.56)	(49.44)
Total	215.01	179.50

9: Deferred tax balances

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred tax assets	370.38	280.23
Deferred tax liabilities	(40.39)	(7.55)
Total	329.99	272.68

(in ₹ million, unless otherwise stated)

2021-22	Opening balance	Addition on account of Business combinations	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets on:					
Property, plant and equipment	134.28	5.47	25.59	-	165.34
Short-term provisions- compensated absences	28.84	4.32	(4.83)	-	28.33
Short-term provisions- gratuity	15.02	8.20	12.75	4.29	40.26
Provision for impairment of trade receivables and advances	56.88	21.05	(6.11)	-	71.82
Disallowed expenditure	59.85	0.46	7.15	-	67.46
Others	13.01	1.57	(7.48)	-	7.10
Deferred tax liabilities on:					
Property, plant and equipment	(25.11)		(6.78)		(31.89)
Surrender value of keyman insurance policy	(8.54)		(0.75)	-	(9.29)
Fair valuation gains on mutual funds	(1.55)	(5.93)	(1.66)	-	(9.14)
Total	272.68	35.14	17.88	4.29	329.99

(in ₹ million, unless otherwise stated)

2020-21	Opening balance	Addition on account of Business combinations	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets on:					
Property, plant and equipment	99.96	-	34.32	-	134.28
Goodwill	11.13	-	(11.13)	-	-
Short-term provisions- compensated absences	24.48	-	4.36	-	28.84
Short-term provisions- gratuity	14.54	-	(1.86)	2.34	15.02
Provision for impairment of trade receivables and advances	42.44	-	14.44	-	56.88
Disallowed expenditure	44.67	-	15.18	-	59.85
Others	31.21	-	(18.20)	-	13.01
Deferred tax liabilities on:					
Property, plant and equipment	(32.20)	-	7.09		(25.11)
Surrender value of keyman insurance policy	(7.65)	-	(0.89)	-	(8.54)
Fair valuation gains on mutual funds	(0.08)	-	(1.47)	-	(1.55)
Total	228.50	-	41.84	2.34	272.68

10: Other non-current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advances	14.85	13.71
Advances to related parties (refer note 52)	0.24	0.24
Others	1.85	1.24
Total	16.94	15.19

Financial assets (current)**11: Inventories**

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Reagents, chemicals, surgicals and laboratory supplies	517.24	417.09
Stores and others	8.17	8.49
Total	525.41	425.58

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, 2022	As at 31 March, 2021
Investment in mutual funds (unquoted) carried at fair value through profit or loss		
UTI Money Market Fund - Regular Growth nil (31 March, 2021: 34,834.99) units of ₹ 1,000 each	-	82.73
UTI Money Market Fund - Direct Growth Nil (31 March, 2021: 2,174.77) units of ₹ 1,000 each	-	5.21
HDFC Liquid Fund - Direct Plan Growth Option 6,938.37 (31 March, 2021: 4,578.37) units of ₹ 1,000 each	29.03	18.52
Invesco India Liquid Fund - Direct Plan Growth Nil (31 March, 2021: 14,217.07) units of ₹ 1,000 each	-	40.18
Mahindra Manulife Liquid Fund - Direct Growth Nil (31 March, 2021: 52,661.88) units of ₹ 1,000 each	-	70.42
Kotak Liquid Fund - Direct Growth Nil (31 March, 2021: 16,904.70) units of ₹ 1,000 each	-	70.31
SBI Liquid Fund - Direct Plan Growth Nil (31 March, 2021: 18,708.59) units of ₹ 1,000 each	-	60.27
SBI Liquid Fund - Direct Growth Fund 4,880.12 (31 March, 2021: 4,880.12) units of ₹ 1,000 each	16.27	15.64
HDFC Money Market Fund - Direct Plan Growth Option 9,338.52 (31 March, 2021: 24,615.00) units of ₹ 1,000 each	43.47	113.39
ICICI Prudential Money Market Fund - Direct Plan Growth 53,483.73 (31 March, 2021: 393,785.66) units of ₹ 100 each	16.41	116.36
HDFC Overnight Fund - Direct Plan Growth Option 1836.91 (31 March, 2021: Nil) units of ₹ 1,000 each	8.55	-
AXIS Liquid Fund Growth 63,811.71 (31 March, 2021: Nil) units of ₹ 1,000 each	150.86	-

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Aditya Birla Sun Life Short Term Opportunities Fund 7,92,170.19 (31 March, 2021: Nil) units of ₹ 1,000 each	30.33	-
ICICI Prudential Money Market Fund 3,88,757.93 (31 March, 2021: Nil) units of ₹ 1,000 each	122.52	-
IDFC Ultra Short Term Fund 12,579.42 (31 March, 2021: Nil) units of ₹ 1,000 each	0.39	-
IDFC Bond Fund - Medium Term Plan 3,88,299.75 (31 March, 2021: Nil) units of ₹ 1,000 each	14.79	-
IDFC Super Saver Income Fund - Short Term Plan 3,18,986.39 (31 March, 2021: Nil) units of ₹ 1,000 each	14.82	-
IDFC Super Saver Income Fund - Short Term Plan 16,357.23 (31 March, 2021: Nil) units of ₹ 1,000 each	42.05	-
Kotak Floater Short Term Fund 16,357.23 (31 March, 2021: Nil) units of ₹ 1,000 each	102.36	-
SBI Liquid Fund Growth (Erstwhile SBI Premier Liquid) 18,821.28 (31 March, 2021: Nil) units of ₹ 1,000 each	62.74	-
Total	654.59	593.03

13: Trade receivables

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables		
Secured, considered good	160.54	141.44
Unsecured, considered good	693.41	525.57
Credit impaired	284.66	215.34
Subtotal	1,138.61	882.35
Less: Allowance for doubtful debts (expected credit loss allowance)	(284.66)	(215.34)
Total	853.95	667.01

The average credit period from service is 0-60 days. No interest is charged on the trade receivables for the amount overdue above the credit period. There are no customers who represent more than 5% of the total balance of trade receivables.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

(in ₹ million, unless otherwise stated)

Age of receivables	As at 31 March, 2022	As at 31 March, 2021
0-90 days	665.82	662.98
90-180 days	164.50	108.39
180-360 days	101.84	53.75
More than 360 days	206.45	57.23
Total	1,138.61	882.35

Movement in the expected credit loss allowance	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at beginning of the year	215.34	166.47
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	69.32	48.87
Balance at end of the year	284.66	215.34

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%

Trade receivables ageing

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) Undisputed trade receivables - considered good		
- Less than 6 months	693.61	656.30
- 6 months - 1 year	42.06	10.71
- 1-2 years	78.60	-
- 2-3 years	28.86	-
- More than 3 years	10.82	-
	853.95	667.01
(ii) Undisputed trade receivables - which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(iii) Undisputed trade receivables - credit impaired		
- Less than 6 months	135.80	116.35
- 6 months - 1 year	57.58	42.85
- 1-2 years	84.28	49.14
- 2-3 years	-	-
- More than 3 years	-	-
	277.66	208.34
(iv) Disputed trade receivables - considered good		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(v) Disputed trade receivables - which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(vi) Disputed trade receivables - credit impaired		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	7.00	7.00
- 2-3 years	-	-
- More than 3 years	-	-
	7.00	7.00
	1,138.61	882.35

14: Cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with banks		
- in current accounts	173.63	180.50
- in cash credit accounts*	21.87	66.12
Deposit with maturity of less than 3 months**	3,572.23	2,181.45
Cash on hand	14.22	14.91
Total	3,781.95	2,442.98

* secured by first charge on the current assets of the Parent Company, both present and future.

** Refer note no 23 for disclosure of assets held as security.

15: Bank balances other than cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance in unclaimed dividend accounts	0.91	0.82
Balance in escrow account*	1.43	1.43
Deposit with banks held as margin money deposits against guarantees	11.61	10.81
Deposit with maturity of 3-12 months**	2,380.01	6,804.24
Total	2,393.96	6,817.30

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

** Refer note no 23 for disclosure of assets held as security.

16: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loans to employees*	10.68	9.31
Total	10.68	9.31

* Includes loan given to related party, refer to note 52.

17: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deposit with others	147.35	143.56
Interest accrued on deposits	199.29	235.89
Total	346.64	379.45

18: Other current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with government authorities	3.43	4.00
Advances to suppliers	25.89	20.62
Other advances	16.01	10.73
Prepaid expenses	126.54	61.50
Prepaid rent	12.46	20.19
Total	184.33	117.04

19: Equity share capital

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Equity share capital	833.45	833.45
Authorised		
107,950,000 equity shares of ₹ 10 each (as at 31 March, 2021: 107,950,000, equity shares of ₹ 10 each)*	1,079.50	1,079.50
Issued, subscribed and fully paid-up		
83,344,877 equity shares of ₹ 10 each (as at 31 March, 2021: 83,344,877 equity shares of ₹ 10 each)	833.45	833.45

Refer notes below

- (i) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March, 2022 and 31 March, 2021 is set out below:

(Amount in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity share capital				
At the beginning of the year	83,344,877	833.45	83,344,877	833.45
Issued during the year	-	-	-	-
Outstanding at the end of the year	83,344,877	833.45	83,344,877	833.45

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

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	26,415,443	31.69%	26,415,443	31.69%
(ii) Dr Vandana Lal	16,082,327	19.30%	16,082,327	19.30%

(iii) Details of shares held by promoters:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	26,415,443	31.69%	26,415,443	31.69%
(ii) Dr Vandana Lal	16,082,327	19.30%	16,082,327	19.30%
(iii) Archana Lal Erdmann	1,843,751	2.21%	1,843,751	2.21%
(iv) Anjaneya Lal	1,689,614	2.03%	1,689,614	2.03%

(iv) 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 final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(v) Proposed dividends on equity shares**(Amount in ₹ million, unless otherwise stated)**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Proposed dividend on equity shares by Parent company for the year ended on 31 March 2022: ₹ 6 (31 March 2021: ₹ 8 per share)	500.07	666.76
	500.07	666.76

(vi) There are no 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.

(vii) 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 3,808,960 (after considering bonus shares issued during the previous year and subdivision of shares of ₹ 100 each into 10 shares of ₹ 10 each) options to specified categories of employees of the Parent Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. As per resolution passed on 21 August, 2015, the Parent Company approved to cease further grants under the ESOP 2010. Refer note 51 for details of options granted, vested and issued under the ESOP 2010.
- (b) 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 note 51 for details of RSUs granted, vested and issued under RSU 2016.

(viii) Subsequent to the year end, the Parent Company has issued 7,000 equity shares of face value of ₹ 10 each on exercise of employee stock options.

20: Other equity

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
General reserve	838.25	709.40
Securities premium	927.95	927.95
Share options outstanding account	582.86	398.00
Retained earnings	12,089.29	9,810.96
Capital redemption reserve account	4.45	4.45
Treasury shares	(161.72)	(200.03)
Foreign currency translation reserve	(0.76)	(0.59)
Capital reserve	(33.00)	(33.00)
Total	14,247.32	11,617.14

(i) General reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	709.40	614.54
Addition on share options exercised*	128.85	94.86
Balance at the end of the year	838.25	709.40

*Represents difference between the employee share based compensation cost booked and the average cost of equity shares issued under the share options scheme to the eligible employees.

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

(ii) Securities premium

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	927.95	927.95
Additions during the year	-	-
Balance at the end of the year	927.95	927.95

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(iii) Share options outstanding account

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	398.00	328.83
Compensation options granted during the year	323.09	203.74
Addition on account of Business combination	27.55	-
Options exercised	(165.78)	(134.57)
Balance at the end of the year	582.86	398.00

The above relates to share options granted by the Parent Company to its employee share option plans. Upon exercise of the share options by the employees of the Parent Company, its subsidiaries the proportionate cost of shares exercised is transferred to General Reserves after adjusting the cost of related treasury shares. Further information about share based payments to employees is set out in Note 51.

(iv) Retained earnings**(in ₹ million, unless otherwise stated)**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	9,810.96	7,892.52
Profit for the year	3,448.33	2,916.21
Remeasurement of defined benefit obligation, net of income tax	(12.95)	(6.64)
Less: Appropriations		
Interim dividend on equity shares ₹ 14.00 per share (Previous year ₹ 12.00 per share)	(1,157.05)	(991.13)
	-	-
Balance at the end of the year	12,089.29	9,810.96

The amount that can be distributed by the Group as final dividends to its equity shareholders is determined based on requirements of Companies Act, 2013. Refer Note 19(v) for details of equity dividend declared.

(v) Capital redemption reserve account**(in ₹ million, unless otherwise stated)**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
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 Parent Company in the previous years had bought back its equity shares and as per requirement of erstwhile section 77 of Companies Act, 1956, nominal value of the shares so purchased was transferred to capital redemption reserve account.

(vi) Treasury shares**(in ₹ million, unless otherwise stated)**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	(200.03)	(241.23)
Change during the year	38.31	41.20
Balance at the end of the year	(161.72)	(200.03)

During the year ended 31 March, 2012, the Parent Company had constituted Dr. Lal PathLabs Employee Welfare Trust "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 have been included in the financial statements of the Parent Company in accordance with the requirements of the Ind AS.

Equity shares of the Parent Company purchased from employees and secondary market from time to time in the earlier years and held by EWT as at 31 March, 2021 aggregated to 582,964 equity shares (31 March, 2022: 7,21,036 equity shares) of face value ₹ 10 each.

(vii) Foreign currency translation reserve**(in ₹ million, unless otherwise stated)**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	(0.59)	0.57
Change during the year	(0.17)	(1.16)
Balance at the end of the year	(0.76)	(0.59)

Exchange differences relating to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(viii) Capital reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at the beginning of the year	(33.00)	(33.00)
Balance at the end of the year	(33.00)	(33.00)

On approval of the Scheme of Amalgamation between the Parent Company (Transferee Company) and its wholly owned subsidiary, by the name of Delta Ria and Pathology Private Limited (Transferor Company) by the Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal on 23 October 2018 and 11 December 2018 respectively, the difference between the carrying value of investments in the books of account of the Transferee Company and the amount of the net assets of Transferor Company has been adjusted in Capital reserve as stipulated in the scheme.

21: Non-controlling interests

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at beginning of the year	309.56	212.19
Share of profit for the year	54.68	48.32
Dividend	(9.64)	(4.00)
Equity component of Preference Share Capital	-	0.40
Non-controlling interests on further subscription/acquisition in/of Chanre Laboratory Private Limited	-	52.65
Balance at the end of the year	354.60	309.56

Details of non-wholly owned subsidiaries that have non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have non-controlling interests:

(in ₹ million, unless otherwise stated)

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/ (loss) allocated to non-controlling interests	
		31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Paliwal Diagnostics Private Limited	India	20.00%	20.00%	25.82	17.00
Paliwal Medicare Private Limited	India	20.00%	20.00%	1.40	1.13
Centrapath Labs Private Limited	India	30.00%	30.00%	15.41	25.64
APRL PathLabs Private Limited	India	30.00%	30.00%	3.90	5.19
Chanre Laboratory Private Limited	India	30.00%	30.00%	7.10	0.42
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Bangladesh	28.17%	28.17%	1.05	(1.06)
			Total	54.68	48.32

(in ₹ million, unless otherwise stated)

Name of subsidiary	Accumulated non-controlling interests	
	31 March, 2022	31 March, 2021
Paliwal Diagnostics Private Limited	72.06	50.27
Paliwal Medicare Private Limited	14.68	13.29
Centrapath Labs Private Limited	174.29	164.53
APRL PathLabs Private Limited	24.30	20.40
Chanre Laboratory Private Limited	60.17	53.07
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	9.10	8.00
Total	354.60	309.56

Paliwal Diagnostics Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current assets	80.63	70.02
Current assets	330.71	225.05
Non-current liabilities	6.18	3.01
Current liabilities	44.90	40.88
Equity attributable to owners of the Company	288.20	200.91
Non-controlling interests	72.06	50.27

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Income	442.46	356.23
Expenses	312.53	270.71
Profit/ (loss) for the year	129.93	85.52
Profit/ (loss) attributable to owners of the Company	103.94	68.42
Profit/ (loss) attributable to the non-controlling interests	25.99	17.10
Profit/ (loss) for the year	129.93	85.52
Other comprehensive income attributable to owners of the Company	(0.68)	(0.40)
Other comprehensive income attributable to the non-controlling interests	(0.17)	(0.10)
Other comprehensive income for the year	(0.85)	(0.50)
Total comprehensive income attributable to owners of the Company	103.26	68.02
Total comprehensive income attributable to the non-controlling interests	25.82	17.00
Total comprehensive income for the year	129.08	85.02
Dividends paid to non-controlling interests	4.00	4.00
Net cash inflow/ (outflow) from operating activities	125.91	94.69
Net cash inflow/ (outflow) from investing activities	(51.10)	(67.30)
Net cash inflow/ (outflow) from financing activities	(22.51)	(25.06)
Net cash inflow/ (outflow)	52.30	2.33

Paliwal Medicare Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current assets	11.09	14.55
Current assets	65.63	55.38
Non-current liabilities	-	-
Current liabilities	3.31	3.51
Equity attributable to owners of the Company	58.73	53.13
Non-controlling interests	14.68	13.29

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Income	55.00	51.39
Expenses	48.01	45.75
Profit/ (loss) for the year	6.99	5.64
Profit/ (loss) attributable to owners of the Company	5.59	4.51
Profit/ (loss) attributable to the non-controlling interests	1.40	1.13
Profit/ (loss) for the year	6.99	5.64
Other comprehensive income/(loss) attributable to owners of the Company	-	-
Other comprehensive income attributable to the non-controlling interests	-	-
Other comprehensive income/(loss) for the year	-	-
Total comprehensive income attributable to owners of the Company	5.59	4.51
Total comprehensive income attributable to the non-controlling interests	1.40	1.13
Total comprehensive income for the year	6.99	5.64
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	5.22	6.09
Net cash inflow/ (outflow) from investing activities	(3.04)	(5.22)
Net cash inflow/ (outflow) from financing activities	-	-
Net cash inflow/ (outflow)	2.18	0.87

Centrapath Labs Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current assets	460.42	476.13
Current assets	185.63	142.84
Non-current liabilities	21.09	24.34
Current liabilities	43.99	46.16
Equity attributable to owners of the Company	406.68	383.94
Non-controlling interests	174.29	164.53

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Income	249.74	283.55
Expenses	198.35	198.27
Profit/ (loss) for the year	51.39	85.28
Profit/ (loss) attributable to owners of the Company	35.96	59.70
Profit/ (loss) attributable to the non-controlling interests	15.43	25.58
Profit/ (loss) for the year	51.39	85.28
Other comprehensive income/(loss) attributable to owners of the Company	(0.05)	0.14
Other comprehensive income attributable to the non-controlling interests	(0.02)	0.06
Other comprehensive income/(loss) for the year	(0.07)	0.20
Total comprehensive income attributable to owners of the Company	35.91	59.84
Total comprehensive income attributable to the non-controlling interests	15.41	25.64
Total comprehensive income for the year	51.32	85.48
Dividends paid to non-controlling interests	5.64	-
Net cash inflow/ (outflow) from operating activities	75.66	115.17
Net cash inflow/ (outflow) from investing activities	(24.20)	(103.64)
Net cash inflow/ (outflow) from financing activities	(24.05)	(2.56)
Net cash inflow/ (outflow)	27.41	8.97

APRL Pathlabs Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current assets	55.70	46.77
Current assets	38.65	37.05
Non-current liabilities	4.35	3.95
Current liabilities	9.00	11.89
Equity attributable to owners of the Company	56.70	47.58
Non-controlling interests	24.30	20.40

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Income	109.00	87.19
Expenses	96.19	70.04
Profit/ (loss) for the year	12.81	17.15
Profit/ (loss) attributable to owners of the Company	8.97	12.00
Profit/ (loss) attributable to the non-controlling interests	3.84	5.15
Profit/ (loss) for the year	12.81	17.15
Other comprehensive income/(loss) attributable to owners of the Company	0.15	0.10
Other comprehensive income attributable to the non-controlling interests	0.06	0.04
Other comprehensive income/(loss) for the year	0.21	0.14

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Total comprehensive income attributable to owners of the Company	9.12	12.10
Total comprehensive income attributable to the non-controlling interests	3.90	5.19
Total comprehensive income for the year	13.02	17.29
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	14.82	18.21
Net cash inflow/ (outflow) from investing activities	(18.86)	(17.55)
Net cash inflow/ (outflow) from financing activities	-	5.00
Net cash inflow/ (outflow)	(4.04)	5.66

Chanre Laboratory Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current assets	180.41	183.97
Current assets	47.82	20.63
Non-current liabilities	11.94	12.68
Current liabilities	15.71	15.02
Equity attributable to owners of the Company	140.41	123.83
Non-controlling interests	60.17	53.07

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Income	147.28	21.59
Expenses	123.90	20.19
Profit/ (loss) for the year	23.38	1.40
Profit/ (loss) attributable to owners of the Company	16.37	0.98
Profit/ (loss) attributable to the non-controlling interests	7.01	0.42
Profit/ (loss) for the year	23.38	1.40
Other comprehensive income/(loss) attributable to owners of the Company	0.21	-
Other comprehensive income attributable to the non-controlling interests	0.09	-
Other comprehensive income/(loss) for the year	0.30	-
Total comprehensive income attributable to owners of the Company	16.58	0.98
Total comprehensive income attributable to the non-controlling interests	7.10	0.42
Total comprehensive income for the year	23.68	1.40
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	24.54	(1.39)
Net cash inflow/ (outflow) from investing activities	(20.10)	(168.73)
Net cash inflow/ (outflow) from financing activities	(2.40)	175.06
Net cash inflow/ (outflow)	2.04	4.94

Dr. Lal PathLabs Bangladesh Pvt. Ltd.

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current assets	33.08	36.22
Current assets	50.95	34.49
Non-current liabilities	-	-
Current liabilities	51.73	42.20
Equity attributable to owners of the Company	23.20	20.51
Non-controlling interests	9.10	8.00

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Income	58.30	51.78
Expenses	55.01	54.62
Profit/ (loss) for the year	3.29	(2.84)
Profit/ (loss) attributable to owners of the Company	2.36	(2.04)
Profit/ (loss) attributable to the non-controlling interests	0.93	(0.80)
Profit/ (loss) for the year	3.29	(2.84)
Other comprehensive income attributable to owners of the Company	0.38	(0.67)
Other comprehensive income attributable to the non-controlling interests	0.12	(0.26)
Other comprehensive income for the year	0.50	(0.93)
Total comprehensive income attributable to owners of the Company	2.74	(2.71)
Total comprehensive income attributable to the non-controlling interests	1.05	(1.06)
Total comprehensive income for the year	3.79	(3.77)
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	18.20	15.15
Net cash inflow/ (outflow) from investing activities	(14.63)	8.57
Net cash inflow/ (outflow) from financing activities	(1.69)	(5.71)
Net cash inflow/ (outflow)	1.88	18.01

22: Financial liabilities: Borrowings - non-current (Unsecured)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Liability component of preference share capital issued by APRL PathLabs Private Limited		
Liability Component		
150,000 0.01% non-cumulative, non-convertible, redeemable preference shares having face value of ₹ 10 each	1.30	1.19
Term loans from Banks		
Secured		
HDFC Bank Limited (HDFC)	1,666.67	-
	1,667.97	1.19

Note:**Terms/ rights attached to equity shares Terms/ rights attached to equity shares**

A subsidiary (APRL PathLabs Private Limited) has one class of preference shares having par value of ₹ 10 per share. These non-convertible redeemable preference shares (NCRPS) are redeemable at par, in one or more tranches, after a minimum period of three years and a maximum period of 20 years from the date of allotment. The NCRPS shall not be convertible into equity shares. The NCRPS shall carry non-cumulative dividend right.

Particulars of Term Loans:**i) Security**

Term loan from HDFC Bank Limited is secured by way exclusive charge on the movable assets of plant and machinery and current assets of the company both present and future

ii) Terms of repayment and Interest rate

Term loan from HDFC (including current maturities) is repayable in 36 quarterly installments of ₹ 208.33 Million starting from May 2022 and ending on March 2025 and with put call option (applicable after 6 months) and carries interest which is linked to 3 month T-bill, presently effective rate is 4%

iii) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.**iv) The Parent Company has borrowings from banks on the basis of security of current assets and is yet to submit the annual financial statements with the bank for which the Parent Company has 90 days after the end of the financial year. No other returns were required to be filed with the bank.****23: Borrowings**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current maturities of long term borrowings	834.30	-
Bank overdraft	954.23	-
	1,788.53	-

Notes

- i) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- ii) Bank overdraft is secured against deposits with respective banks of the Parent Company.

24: Trade payables**(in ₹ million, unless otherwise stated)**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total outstanding dues of micro enterprises and small enterprises	87.26	76.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,386.58	1,365.10
Total	1,473.84	1,441.28

Trade payables are non- interest bearing and are normally settled within a period of 30 days.

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 ₹ 87.26 million (₹ 76.18 million on 31 March, 2021) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006.

Trade payables ageing

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) MSMED		
- Less than 1 year	87.26	76.18
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Subtotal A	87.26	76.18
(ii) Others		
- Less than 1 year	815.23	845.79
- 1-2 years	0.04	-
- 2-3 years	-	-
- More than 3 years	-	-
Subtotal B	815.27	845.79
(iii) Disputed dues - MSMD		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Subtotal C	-	-
(iv) Disputed dues - Others		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Subtotal D	-	-
(v) Unbilled dues		
Subtotal E	571.31	519.31
Grand Total F= (A+B+C+D+E)	1,473.84	1,441.28

Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
a. Amounts payable to suppliers under MSMED (suppliers) as on last day		
Principal	87.26	76.18
Interest due thereon	-	-
b. Payments made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest due thereon	-	-

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
c. Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSMED	-	-
d. Amount of interest accrued and remaining unpaid as on last day	-	-
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

25: Other financial liabilities - current

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Payable towards capital goods	93.76	43.55
Creditors against business purchase	134.19	66.25
Share application money refundable	1.43	1.43
Security deposits received	377.82	328.38
Other payables	1.35	1.28
Book overdraft	-	-
Total	608.55	440.89

26: Provisions

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits		
- Provision for compensated absences	113.61	117.72
- Provision for gratuity (Refer note 40)	156.86	54.45
Total	270.47	172.17

27: Other current liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances from customers	112.29	84.93
Statutory dues	139.16	56.58
Unearned revenue	94.92	95.46
Total	346.37	236.97

28: Revenue from operations

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Sale of services	20,872.79	15,811.83
Other operating revenues	1.29	0.83
Total	20,874.08	15,812.66

Revenue disaggregation as per geography has been included in segment information (Refer note 39)

- (i) The Group generates its entire revenue from contracts with customers for the services at a point in time. The Group is engaged mainly in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations.

- (ii) Transaction price allocated to the remaining performance obligations

The Group has applied practical expedient in Ind AS 115 and has accordingly not disclosed information about remaining performance obligations which are part of the contracts that have original expected duration of one year or less and where the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

iii) Disclosure of contract balances

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Trade receivables (Refer note 13)	853.95	667.01
Advances from customers (Refer note 27)	112.29	84.93
Unearned revenue (Refer note 27)	94.92	95.46

iv) Movement in contract liabilities during the year:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance at beginning of the year	95.46	13.42
Add: Addition during the year	94.92	95.46
Less: Deletion during the year	(95.46)	(13.42)
Balance at end of the year	94.92	95.46

29: Other income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
a) Interest income from		
- Bank deposits (at amortised cost)	461.52	429.25
- Income-tax refund	0.66	0.04
- Others	10.43	9.46
b) Others		
- Gain on sale or fair valuation of investments (at FVTPL)	31.62	47.29
- Surrender value of keyman insurance policy (at FVTPL)	4.95	5.42
- Sundry balances written back	1.78	5.27
- Provision for impairment of trade receivables and advances written back	13.12	-
- Miscellaneous non operating income	1.38	16.60
Total	525.46	513.33

30: Cost of materials consumed

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Inventories at the beginning of the year	417.09	565.30
Add : Purchases	5,122.67	3,824.40
Less : Inventories at the end of the year	(517.24)	(417.09)
Total	5,022.52	3,972.61

31: Employee benefits expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Salaries, wages and bonus	3,075.08	2,328.46
Employee share based compensation	323.09	203.74
Contribution to provident and other funds	125.39	108.21
Gratuity expense	52.60	42.48
Staff welfare expenses	73.19	54.13
Total	3,649.35	2,737.02

32: Finance costs

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest on lease liability	199.22	155.63
Interest on:		
- Term loan	12.09	-
- overdraft facilities	88.41	-
Interest others (Including ₹ 0.76 million (31 March 2021: 0.19 million) on TDS)	0.78	0.23
Interest on business purchase	1.21	4.09
Unwinding of discount on liability component of preference share capital	0.11	0.08
Total	301.82	160.03

32a: Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March, 2022	Cash flows	Non cash changes		As at 31 March, 2021
			New leases	Other *	
Borrowings					
Non-current borrowings	1,667.97	1,666.67	-	0.11	1.19
Current borrowings	1,788.53	1,787.56	-	0.97	-
Lease liabilities					
Non-current lease liabilities	1,388.59	(555.79)	846.46	(3.64)	1,101.56
Current lease liabilities	480.56	(64.77)	143.23	-	402.10
Total liabilities from financing activities	5,325.65	2,833.67	989.69	(2.56)	1,504.85

* the effect of derecognition of lease liabilities.

32b: Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March, 2022	Cash flows	Non cash changes		As at 31 March, 2021
			New leases	Other *	
Borrowings					
Non-current borrowings	1.19	1.19	-	-	-
Current borrowings	-	-	-	-	-
Lease liabilities					
Non-current lease liabilities	1,101.56	(161.04)	369.90	(37.02)	929.72
Current lease liabilities	402.10	(74.23)	112.34	-	363.99
Total liabilities from financing activities	1,504.85	(234.08)	482.24	(37.02)	1,293.71

* the effect of derecognition of lease liabilities.

33: Depreciation and amortisation expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation of property, plant and equipment	413.33	365.79
Depreciation of right-of-use assets	366.32	310.31
Amortisation of intangible assets	301.42	95.88
Total	1,081.07	771.98

34: Other expenses

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Electricity and water charges	221.13	186.24
Rent	260.56	148.36
Rates and taxes	15.64	13.64
Insurance	69.91	54.24
Repairs and maintenance		
- Building	33.86	26.92
- Plant and equipment	90.80	89.44
- Others	401.10	221.47
Advertisement and sales promotion	367.64	307.21
Travelling and conveyance	363.39	274.78
Postage and courier	554.48	434.29
Communication costs	79.45	64.04
Commission to directors	10.38	9.41
Printing and stationery	130.99	91.47
Retainership fees to technical consultants	173.51	150.32
Director sitting fees	7.73	5.79

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Legal and professional charges	409.15	151.64
Laboratory test charges	71.60	40.58
Payment to auditors (Refer note below)	23.72	17.14
Donation other than to political parties	0.47	0.11
Corporate social responsibility expense (Refer note 45)	73.77	59.25
Loss on disposal / discard of property, plant and equipment (net)	6.00	1.74
Provision for impairment of trade receivables and advances	-	48.87
Bad debts / advances written off (net)	6.16	2.39
Miscellaneous expenses	378.12	298.09
Total	3,749.56	2,697.43

Note**(i) Payment to the auditors comprise ***

As auditors:		
Audit fees	19.51	12.69
Limited review	1.77	1.77
Tax audit fee	1.24	0.86
Others	0.35	0.65
Reimbursement of expenses	0.85	1.17
Total	23.72	17.14

* including indirect taxes, amount paid for audit of subsidiary companies and ₹ 0.51 million (31 March, 2021: ₹ 0.70 million) paid to other auditor of subsidiary companies

35: Income taxOverview of Direct tax regime

The Group's main tax jurisdiction is India and is subject to 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.

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 22% plus a surcharge and education cess. The combined Indian statutory tax rate for the fiscal year 2021-22 and 2020-21 is 25.168 %.

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 Statement of Profit And Loss

(in ₹ million, unless otherwise stated)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Current tax		
In respect of the current year	1,295.17	1,075.62
In respect of the prior years	(30.38)	(54.48)
	1,264.79	1,021.14
Deferred tax		
In respect of the current year	(43.68)	(79.88)
In respect of the prior years	25.80	38.04
	(17.88)	(41.84)
Total income tax expenses recognised in the current year	1,246.91	979.30

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

	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit before tax	4,749.82	3,944.09
Statutory tax rate	25.168%	25.168%
Income tax expenses calculated at 25.168%	1,195.43	992.65
Effect of differential tax rate	-	-
Effect of expenses that are not deductible in determining taxable profit	16.57	14.30
Tax difference on account of deduction under Chapter VI-A	(9.27)	(12.77)
Non taxable income	41.39	-
Adjustments recognised in relation to current year in relation to previous years	(4.58)	(16.44)
Deferred tax on defined benefit obligation recognised in OCI	4.29	(2.34)
Income taxable at different rate	3.85	3.90
Others	(0.77)	-
Income tax expenses recognised in Statement of Profit or Loss	1,246.91	979.30

35.2: Income tax recognised in other comprehensive income

	Year ended 31 March, 2022	Year ended 31 March, 2021
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	4.29	(2.34)
	4.29	(2.34)

36: Earnings per equity share

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit for the year - (in ₹ million)	3,448.33	2,916.21
Number of equity shares	83,344,877	83,344,877
Weighted average number of equity shares outstanding during the year	83,344,877	83,344,877
Weighted average shares held with the "Dr. Lal PathLabs Employee Welfare Trust"	656,207	801,945
Dilutive impact of options outstanding	253,937	197,749
Basic earnings per share of ₹ 10 each	41.70	35.33
Diluted earnings per share of ₹ 10 each	41.57	35.25
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, 2022	Year ended 31 March, 2021
Weighted average number of shares for calculating basic earnings per share	82,688,670	82,542,932
Add : share options outstanding	253,937	197,749
Weighted average number of shares for calculating dilutive earnings per share	82,942,607	82,740,681

37: Capital and other commitments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	128.03	82.16
Other Commitments*	-	-

* The Group has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services and employee benefits, in the normal course of business.

38: Contingent liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
i) Claims against the Company not acknowledged as debts*	131.84	104.28

* Based on the discussions with the solicitor/ expert opinions taken/status of the case, the management believes that the Group has strong chances of success in above mentioned cases and hence no provision there against is considered necessary at this point in time as the likelihood of liability devolving on the Group is less than probable.

39: Segment reporting

The Group is engaged solely in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations.

The Board of Directors, which has been identified as being the chief operating decision maker (CODM), evaluates the Group's performance, allocates resources based on the analysis of the various performance indicators of the Group as a single unit. Therefore there is no reportable segment for the Group, in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments', notified under the Companies (Indian Accounting Standard) Rules, 2015.

Information about geographical areas

- a) The Group is domiciled in India. The amount of its revenue from operations from external customers broken down by location of customers is tabulated below:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
India	20,734.40	15,708.64
Outside India	139.68	104.02
Total	20,874.08	15,812.66

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

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
India	14,164.24	4,738.74
Outside India	-	72.65
Total	14,164.24	4,811.39

c) Information about major customers

No single customer contributed more than 10% or more to the Group's revenue during the years ended 31 March, 2022 and 31 March, 2021.

40: Employee benefit plans

40.1 Defined contribution plans

The Group operates defined contribution retirement benefit plans for all its qualifying employees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Employee benefit under defined contribution plan comprising of provident fund is recognised based on the amount of obligation of the Group to contribute to the plan. The contribution is paid to Provident Fund authorities which is expensed during the year.

The total expense recognised in Statement of Profit or Loss of ₹ 120.03 million (for the year ended 31 March, 2021: ₹ 100.29 million) represents contributions payable to provident fund by the Group at rates specified in the rules of the plans. As at 31 March, 2022, contributions of ₹ 21.71 million (as at 31 March, 2021: ₹ 18.85 million) due in respect of the reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

40.2 Defined benefit plans

Gratuity: The Group operates both funded and unfunded gratuity benefit plan. Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary for each completed year of service, subject to a maximum of ₹ 2.00 million. Vesting occurs upon completion of 4.5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

40.3 The Group is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan assets is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in Insurer managed funds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

40.4 Actuary assumptions - Gratuity:

Date of Valuation	Refer note below	As at 31 March, 2022	As at 31 March, 2021
Discount rate	1	4.70%- 7.30%	4.85%- 6.97%
Rate of salary increase	2	8-10%	10-12%
Rate of return	3	6.35%	6.94%
Retirement age		60-65 years	60 years
Attrition rate		1.67-35%	5-35.19%
Mortality table		Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

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 plan are as follows:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Service cost :		
Current service cost	47.95	37.91
Net interest expense	4.65	4.57
Components of defined benefit costs recognised in employee benefit expenses	52.60	42.48
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.54)	(1.66)
Actuarial (gains)/losses arising from changes in demographic assumptions	(10.50)	(1.37)
Actuarial (gains)/losses arising from changes in financial assumptions	8.07	10.96
Actuarial (gains)/losses arising from experience adjustments	20.11	1.31
Components of remeasurement	17.14	9.24
Total	69.74	51.72

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, 2022	Year ended 31 March, 2021
Opening defined benefit obligation	281.74	228.68
Addition on account of business combination	34.80	
Current service cost	47.95	37.91
Interest cost	20.41	15.99
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	(10.50)	(1.37)
Actuarial gains and losses arising from changes in financial assumptions	8.07	10.96
Actuarial gains and losses arising from experience adjustments	20.11	1.31
Past service cost, including losses/(gains) on curtailments		(0.43)
Benefits paid	(17.34)	(11.31)
Closing defined benefit obligation	385.24	281.74

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, 2021	As at 31 March, 2021
Present value of funded defined benefit obligation	385.24	281.74
Fair value of plan assets	(228.38)	(227.29)
Funded status	-	-
Net liability arising from defined benefit obligation	156.86	54.45

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

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening fair value of plan assets	227.29	175.13
Interest income	15.76	11.73
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.54	-
Actuarial gain/ (loss) on plan assets	-	1.66
Contributions from the employer	1.50	50.00
Benefits paid	(16.71)	(11.23)
Closing fair value of plan assets	228.38	227.29

Parent Company expected to contribute ₹ 111.54 million to gratuity fund in the next year (For the year ended 31 March, 2021 ₹ 48.89 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	Year ended 31 March, 2022	Year ended 31 March, 2021
Insurer managed funds	228.38	227.29

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	Year ended 31 March, 2022	Year ended 31 March, 2021
Discount rate		
- Impact due to increase of 100 basis points	(24.85)	(21.36)
- Impact due to decrease of 100 basis points	28.42	22.58
Salary increase		
- Impact due to increase of 100 basis points	24.21	19.90
- Impact due to decrease of 100 basis points	(22.50)	(18.23)
Withdrawal Rate		
- Impact due to 25% increase	(13.51)	(8.05)
- Impact due to 25% decrease	20.18	9.40

41: Lease arrangements

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" to its leases using the modified retrospective approach with the option to measure the right-of-use asset at an amount equal to the lease liability (i.e. as per para C8(c) (ii) of Ind AS 116), adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Group has applied this standard to land leases and building leases etc. to evaluate whether these contracts contains lease or not. Based on evaluation of the terms and conditions of the arrangements, the Company has evaluated such arrangements to be leases. Under this standard, all lease contracts, with limited exceptions, are recognised in the financial statements by way of right-of-use assets and corresponding lease liabilities.

When measuring lease liabilities, the weighted average discount rate used to calculate the lease liability in the opening balance under Ind AS 116 on April 1, 2019 was 11.25%.

The Group recognises a lease liability measured at the present value of the remaining lease payments. The right-of-use assets are recognised at cost, which comprises the amount of the measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease

The Company has cash outflows for lease of underlying assets amounting to ₹ 4.25 million for the year ended March 31, 2022 out of which rent charges is amounting to ₹ 75.53 million which includes rentals for short term lease and low value lease.

Payments recognised as an expenses

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Short term lease	75.53	30.82
Low value assets	-	-

Details of lease liability:

The following is the movement in lease liabilities during the year:

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at beginning of the year	1,503.66	1,293.71
Additions	870.10	482.24
Additions on account of business combinations	119.59	
Finance cost accrued during the period	199.22	155.63
Payment/adjustment of lease liabilities	(819.78)	(390.90)
Derecognition of lease liability	(3.64)	(37.02)
Balance at end of the year	1,869.15	1,503.66
Current	480.56	402.1
Non-current	1,388.59	1101.56

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Particulars	As at 31 March, 2022	As at 31 March, 2021
Less than one year	480.56	397.30
One to five years	1,584.77	1,203.42
More than five years	704.11	631.21
Total	2,769.44	2,231.93

Details of right-of-use asset (ROU):

The following is the movement in ROU asset during the year:

Particulars	Land	Buildings
As at 1 April , 2020	158.62	1,186.03
Additions	-	482.22
Deletions	-	(33.68)
Amortisation expense	(1.64)	(308.67)
As at 31 March, 2021	156.98	1,325.90
Additions	-	870.16
Additions on account of business combinations		122.69
Deletions	-	(3.38)
Amortisation expense	(1.64)	(364.68)
As at 31 March, 2022	155.34	1,950.69

- 42:** a) During the year ended 31 March, 2022, the Parent Company has made a further investment of ₹ 1.01 million (KES 1.5 million) in its wholly owned subsidiary, Dr. Lal PathLabs Kenya Private Limited, through subscription of additional equity shares of 1,500 shares of KES 1,000.

During the previous year ended 31 March, 2021, the Parent Company has made a further investment of ₹ 40 million (KES 59 million) in its wholly owned subsidiary, Dr. Lal PathLabs Kenya Private Limited, through subscription of additional 58,598 equity shares of KES 1,000 each.

- b) The Board of Directors of the Parent Company and its wholly owned subsidiary Company 'APL Institute of Clinical Laboratory & Research Private Limited' (APL), in their respective meetings held on 3 February, 2020 had approved the "Scheme of Amalgamation" of APL with the Parent Company w.e.f. 1 April, 2020 (the appointed date). As per the said scheme the undertaking of APL 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.
- c) The Board of Directors of the Parent Company in their meeting held on 29 March, 2022, had approved the closure of Dr. Lal PathLabs Kenya Private Limited, Kenya a subsidiary.
- d) The Board of Directors of the subsidiaries, Paliwal Medicare Private Limited (PMPL) and Paliwal Diagnostics Private Limited (PDPL) in their meetings held on 25 October, 2021 and 25 October, 2021 respectively have approved the "Scheme of Amalgamation" of PMPL with PDPL w.e.f. 1 April, 2021, the appointed date. As per the said scheme, the undertaking of PMPL shall stand transferred to and vested in PDPL on a going concern basis without any further act, deed of matter. The scheme of amalgamation is subject to approval by the shareholders of the respective companies, National Company Law Tribunal and other statutory approvals.

- 43:** During the previous year ended 31 March, 2021, PathLabs Unifiers Private Limited (wholly owned subsidiary), as approved in the Board of Directors meeting, held on 25 January, 2021, has acquired 70% equity stake in Chanre Laboratory Private Limited", engaged in the business of providing pathological diagnostics services, on a going concern basis through purchase and subscription of 116,666 equity shares of ₹ 10 each for a total consideration of ₹ 175 million.

- 44:** During the previous year ended 31 March 2021, the Parent Company has made a further investment of ₹ 225.00 million in its wholly owned subsidiary Company, PathLabs Unifiers Private Limited, through subscription of additional 9,576,923 equity shares (1,500,000 equity shares of ₹ 10 each at a premium of ₹ Nil per share and 8,076,923 equity shares of ₹ 10 each at a premium of ₹ 26 per share).

During the current year, the Parent Company has made a further investment of ₹ 45.00 million in its wholly owned subsidiary Company, PathLabs Unifiers Private Limited, through subscription of additional 1,730,769 equity shares of ₹ 10 each at a premium of ₹ 26 per share.

- 45:** In light of Section 135 of the Companies Act, 2013, the Group has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹ 73.77 Million (Previous year ₹ 58.92 Million) for CSR activities.

Corporate Social Responsibility (CSR)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	73.77	59.25
(b) Amount approved by the board to be spent during the year	74.10	59.25
(c) Amount of expenditure incurred (as per table below)**	74.10	58.92
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	74.10	58.92
(d) Shortfall at the end of the year (a - c)	-	0.33**
(e) Total of previous year shortfall	-	-
(f) Reason for shortfall	-	-
(g) Details of related party transactions		
- Donations made to Lal PathLab Foundation*	69.02	48.92
(h) Liability against contractual obligations for CSR	-	-

**Subsequent to the previous year end ₹ 0.33 million had been transferred to PM Cares Fun

*The Group has contributed ₹ 69.02 Million (Previous year ₹ 48.92 Million) to "Lal PathLabs Foundation" which is carrying out Corporate Social Responsibility (CSR) activities on behalf of the Company, as mentioned in Schedule VII of Companies Act, 2013.

Details of ongoing projects under 135(6) of the Companies Act, 2013

(in ₹ million, unless otherwise stated)

Balance as on 1 April 2021		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2022	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil		Nil	Nil	Nil	Nil	Nil

Balance as on 1 April 2020		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2021	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil		Nil	Nil	Nil	Nil	Nil

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

(in ₹ million, unless otherwise stated)

Balance as on 1 April 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2022
0.33	Nil	73.77	74.10	Nil

Balance as on 1 April 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2022
Nil	Nil	59.25	58.92	0.33

Details of excess CSR expenditure under Section 135(5) of the Act

(in ₹ million, unless otherwise stated)

Balance excess spent as at 1 April 2021	Amount required to be spent during the year	Amount spent during	Balance as on 31 March 2022
(0.33)	73.77	74.10	Nil

Balance excess spent as at 1 April 2020	Amount required to be spent during the year	Amount spent during	Balance as on 31 March 2022
Nil	59.25	58.92	0.33

- 46:** During the previous year ended 31 March, 2021, PathLabs Unifiers Private Limited (wholly owned subsidiary) has purchased the business of “Bindish Diagnostic Laboratory LLP” engaged in the business of providing pathological diagnostics services in the state of Gujarat, on a going concern basis for a purchase consideration of ₹ 38.86 million (including goodwill of ₹ 17.80 million).

Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars	As at 1 December, 2020
Identifiable assets	
Current assets (excluding cash and cash equivalents)	0.78
Property, plant and equipment	1.95
Intangible assets	
- Trademarks	11.79
- Non-compete agreements	0.47
- Customer relationships	6.07
Total assets (A)	21.06
Identifiable liabilities	
Current liabilities	-
Total liabilities (B)	-
Net identifiable assets acquired (A-B) (C)	21.06
Initial consideration	38.86
Total purchase consideration* (D)	38.86
Goodwill on acquisition (D-C)	17.80

* Contingent consideration of upto ₹ 5 million is payable on achievement of pre-determined business target. As at 31 March, 2022, Management has estimated that the target will be achieved, basis which the amount has been considered in the purchase consideration.

47(a): During the previous year ended 31 March, 2021, 'Chanre Laboratory Private Limited' has purchased the business of "Chanre Diagnostics Services Private Limited" engaged in the business of providing pathological diagnostics services in Bengaluru, on a going concern basis for a purchase consideration of ₹ 5.50 million (including goodwill of ₹ 2.26 million).

Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars	As at 25 January, 2021
Identifiable assets	
Current assets (excluding cash and cash equivalents)	0.20
Property, plant and equipment	0.33
Intangible assets	
- Trademarks	2.12
- Non-compete agreements	0.04
- Customer relationships	0.55
Total assets (A)	3.24
Identifiable liabilities	
Current liabilities	-
Total liabilities (B)	-
Net identifiable assets acquired (A-B) (C)	3.24
Initial consideration	5.50
Total purchase consideration (D)	5.50
Goodwill on acquisition (D-C)	2.26

47(b): During the previous year ended 31 March, 2021, 'Chanre Laboratory Private Limited' has purchased the business of "Chanre Diagnostics Laboratory" engaged in the business of providing pathological diagnostics services in Bengaluru, on a going concern basis for a purchase consideration of ₹ 169.50 million (including goodwill of ₹ 9.30 million).

Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars	As at 25 January, 2021
Identifiable assets	
Current assets (excluding cash and cash equivalents)	6.28
Property, plant and equipment	5.21
Intangible assets	
- Trademarks	57.19
- Non-compete agreements	2.40
- Customer relationships	89.12
Total assets (A)	160.20
Identifiable liabilities	
Current liabilities	-
Total liabilities (B)	-
Net identifiable assets acquired (A-B) (C)	160.20
Initial consideration	169.50
Total purchase consideration (D)	169.50
Goodwill on acquisition (D-C)	9.30

48: The Company has completed the acquisition of Suburban Diagnostics (India) Private Limited ("SDIPL") on November 12, 2021 as per the terms and conditions of the Share Purchase Agreement for a cash consideration of ₹ 9,250 million plus certain performance linked payments capped at ₹ 2,250 million and subject to certain adjustments. The Company has estimated the consideration for the purchase of shares of SDIPL on a fully dilutive basis, including for employee stock option's granted by SDIPL ("ESOP's") at ₹ 9,667.10 million. Pursuant to completion of the aforesaid acquisition Suburban Diagnostics (India) Private Limited has become a wholly-owned subsidiary and the Company had invested in ₹ 9,488.69 million in SDIPL as at 31 March, 2022. SDIPL is primarily engaged in providing diagnostics and healthcare services.

Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars	As at 12 November, 2021
Identifiable assets	
Non-current assets	
Property, plant and equipment	258.85
Right-of-use assets	122.69
Goodwill	14.19
Other intangible assets	-
- Non-compete fee	3.07
- Software	17.53
- Brand*	1,957.70
- Non-compete fee*	37.40
- Customer relationships*	1,732.00
Intangible assets under development	2.59
Financial assets	
(i) Other financial assets	58.43
Deferred tax assets (net)	34.91
Other non-current assets	4.40
Current assets	
Inventories	90.75
Financial assets	
(i) Investments	573.09
(ii) Trade receivables	230.61
(iii) Cash and cash equivalents	165.50
(iv) Bank balances other than cash and cash equivalents	10.79
Other current assets	35.32
Total assets	(A) 5,349.82
Identifiable liabilities	
Non-current liabilities	
Financial liabilities	
(i) Borrowings	0.09
(ii) Lease liabilities	88.10
(iii) Other financial liabilities	8.16

(in ₹ million, unless otherwise stated)

Particulars	As at 12 November, 2021
Provisions	43.59
Non-current tax liability (net)	12.69
Current liabilities	
Financial liabilities	
(i) Borrowings	1.24
(ii) Lease liabilities	31.50
(iii) Trade payables - total outstanding dues of	
- micro enterprises and small enterprises	4.37
- creditors other than micro enterprises and small enterprises	263.09
(iv) Other financial liabilities	27.95
Other current liabilities	18.08
Provisions	6.16
Total liabilities (B)	505.02
Net identifiable assets acquired (A-B) (C)	4,844.80
Purchase consideration	9,250.00
Adjustments related to working capital and ESOP's**	173.27
Total purchase consideration (D)	9,423.27
Goodwill on acquisition (D-C)	4,578.47

* Intangible assets recognised on acquisition

** This amount is net of cash receipt by Suburban from employees on exercising the option amounting to ₹ 37.86 million

49: 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.

(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, 2022

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	654.59	-	-	654.59	654.59
Trade receivables	-	-	853.95	853.95	853.95
Cash and cash equivalents	-	-	3,781.95	3,781.95	3,781.95
Bank balances other than cash and cash equivalents above	-	-	2,393.96	2,393.96	2,393.96
Loans	-	-	11.75	11.75	11.75
Other financial assets	36.89	-	552.66	589.55	589.55
	691.48	-	7,594.27	8,285.75	8,285.75

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Borrowings			3,456.50	3,456.50	3,456.50
Lease liabilities			1,869.15	1,869.15	1,869.15
Trade payables	-	-	1,473.84	1,473.84	1,473.84
Other financial liabilities	-	-	608.55	608.55	608.55
	-	-	7,408.04	7,408.04	7,408.04

As at 31 March, 2021

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	593.03	-	-	593.03	593.03
Trade receivables	-	-	667.01	667.01	667.01
Cash and cash equivalents	-	-	2,442.98	2,442.98	2,442.98
Bank balances other than cash and cash equivalents above	-	-	6,817.30	6,817.30	6,817.30
Loans	-	-	10.01	10.01	10.01
Other financial assets	33.93	-	413.32	447.25	447.25
	626.96	-	10,350.62	10,977.58	10,977.58

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Borrowings			1.19	1.19	1.19
Lease liabilities			1,503.66	1,503.66	1,503.66
Trade payables	-	-	1,441.28	1,441.28	1,441.28
Other financial liabilities	-	-	440.89	440.89	440.89
	-	-	3,387.02	3,387.02	3,387.02

(c) Fair value measurement

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, 2022	31 March, 2021		
Current investment:				
Investment in mutual funds*	654.59	593.03	Level II	NAV declared by respective Asset Management Companies.
Surrender value of keyman insurance policy	36.89	33.93	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 are at their approximate fair values.

(d) Risk management framework

The Group's businesses are subject to several risks and uncertainties including financial risks. The Group's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Group's risk management process is in line with the Corporate policy. Each significant risk has a designated 'owner' within the Group at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Group's risk situation
- improve financial returns

Treasury management

The Group's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximisation.

Financial risk

The Group has approved financial risk policies comprising liquidity, foreign currency, interest rate and counterparty credit risk. The Group does not engage in the speculative treasury activity but seeks to manage risk and optimise interest through proven financial instruments.

(i) Liquidity risk

The Group requires funds for short-term operational needs and the parent company has been rated by CRISIL Limited (CRISIL) for its banking facilities in line with Basel II norms.

The Group remains committed to maintaining a healthy liquidity, gearing ratio, and strengthening the balance sheet. The maturity profile of the Group's financial liabilities and realisability of financial assets based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual cash obligation of the Group.

(in ₹ million, unless otherwise stated)

	As at 31 March, 2022				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<u>Non-current</u>					
Borrowings	1,788.53	1,667.97	-	-	3,456.50
Lease liabilities	-	1,195.86	388.91	704.11	2,288.88
<u>Current</u>					
Lease liabilities	480.56	-	-	-	480.56
Trade payables	1,473.84	-	-	-	1,473.84
Other current financial liabilities	608.55	-	-	-	608.55
Total	4,351.48	4,028.68	515.66	631.79	9,527.61

(in ₹ million, unless otherwise stated)

	As at 31 March, 2021				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<u>Non-current</u>					
Borrowings	-	1.19	-	-	1.19
Lease liabilities	-	693.93	515.66	631.79	1,841.38
<u>Current</u>					
Lease liabilities	402.10	-	-	-	402.10
Trade payables	1,441.28	-	-	-	1,441.28
Other current financial liabilities	440.89	-	-	-	440.89
Total	2,284.27	693.93	515.66	631.79	4,125.65

As at 31 March, 2022, the Group had access to funding facilities of ₹ 7560 Million (entire amount not drawn) as set out below:

(in ₹ million, unless otherwise stated)

	Total Facility	Drawn	Undrawn
Unsecured cash credit facility at variable rate of interest, reviewed annually and payable at call	7,560.00	954.23	6,605.77
Total	7,560.00	954	6,605.77

As at 31 March, 2021, the Group had access to funding facilities of ₹ 200 Million (entire amount not drawn) as set out below:

	(in ₹ million, unless otherwise stated)		
	Total Facility	Drawn	Undrawn
Unsecured cash credit facility at variable rate of interest, reviewed annually and payable at call	200.00	-	200.00
Total	200.00	-	200.00

(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, 2022 to interest rate risk is as follows:

	(in ₹ million, unless otherwise stated)			
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	1.07	1.07
Other financial assets	-	69.89	173.02	242.91
	-	69.89	174.09	243.98
Current				
Investments	654.59	-	-	654.59
Trade receivables	-	-	853.95	853.95
Cash and cash equivalents	-	3,572.23	209.72	3,781.95
Bank balances other than cash and cash equivalents above	-	2,391.62	2.34	2,393.96
Loans	-	-	10.68	10.68
Other financial assets	-	199.29	147.35	346.64
	654.59	6,163.14	1,224.04	8,041.77
Total	654.59	6,233.03	1,398.13	8,285.75
Range of interest rate applicable	-	4.40% - 5.30% p.a.	-	

The exposure of the Group's financial liabilities as at 31 March , 2022 to interest rate risk is as follows:

	(in ₹ million, unless otherwise stated)			
	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Borrowings	-	1,667.97	-	1,667.97
Lease liabilities	-	-	1,388.59	1,388.59
	-	1,667.97	1,388.59	3,056.56

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Current				
Borrowings	-	1,788.53	-	1,788.53
Lease liabilities	-	-	480.56	480.56
Trade payables	-	-	1,473.84	1,473.84
Other financial liabilities	-	134.19	474.36	608.55
	-	1,922.72	2,428.76	4,351.48
Total	-	3,590.69	3,817.35	7,408.04

The exposure of the Group's financial assets as at 31 March, 2021 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.70	0.70
Other financial assets	-	109.19	(41.39)	67.80
	-	109.19	(40.69)	68.50
Current				
Investments	593.03	-	-	593.03
Trade receivables	-	-	667.01	667.01
Cash and cash equivalents	-	2,181.45	261.53	2,442.98
Bank balances other than cash and cash equivalents above	-	6,815.05	2.25	6,817.30
Loans	-	-	9.31	9.31
Other financial assets	-	235.89	143.56	379.45
	593.03	9,232.39	1,083.66	10,909.08
Total	593.03	9,341.58	1,042.97	10,977.58
Range of interest rate applicable	-	4.40% - 7.95%	-	

The exposure of the Group's financial liabilities as at 31 March, 2021 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Borrowings	-	-	1.19	1.19
Lease liabilities	-	-	1,101.56	1,101.56
	-	-	1,102.75	1,102.75
Current				
Lease liabilities	-	-	402.10	402.10
Trade payables	-	-	1,441.28	1,441.28
Other financial liabilities	-	66.25	374.64	440.89
	-	66.25	2,218.02	2,284.27
Total	-	66.25	3,320.77	3,387.02

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, 2022	Year ended 31 March, 2021
Impact on profit or loss for the year for increase in interest rate	30.10	44.96
Impact on profit or loss for the year for decrease in interest rate	(30.10)	(44.96)

(iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and after obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group is exposed to credit risk for receivables, cash and cash equivalents, bank balances other than cash and cash equivalents.

Credit risk management considers available reasonable and supportable forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

The Group makes sales to its customers which have high credit rating.

Only high rated banks are considered for placement of deposits. Bank balances are held with reputed and creditworthy banking institutions.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes.

None of the Group's cash equivalents are past due or impaired. Regarding trade and other receivables, the Company has accounted for impairment based on expected credit losses method as at 31 March, 2022 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, 2022 would increase/decrease by ₹ 32.73 million (for the year ended 31 March, 2021 would increase/ decrease by ₹ 29.65 million) as a result of the changes in net asset value of investment in mutual funds.

50: Business combinations

50.1 Subsidiaries acquired

Year ended 31 March, 2022

(in ₹ million, unless otherwise stated)

Particulars	Principal activity	Date of acquisition	Proportion of voting interest acquired (%)	Consideration transferred
Suburban Diagnostics (India) Private Limited	Pathology	12-Nov-21	100%	9361.81

Year ended 31 March, 2021

(in ₹ million, unless otherwise stated)

Particulars	Principal activity	Date of acquisition	Proportion of voting interest acquired (%)	Consideration transferred
Chanre Laboratory Private Limited	Pathology	25-Jan-21	70%	175.00

50.2 Consideration transferred

(in ₹ million, unless otherwise stated)

Particulars	Suburban Diagnostics (India) Private Limited	Chanre Laboratory Private Limited
Cash paid/payable	9,361.81	175.00
	9,361.81	175.00

50.3 Assets acquired and liabilities recognised at the date of acquisition

(in ₹ million, unless otherwise stated)

	Suburban Diagnostics (India) Private Limited	Chanre Laboratory Private Limited
Current assets	1,106.05	6.99
Non-current assets	4,243.77	168.52
Current liabilities	(352.39)	-
Non-current liabilities	(152.63)	-
ESOP liability	-	-
	4,844.80	175.51
% of ownership	100%	70%
Fair value of identifiable net assets acquired	4,844.80	122.86

50.4 Goodwill arising on acquisition

(in ₹ million, unless otherwise stated)

	Suburban Diagnostics (India) Private Limited	Chanre Laboratory Private Limited
Consideration transferred/transferrable	9,361.81	175.00
Less: fair value of identifiable net assets acquired	4,844.80	122.86
Less: cash received by SDIPL from employees on exercise of ESOP's	37.86	-
	4,479.15	52.14

50.5 Net cash outflow on acquisition of subsidiaries

(in ₹ million, unless otherwise stated)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Consideration paid in cash	9,361.81	175.00
Less: Cash and cash equivalent balances acquired	-	-
	9,361.81	175.00

51: Share based payments

51.1 Employee Share Option Plan-2010

51.1.1 Details of employee share based plan of the Parent Company

The shareholders of the Parent Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2010' ("ESOP 2010") at the Annual General Meeting held on 20 August, 2010 to grant a maximum of 3,808,960 options to specified categories of employees of the 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 3,730,340 options till the year ended 31 March, 2015, all of which have all been vested as at 31 March 2019. As per resolution passed on 21 August, 2015, the Parent Company approved to cease any further grants under the ESOP 2010.

The following ESOP 2010 tranches were in existence during the current year:

Grant date	Number	Expiry date	Exercise price (in ₹)	Fair value at grant date (in ₹)
1 September, 2010	2,972,160	Refer Note 1 below	110.80	168.92
23 January, 2015	162,180	Refer Note 1 below	311.30	490.42

Note 1: All options vest after 48-60 months from date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date on which the Parent Company's shares were listed on a recognised stock exchange in India or a period of 10 years from date of respective vesting, whichever period ends later. Options not exercised within exercise period lapses.

51.1.2 Fair value of share options granted in the year

There were no options granted during the years ended 31 March, 2022 and 31 March, 2021.

51.1.3 Movements in share options during the year

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

Particulars	2021-22		2020-21	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	141,983	311.30	141,983	311.30
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	141,983	311.30	141,983	311.30

51.1.4 Share options exercised during the year

No share options were exercised during the year.

51.1.5 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 ₹ 311.30 (as at 31 March, 2021: ₹ 311.30) and a weighted average remaining contractual life of years 5.13 (as at 31 March, 2021: 6.13 years)

51.2 Restricted Share Option Plan

51.2.1 Details of employee share based plan of the Parent 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 and its subsidiaries. Each RSU granted and vested shall entitle the holder to acquire 1 equity share of ₹ 10 each. Under RSU 2016, for the performance year 2016-17, options of ₹ 10 each granted to eligible employees is 225,000 out of which 6,225 options were forfeited on non satisfaction of vesting conditions. For the performance year 2017-18, options of ₹ 10 each granted to eligible employees is 225,716 and 9,602 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2018-19, options of ₹ 10 each granted to eligible employees is 219,132 and 28,498 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2019-20, options of ₹ 10 each granted to eligible employees is 213,841 and 27,631 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2020-21, options of ₹ 10 each granted to eligible employees is 1,12,200 and 12,468 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 2021-22, options of ₹ 10 each granted to eligible employees is 131,594 and 11,793 options were forfeited on non satisfaction of vesting conditions. The Company has accounted for the expense of options proportionately for the period under employee cost on the basis of weighted average fair value.

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

Option series	Number	Grant date	Expiry date	Exercise Price (in ₹)	Fair Value at grant date (in ₹)
Series 1	203,400	29 July, 2016	Refer Note 1 below	10.00	943.00
Series 2	3,600	1 August, 2016	Refer Note 1 below	10.00	953.59
Series 3	8,000	21 September, 2016	Refer Note 1 below	10.00	1,182.34
Series 4	10,000	10 October, 2016	Refer Note 1 below	10.00	1,030.56
Series 5	214,716	7 August, 2017	Refer Note 1 below	10.00	795.15
Series 6	11,000	8 February, 2018	Refer Note 1 below	10.00	854.73
Series 7	210,132	10 August, 2018	Refer Note 1 below	10.00	908.45
Series 8	9,000	6 November, 2018	Refer Note 1 below	10.00	855.73
Series 9	213,841	13 August, 2019	Refer Note 1 below	10.00	1,045.81
Series 10	112,200	31 July, 2020	Refer Note 1 below	10.00	1,811.83
Series 11	114,844	8 April, 2021	Refer Note 1 below	10.00	3,002.90
Series 12	750	29 July, 2021	Refer Note 1 below	10.00	3,002.90
Series 13	4,500	1 November, 2021	Refer Note 1 below	10.00	3,574.00
Series 14	11,500	6 December, 2021	Refer Note 1 below	10.00	3,461.04

Note 1: All options vest after 1 year but within 4 years of date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date of respective vesting or such other shorter period as may be decided by the Nomination and Remuneration Committee from time to time. Options not exercised within the exercise period lapse.

51.2.2 Fair value of share options granted in the year

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Option Series	Series 1	Series 2	Series 3	Series 4	Series 5
Grant date share price	961.75	972.50	1,201.35	1,049.65	814.25
Exercise price (in ₹)	10	10	10	10	10
Expected volatility	31.58%	31.58%	31.58%	31.58%	31.48%
Option life	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%
Risk-free interest rate	7.32%-7.36%	7.29%-7.35%	6.90%-7.18%	6.76%-6.96%	6.65%-6.96%

Option Series	Series 6	Series 7	Series 8	Series 9	Series 10
Grant date share price	873.40	939.45	886.75	1,086.45	1,881.05
Exercise price (in ₹)	10	10	10	10	10
Expected volatility	21.71%	22.33%	25.66%	31.79%	32.28%
Option life	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years
Dividend yield	0.20%	0.35%	0.37%	0.41%	0.53%
Risk-free interest rate	7.73%-8.03%	7.99%-8.19%	7.92%-8.01%	6.69%-6.98%	5.65%-5.96%

Option Series	Series 11	Series 12	Series 13	Series 14
Grant date share price	2,987.35	3,621.45	3,508.85	3,710.00
Exercise price (in ₹)	10	10	10	10
Expected volatility	33.29%	33.29%	33.72%	33.72%
Option life	6-9 Years	6-9 Years	6-9 Years	6-9 Years
Dividend yield	0.54%	0.54%	0.56%	0.56%
Risk-free interest rate	6.12%-6.52%	6.12%-6.52%	6.07%-6.35%	6.07%-6.35%

51.2.3 Movements in share options during the year

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

Particulars	2021-22		2020-21	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	554,812	10.00	603,601	10.00
Granted during the year	131,594	10.00	112,200	10.00
Forfeited during the year	12,193	10.00	12,468	10.00
Exercised during the year	138,072	10.00	148,521	10.00
Expired during the year	-	-	-	-
Balance at end of year	536,141	10.00	554,812	10.00

51.2.4 Share options exercised during the year

The following share options were exercised during the year.

Option series	Number exercised	Exercise date	Share price at exercise date
Series 1	14,830	Various dates	3,313.73*
Series 2	1,112	Various dates	3,247.00*
Series 3	-	-	-
Series 4	-	-	-
Series 5	45,399	Various dates	3,319.22*
Series 6	1,650	Various dates	3,139.11*
Series 7	22,516	Various dates	3,423.56*
Series 8	-	-	-
Series 9	30,384	Various dates	3,511.10*
Series 10	22,181	Various dates	3,646.10*
Series 11	-	-	-
Series 12	-	-	-
Series 13	-	-	-
Series 14	-	-	-
Total	138,072		

*weighted average share price during the year.

51.2.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year has a weighted average exercise price of ₹ 10 (as at 31 March, 2021: ₹ 10) and a weighted average remaining contractual life of 5.62 years (as at 31 March, 2021: 5.96 years)

51.3 Description of share-based payment plans of the Subsidiary Company

Pursuant to the approval of the shareholders of the Suburban Diagnostics (India) Private Limited (wholly owned subsidiary) at their Extra Ordinary General Meeting held on 27 October 2012, the Company granted 60,000 options convertible into equal number of Equity Shares of face value of ₹ 10 each on 1 August 2014 and 71,000 options convertible into equal number of Equity Shares of face value of ₹ 10 each on 1 April 2018. Further on 1 April 2021, 63,500 options convertible into equal number of Equity Shares of face value of ₹ 10 each were issued.

The following table sets forth the particulars of the options granted during the current period and the previous years under 2013 Employee stock Options Scheme.

Tranche	Grant date	Number of options granted	Exercise price per options (₹)	Options vested	Vesting period
2013 Employee stock Options Scheme - Grant I	1 August 2014	60,000	10	19,800	Over a period of four years from the date of grant
2013 Employee stock Options Scheme - Grant II	1 April 2018	71,000	1,127	33,414	Over a period of four years from the date of grant
2013 Employee stock Options Scheme - Grant III	1 April 2021	63,500	1,291	-	Over a period of three years from the date of grant

Vesting conditions	Exercise period
Based on continued employment with the Suburban Diagnostics (India) Private Limited and fulfilment of performance parameters	The shares will be allotted in case of expiration of 20 years, Initial public offer or sale of Suburban Diagnostics (India) Private Limited, which ever is earlier.

Each options entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 10 each.

Details of the Scheme:

Particulars	Grant I	Grant II	Grant III
Vesting schedule	10% vesting on August 1, 2015	20% vesting on April 1, 2019	50% vesting on April 1, 2022
	20% vesting on August 1, 2016	20% vesting on April 1, 2020	25% vesting on April 1, 2023
	30% vesting on August 1, 2017	30% vesting on April 1, 2021	25% vesting on April 1, 2024
	40% vesting on August 1, 2018	30% vesting on April 1, 2022	
	₹ 10	₹ 1,127	₹ 1,291
Exercise price For stock options outstanding at the end of the period, the weighted average remaining contractual life (comprising the vesting period and the exercise period)	Exercise price for the Grant is ₹ 10.	The weighted average remaining contractual life for options outstanding is 3.0 years.	The weighted average remaining contractual life for options outstanding is 5.0 years.
Vesting Requirements	The vesting of the options is linked to continued employment with the Company and fulfilment of performance parameters as determined by the Board.		
Exercise Period	Exercise only on Listing / Strategic Sale		
Method of Settlement	Equity		

ESOP activity under the Scheme for the year ended 31 March 2022 are set out below:

Particulars	No of options	Weight average exercise price (₹)	No of options	Weight average exercise price (₹)
	For the year ended 31 March 2022		For the year ended 31 March 2021	
Outstanding at the commencement of the period / year	67,345	777	78,385	-
Granted during the period / year	63,500	1,291	-	-
Forfeited during the period / year	2,632	567	11,040	-
Exercised during the period / year	53,213	711	-	-
Expired during the period / year	-	-	-	-
Outstanding at the end of the period / year	75,000	1,036	67,345	777
Exercisable at the end of the period / year	-	-	38,795	

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

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:

	Grant I	Grant II	Grant III
Expected dividend yield	0%	0%	0%
Expected Volatility	0%	0%	19.00%
Risk-free interest rate	7.01%	7.01%	5.64%
Exercise price (₹)	10.00	1,127.00	1,291.00
Expected life of options granted in years	3.50 years	3.50 years	4.50 years
Fair Value of the underlying share at the time of grant of the option (₹)	586.54	1,127.00	1,291.00
Weighted average fair value of options (₹)	586.54	255.31	282.92

Share options exercised during the year

The following share options were exercised during the year.

Option series	Number exercised	Exercise date	Exercise price at exercise date
Grant I	19,800	3-Jan-22	10.00
Grant II	33,414	Various dates	1,127.00

52: Related Party Disclosures

I. Names of related parties and related party relationship

a. Key managerial personnel of the Parent Company

- 1 (Hony) Brig. Dr. Arvind Lal - Chairman and Managing Director upto 31 March, 2020 (Executive Chairman w.e.f 1 April, 2020)
- 2 Dr. Vandana Lal – Director
- 3 Dr. Om Prakash Manchanda - Chief Executive Officer upto 31 March, 2020 (Managing Director w.e.f 1 April, 2020)
- 4 Mr. Ved Prakash Goel - Chief Financial Officer
- 5 Mr. Rajat Kalra - Company Secretary
- 6 Mr. Bharath U - Chief Executive Officer (w.e.f 1 April, 2020)
- 7 Harneet Singh Chandhoke - Independent Director
- 8 Saurabh Srivastava - Independent Director
- 9 Sunil Varma - Independent Director
- 10 Anoop Singh - Independent Director
- 11 Somya Satsangi - Independent Director
- 12 Rahul Sharma - Director
- 13 Dr. Archana Lal Erdmann - Director

b. Relatives of key management personnel

- 1 Mr. Anjaneya Lal (Son of (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal)

c. Entities in which key managerial personnel can exercise significant influence

- 1 Central Clinical Laboratory
- 2 Eskay House HUF - Dr. Arvind Lal
- 3 New Delhi Centre for Sight Limited
- 4 Lal Pathlabs Foundation (formerly Dr. Lal PathLabs Welfare Trust)

d. Other related parties

- 1 Dr. Lal Pathlabs Limited Group Gratuity Trust (formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)
(Trust to manage and administer gratuity liability of the Parent Company)

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

(Figures in bracket relates to previous year)
(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
A. Transactions during the year					
i. Compensation of Key Managerial Personnel and their relatives					
The remuneration of key managerial personnel during the year was as follows:					
- Short term employee benefits	-	160.53	2.65	-	163.18
	(-)	(113.39)	(2.10)	(-)	(115.49)
- Post employment benefits*	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
- Share based payments to employees**	-	196.99	-	-	196.99
	(-)	(172.74)	(-)	(-)	(172.74)
Total	-	357.52	2.65	-	360.17
	(-)	(286.13)	(2.10)	(-)	(288.23)
ii. Contribution to Fund					
Lal Pathlabs Foundation	-	-	-	69.02	69.02
(formerly Dr. Lal PathLabs Welfare Trust)	(-)	(-)	(-)	(48.92)	(48.92)
Dr. Lal Pathlabs Limited Group Gratuity Trust	-	-	-	-	-
(formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)	(-)	(-)	(-)	(50.00)	(50.00)
Total	-	-	-	69.02	69.02
	(-)	(-)	(-)	(98.92)	(98.92)
iii. Rent					
Dr. Vandana Lal	-	0.74	-	-	0.74
	(-)	(0.70)	(-)	(-)	(0.70)
Total	-	0.74	-	-	0.74
	(-)	(0.70)	(-)	(-)	(0.70)

(Figures in bracket relates to previous year)
(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
iv. Dividend paid					
(Hony) Brig. Dr. Arvind Lal	-	369.82	-	-	369.82
	(-)	(316.99)	(-)	(-)	(316.99)
Dr. Vandana Lal	-	225.15	-	-	225.15
	(-)	(192.99)	(-)	(-)	(192.99)
Dr. Om Prakash Manchanda	-	20.62	-	-	20.62
	(-)	(17.70)	(-)	(-)	(17.70)
Mr. Bharath U	-	0.21	-	-	0.21
	(-)	(0.17)	(-)	(-)	(0.17)
Mr. Ved Prakash Goel	-	0.27	-	-	0.27
	(-)	(0.23)	(-)	(-)	(0.23)
Dr. Archana Lal Erdmann	-	-	25.81	-	25.81
	(-)	(-)	(22.13)	(-)	(22.13)
Mr. Anjaneya Lal	-	-	23.65	-	23.65
(Son of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(-)	(20.28)	(-)	(20.28)
Eskay House HUF - Dr. Arvind Lal	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Mr. Rajat Kalra	-	0.03	-	-	0.03
	(-)	(0.01)	(-)	(-)	(-)
Total	-	616.10	49.46	-	665.56
	(-)	(528.09)	(42.41)	(-)	(570.50)

(Figures in bracket relates to previous year)
(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
v. Share options exercised***					
Dr. Om Prakash Manchanda	-	0.40	-	-	0.40
	(-)	(0.71)	(-)	(-)	(0.71)
Mr. Bharath U	-	0.08	-	-	0.08
	(-)	(0.14)	(-)	(-)	(0.14)
Mr. Rajat Kalra	-	0.08	-	-	0.08
	(-)	(0.01)	(-)	(-)	(0.01)
	-	0.56	-	-	0.56
	(-)	(0.86)	(-)	(-)	(0.86)
vi. Sitting fees					
Dr. Archana Lal Erdmann	-	-	0.35	-	0.35
	(-)	(-)	(0.25)	(-)	(0.25)
Anoop Mahendra Sigh	-	0.85	-	-	0.85
	(-)	(0.70)	(-)	(-)	(0.70)
Harneet Singh Chandhoke	-	0.60	-	-	0.60
	(-)	(0.50)	(-)	(-)	(0.50)
Ms. Somya Satsangi	-	0.75	-	-	0.75
	(-)	(0.45)	(-)	(-)	(0.45)
Rahul Sharma	-	0.70	-	-	0.70
	(-)	(0.50)	(-)	(-)	(0.50)
Saurabh Srivastava	-	0.80	-	-	0.80
	(-)	(0.55)	(-)	(-)	(0.55)
Sunil Varma	-	2.10	-	-	2.10
	(-)	(1.80)	(-)	(-)	(1.80)
	-	5.80	0.35	-	6.15
	(-)	(4.50)	(0.25)	(-)	(4.75)

(Figures in bracket relates to previous year)
(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
vii. Commission to Directors					
Dr. Archana Lal Erdmann	-	-	1.10	-	1.10
	(-)	(-)	(1.00)	(-)	(1.00)
Anoop Mahendra Sigh	-	1.38	-	-	1.38
	(-)	(1.25)	(-)	(-)	(1.25)
Harneet Singh Chandhoke	-	1.10	-	-	1.10
	(-)	(1.00)	(-)	(-)	(1.00)
Ms. Somya Satsangi	-	1.38	-	-	1.38
	(-)	(1.25)	(-)	(-)	(1.25)
Rahul Sharma	-	1.10	-	-	1.10
	(-)	(1.00)	(-)	(-)	(1.00)
Saurabh Srivastava	-	1.38	-	-	1.38
	(-)	(1.25)	(-)	(-)	(1.25)
Sunil Varma	-	1.78	-	-	1.78
	(-)	(1.25)	(-)	(-)	(1.25)
	-	8.12	1.10	-	9.22
	(-)	(7.00)	(1.00)	(-)	(8.00)

(in ₹ million, unless otherwise stated)

Particulars	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
B. Outstanding balances at the year end					
i. Other non-current assets					
Other advances****					
Lal PathLabs Foundation	31 March, 2022	-	-	0.10	0.10
(formerly Dr. Lal PathLabs Welfare Trust)	31 March, 2021	(-)	(-)	(0.10)	(0.10)
Dr. Lal Pathlabs Limited Group Gratuity Trust	31 March, 2022	-	-	0.14	0.14
(formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)	31 March, 2021	(-)	(-)	(0.14)	(0.14)
Total	31 March, 2022	-	-	0.24	0.24
	31 March, 2021	(-)	(-)	(0.24)	(0.24)
ii. Loans					
Mr. Ved Prakash Goel	31 March, 2022	-	-	-	6.00
	31 March, 2021	(-)	(-)	(-)	(1.23)
	31 March, 2022	-	-	-	6.00
	31 March, 2021	(-)	(-)	(-)	(1.23)

*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 accounted for during the year related to RSU Plan, 2016

*** Shares directly issued to the employees by the EWT Trust @ ₹ 10.00 (Previous year @ ₹ 10) per equity share of ₹ 10 each.

**** Shares directly issued to the employees by the Company @ ₹ 110.80 per equity share of ₹ 10 each.

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

53 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, 2021	As at 31 March, 2021
Paliwal Diagnostic Private Limited	Diagnostics	India	80.00	80.00
Paliwal Medicare Private Limited	Diagnostics	India	80.00	80.00
APL Institute of Clinical Laboratory & Research Private Limited	Diagnostics	India	100.00	100.00
Dr Lal Ventures Private Limited	Diagnostics	India	100.00	100.00
PathLabs Unifiers Private Limited	Diagnostics	India	100.00	100.00
APRL Pathlabs Private Limited	Diagnostics	India	70.00	70.00
Centrapath Labs Private Limited	Diagnostics	India	70.00	70.00
Chanre Laboratory Private Limited	Diagnostics	India	70.00	70.00
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Diagnostics	Bangladesh	71.83	71.83
Dr Lal PathLabs Nepal Private Limited	Diagnostics	Nepal	100.00	100.00
Dr. Lal PathLabs International B.V.*	Diagnostics	Netherland	-	-
Suburban Diagnostics (India) Private Limited	Diagnostics	India	100.00	-
Dr. Lal PathLabs Kenya Private Limited	Diagnostics	Kenya	100.00	100.00

*The company was liquidated during the previous year

Disclosure as required by Schedule III of the Companies Act, 2013 on Consolidated Financial Statements as on 31st March, 2022
As at and for the year ended 31 March, 2022

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/ (loss)	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Dr. Lal PathLabs Limited	98%	14,764.69	100%	3,440.54	(97)%	(12.78)	100%	3,427.76
Indian subsidiaries								
Paliwal Diagnostics Private Limited	2%	360.29	4%	129.96	(6)%	(0.85)	4%	129.11
Paliwal Medicare Private Limited	-	73.41	-	6.99	-	-	-	6.99
APL Institute of Clinical Laboratory & Research Private Limited	-	28.81	-	11.98	(3)%	(0.45)	-	11.53
Dr Lal Ventures Private Limited	-	5.88	-	(0.78)	-	(0.02)	-	(0.80)
PathLabs Unifiers Private Limited	6%	856.46	-	3.15	(1)%	(0.08)	-	3.07
Centrapath Labs Private Limited	4%	580.97	1%	51.39	(1)%	(0.07)	1%	51.32
APRL Pathlabs Private Limited	1%	81.00	-	12.81	2%	0.21	-	13.02
Chanre Laboratory Private Limited	1%	200.58	1%	23.38	2%	0.30	1%	23.68
Suburban Diagnostics (India) Private Limited	8%	1,180.03	-	22.22	7%	0.90	1%	23.12
Overseas subsidiaries								
Dr Lal PathLabs Nepal Private Limited	-	24.79	-	(1.86)	(5)%	(0.69)	-	(2.55)
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	-	32.30	-	3.29	(4)%	0.50	-	3.79
Dr. Lal PathLabs Kenya Private Limited	-	5.53	(1)%	(30.31)	-	0.02	(1)%	(30.29)
Non controlling interest in subsidiaries	(2)%	(354.60)	(2)%	(54.58)	(1)%	(0.10)	(2)%	(54.68)
Adjustments on consolidation	(17)%	(2,759.37)	(5)%	(169.86)	-	(0.01)	(5)%	(169.87)
Total	100%	15,080.77	100%	3,448.33	100%	(13.12)	100%	3,435.21

As at and for the year ended 31 March, 2021

(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/ (loss)	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Dr. Lal PathLabs Limited	98%	12,170.85	96%	2,801.06	(91)%	(7.13)	96%	2,793.93
Indian subsidiaries								
Paliwal Diagnostics Private Limited	2%	251.18	3%	85.52	(6)%	(0.50)	3%	85.02
Paliwal Medicare Private Limited	1%	66.42	-	5.64	-	-	-	5.64
APL Institute of Clinical Laboratory & Research Private Limited	-	17.28	-	3.27	2%	0.18	-	3.45
Dr Lal Ventures Private Limited	-	6.68	-	(1.57)	-	0.03	-	(1.54)
PathLabs Unifiers Private Limited	6%	808.39	-	(7.39)	2%	0.16	-	(7.23)
Centrapath Labs Private Limited	4%	548.47	3%	85.28	3%	0.20	3%	85.48
APRL Pathlabs Private Limited	1%	67.98	1%	17.15	2%	0.14	1%	17.29
Chanre Laboratory Private Limited	1%	176.90	-	1.40	-	-	-	1.40
Overseas subsidiaries								
Dr Lal PathLabs Nepal Private Limited	-	26.84	-	3.68	3%	0.27	-	3.95
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	-	28.51	-	(2.84)	(12)%	(0.93)	-	(3.77)
Dr. Lal PathLabs Kenya Private Limited	-	34.83	-	(10.37)	(6)%	(0.50)	-	(10.87)
Non controlling interest in subsidiaries	(2)%	(309.56)	(2)%	(48.58)	3%	0.26	(2)%	(48.32)
Adjustments on consolidation	(11)%	(1,444.18)	(1)%	(16.04)	-	0.02	(1)%	(16.02)
Total	100%	12,450.59	100%	2,916.21	100%	(7.80)	100%	2,908.41

54: Additional disclosure with respect to amendments to Schedule III

- a The Group had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- b The Group was not holding any benami property and no proceedings were initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- c The Group had not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- d The Group did not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- e The Group did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.
- f The Group has not traded or invested in Crypto currency or Virtual Currency during year ended 31 March, 2022.
- g The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) any funds to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- h The Group has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- i The Group did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- j The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- k The Company has disclosed that the effect of scheme of arrangements and the same have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards' and there is no deviation in this regard.
- l Information with regard to other matters specified in Schedule III to the Companies Act, 2013 is either nil or not applicable to the Company for the year ended 31 March 2022.

- 55:** The Indian Parliament has approved the Code on Social Security, 2020 ('the Code') which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

56: In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent dismissal of the review petition in August 2019 has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Company and its subsidiary Paliwal Diagnostics Private Limited (PDPL) have assessed possible outcomes of the judgment on determination of provident fund contributions and based on the legal opinion obtained and current evaluation and believe that it is not probable that certain components paid will be subject to payment of Provident Fund due to the Supreme Court order. The Company and PDPL will continue to monitor and evaluate this position based on future events and developments.

57: The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

58: 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.

59: Disclosure pursuant to section 186 of the Companies Act 2013:

Sr. No.	Nature of the transaction (loans given/ Investment made/ guarantee given/ security provided)	As at 31 March, 2022	As at 31 March, 2021
1	Loan and advances	-	-
2	Other advances	-	-
3	Guarantees	-	-
4	Current investments	Refer Note 12	Refer Note 12

60: The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 17 May, 2022.

For and on behalf of the Board of Directors of

Dr. Lal PathLabs Limited

(Hony) Brig. Dr. Arvind Lal

(DIN: 0576638)

[Executive Chairman]

Place: Gurugram

Date: 17 May, 2022

Dr. Om Prakash Manchanda

(DIN: 02099404)

[Managing Director]

Place: Gurugram

Date: 17 May, 2022

Ved Prakash Goel

[Chief Financial Officer]

Place: Gurugram

Date: 17 May, 2022

Rajat Kalra

[Company Secretary]

Place: Gurugram

Date: 17 May, 2022

Bharath U

[Chief Executive Officer]

Place: Gurugram

Date: 17 May, 2022

DR. LAL PATHLABS LIMITED

Corporate Identity Number: L74899DL1995PLC065388

Regd. Office: Block-E, Sector-18, Rohini, New Delhi – 110085

Corporate Office: 12th Floor, Tower B, SAS Tower,
Medicity, Sector-38, Gurugram - 122001

Website: www.lalpathlabs.com | E-Mail cs@lalpathlabs.com

Phone: +91 124 3016500 | Fax: +91 124 4234468

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty-eighth (28th) Annual General Meeting ("AGM") of the members of Dr. Lal PathLabs Limited ("the Company") will be held on Thursday, June 30, 2022 at 10:30 A.M. IST through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility, to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022, the reports of the Auditors and Board of Directors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 and the report of the Auditors thereon.
2. To declare dividend of ₹ 6/- per equity share for the Financial Year ended March 31, 2022.
3. To appoint a Director in place of Dr. Archana Lal Erdmann (DIN: 08432506), who retires by rotation and being eligible offers herself for re-appointment.
4. To re-appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W - 100018), as Statutory Auditors of the Company for their second term of five (5) years and to fix their remuneration, by considering and if deemed fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, approval of the Shareholders be and is hereby accorded for the re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W - 100018), as the Statutory Auditors of the Company

for their second term of five (5) years, to hold office from the conclusion of this 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company, to be held in the year 2027.

RESOLVED FURTHER THAT approval be and is hereby accorded for payment of Audit fee of INR 88,00,000 (including Tax Audit) plus applicable taxes and reimbursement of out of pocket expenses for Financial Year 2022-23 and the Board of Directors be and is hereby authorised to fix and pay the statutory audit fee and other charges as may be deemed fit for the remaining tenure."

SPECIAL BUSINESSES:

5. To consider and if deemed fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

Approval of the "Dr. Lal PathLabs Employee Stock Option Plan 2022"

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the provisions of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 ("SBEB Regulations") read with circulars issued thereunder to the extent applicable, the relevant provisions of the Memorandum and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions, the approval of the Shareholders be and is hereby accorded to the introduction and implementation of '**Dr. Lal PathLabs Employee Stock Option Plan 2022**' ("**ESOP 2022**")/ "**Plan**") authorising the Board of Directors of the Company (*hereinafter referred to as the "Board"* which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted or may constitute to exercise its powers, including

the powers, conferred by this resolution) to create and grant from time to time, in one or more tranches, not exceeding **12,50,278 (Twelve Lakh Fifty Thousand Two Hundred and Seventy Eight)** employee stock options ("Options") to or for the benefit of such person(s) who are in employment or service of the Company within the meaning of the Plan, including any director, whether whole-time or not (other than promoters and persons belonging to the promoter group, independent directors and directors holding directly or indirectly more than 10% (ten percent) of the outstanding equity shares of the Company), subject to their eligibility as may be determined under the Plan, exercisable into not more than **10,41,898 (Ten Lakh Forty One Thousand Eight Hundred and Ninety Eight)** equity shares of face value of Rs. 10/- (Rupees Ten) each fully paid-up to be sourced from fresh issue, and **2,08,380 (Two Lakh Eight Thousand Three Hundred and Eighty)** equity shares of face value of Rs. 10/- (Rupees Ten) each fully paid-up, to be acquired through the existing irrevocable employee welfare trust namely Dr. Lal PathLabs Employee Welfare Trust ("**Trust**") by way of secondary acquisition for the purpose of holding and transferring to the eligible employees upon exercise of Options, where one Option upon exercise shall convert into one equity share of the Company subject to payment/ recovery of requisite exercise price and applicable taxes, on such terms, condition and in such manner as the Board/ Committee may decide in accordance with the provisions of the applicable laws and the provisions of the Plan.

RESOLVED FURTHER THAT the equity shares of the Company as specified hereinabove shall be allotted to the Trust for transfer to the option grantees upon exercise of Options in accordance with the terms of the grant and provisions of the Plan and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are to be transferred by the Trust to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling on the number of Options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares to be transferred.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the ceiling in terms of number

of equity shares specified above shall automatically stand augmented or reduced, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity share of the Company after such sub-division or consolidation.

RESOLVED FURTHER THAT the trustees of the Trust shall not vote in respect of the shares subscribed, acquired and held by such Trust.

RESOLVED FURTHER THAT for the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as 'non-promoter and non-public shareholding'."

RESOLVED FURTHER THAT the trustees of the Trust shall ensure compliance of the provisions of the SBEB Regulations, Rules made under the Companies Act, 2013 and all other applicable laws at all times in connection with acquisition, holding and dealing in the shares of the Company including but not limited to maintenance of proper books of account, records and documents with appropriate disclosures as prescribed.

RESOLVED FURTHER THAT the Company and Trust shall conform to the accounting policies prescribed from time to time under the SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Plan subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof".

6. To consider and if deemed fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

To approve grant of employee stock Options to the employees of subsidiary company(ies) of the Company under Dr. Lal PathLabs Employee Stock Option Plan 2022

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the provisions of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (“SBEB Regulations”) read with circulars issued thereunder to the extent applicable, the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary, the approval of the Shareholders be and is hereby accorded to the Board of Directors of the Company (*hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution*) to create and grant from time to time, in one of more tranches such number of Stock Options under Dr. Lal PathLabs Employee Stock Option Plan 2022 (**“ESOP 2022”/“Plan”**) within the limit prescribed therein to or for the benefit of such person(s) who are in employment of any existing or in any future Subsidiary Company of the Company, including any Director thereof, whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), of any existing and/or future Subsidiary Company(ies) of the Company whether in or outside India as may be decided under ESOP 2022, exercisable into corresponding number of Equity Shares of face value of Rs. 10/- (Rupees Ten) each fully paid-up, on such terms and in such manner as the Board/Committee may decide in accordance with the provisions of the applicable laws and the provisions of Plan.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

Approval of secondary acquisition of shares through Trust route for the implementation of “Dr. Lal PathLabs Employee Stock Option Plan 2022”

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and in accordance with the Memorandum and Articles of Association of the Company, Regulation 6 of Securities and Exchange Board of India (Share Based Employee

Benefits & Sweat Equity) Regulations, 2021 (“SBEB Regulations”), and subject further to such other approvals, permissions and sanctions as may be necessary, the approval of the Shareholders be and is hereby accorded authorising the Board of Directors of the Company (*hereinafter referred to as “the Board” which term shall be deemed to include the Nomination & Remuneration Committee or any other Committee, which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution and SBEB Regulations*) to acquire not exceeding **2,08,380 (Two Lakh Eight Thousand Three Hundred and Eighty)** fully paid-up equity shares of the Company of face value of Rs. 10/- (Rupees Ten) each, being within the statutory ceiling as per SBEB Regulations, to be acquired from time to time, in one or more tranches, through the irrevocable employee welfare trust of the Company namely the Dr. Lal PathLabs Employee Welfare Trust (**“Trust”**) by way of secondary acquisition using free funds (net of any outstanding liabilities) with the Trust, for the sole purpose of implementation of the Plan in due compliance with the provisions of the SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, or other re-organization, if any additional equity shares are required to be issued by the Company to its shareholders, the ceiling aforesaid in terms of number of equity shares intended to be purchased by the Trust from secondary acquisition shall be deemed to increase in proportion of such additional equity shares issued to facilitate making of a fair and reasonable adjustment as per provisions of the SBEB Regulations.

RESOLVED FURTHER THAT the Trust shall not deal in derivatives and shall undertake only delivery-based transactions for the purposes of secondary acquisition as permitted under the SBEB Regulations.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

Provision of money by the Company for subscription of its shares by the Trust under the ‘Dr. Lal PathLabs Employee Stock Option Plan 2022’ (“ESOP 2022” or the “Plan”)

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and in accordance with the

Memorandum and Articles of Association of the Company, Regulation 3(8) of Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 ("SBEB Regulations"), and subject further to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Shareholders be and is hereby accorded authorising the Board of Directors of the Company (*hereinafter referred to as "the Board" which term shall be deemed to include the Nomination & Remuneration Committee or any other Committee, which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution and SBEB Regulations*) to grant loan, provide guarantee or security in connection with a loan or provide financial assistance, from time to time, in one or more tranches, to the Dr. Lal PathLabs Employee Welfare Trust ("**Trust**") for subscription of fully paid-up equity shares of the Company subject to celling of primary share reserved under the Plan, by such sum of money which in aggregate shall not exceed 5% (Five percentage) of the aggregate of the paid up equity share capital and free reserves of the Company, being the statutory ceiling under the SBEB Regulations read with Rule 16 (1)(d) of the Companies (Share Capital and Debenture) Rules, 2014.

RESOLVED FURTHER THAT the Trust shall use the loan amount disbursed from time to time only for the purposes of the Plan strictly in accordance with the provisions of SBEB Regulations.

RESOLVED FURTHER THAT any loan provided by the Company shall be interest free with tenure of such loan based on term of the Plan and shall be repayable to the Company upon realization of proceeds on permitted sale/ transfer of shares and any other income of the Trust.

RESOLVED FURTHER THAT subject to the broad terms above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, to settle any issues, questions, difficulties or doubts that may arise in this regard including any modification in the terms of loan without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient."

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

Increasing the limit of Managerial Remuneration to enable Mr. Rahul Sharma, Non-Executive Director of the Company, to exercise the Stock Options granted under ESOP 2010 Plan of the Company

"RESOLVED THAT pursuant to the recommendations of the Nomination & Remuneration Committee & Board of Directors and pursuant to the provisions of Sections 196, 197, and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) and pursuant to Regulation 17(6) (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other approval(s)/ permission(s), if any as may be required, approval of the Shareholders of the Company be and is hereby accorded for payment of remuneration, in the nature of commission or perquisite(s) arising as a result of exercise of vested Stock Options granted to Mr. Rahul Sharma (DIN: 00956625), Non-Executive Director of the Company, in excess of 50% (fifty percent) of the total remuneration payable to all Non-Executive Directors of the Company for the Financial Year 2022-23.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

10. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:

Ratification of Remuneration payable to Cost Auditors for the Financial Year 2022-23

"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 Shareholders hereby ratifies the remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes and out of pocket expenses payable to M/s. A.G. Agarwal & Associates (Firm Registration No. 000531), Cost and Management Accountants, appointed as Cost Auditors of the Company for the Financial Year 2022-23.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By Order of the Board
For **Dr. Lal PathLabs Limited**

Rajat Kalra
Company Secretary and
Legal Head
Membership No: A-16947

Place: Gurugram
Date: May 17, 2022

Notes:

1. Explanatory statement(s) pursuant to Section 102(1) of the Companies Act, 2013 relating to Ordinary and Special Business (es) to be transacted at the AGM is annexed hereto.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circulars dated May 5, 2022 and May 5, 2020, permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. Accordingly, the AGM of the Company is being held through VC/OAVM. The facility of VC/OAVM and also casting votes by a member using remote e-Voting as well as venue e-Voting system on the date of the AGM will be provided by CDSL.
3. Company is providing two way teleconferencing facility or webex for the ease of participation of the members. Participants i.e. members, directors, auditors and other eligible persons to whom this notice is being circulated are allowed to submit their queries/questions etc. before the general meeting in advance on the e-mail address of the company at cs@lalpathlabs.com.
4. As the AGM is being held through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-Voting.
5. Institutional/Corporate Shareholders are required to send a scanned copy of their Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-Voting/remote e-Voting. The said Resolution/Authorization shall be sent to Scrutinizer by email at pbalodia@gmail.com and to CDSL by email at helpdesk.evoting@cdslindia.com with a copy

marked to cs@lalpathlabs.com.

6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 7. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 shall be available for inspection through electronic mode, basis the request being sent on cs@lalpathlabs.com.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act and the Certificate from Auditors of the Company certifying that the ESOP Scheme of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 will be made available electronically for inspection by the members during the AGM.
8. In compliance with the SEBI Circular dated May 13 2022, Annual Report 2021-22 is being sent through electronic mode. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.lalpathlabs.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at www.evotingindia.com.
 9. The Final dividend on equity shares as recommended by the Directors of the Company for the financial year ended March 31, 2022, if declared at the AGM, will be paid on or before Friday, July 29, 2022 to those members whose names appear in the Register of Members as on Thursday, June 23, 2022. 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 Thursday, June 23, 2022 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. 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.
 11. Members who have not encashed their Dividend warrants/IPO refund till date are requested to

do so. Details of unclaimed dividend amount/ IPO refund amount is available under investors section of the website of the Company at www.lalpathlabs.com.

12. SEBI vide its notification dated January 25, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or its Registrars for assistance in this regard.
13. As per the provisions of Section 72 of the Companies Act, 2013 and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <https://www.lalpathlabs.com/pdf/faqs.pdf>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Link Intime (RTA) in case the shares are held in physical form.
14. Additional information, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard for General Meetings (SS-2) in respect of director(s) recommended for re-appointment is annexed with this AGM Notice.
15. Members can also provide their feedback on the Shareholders Services of the Company by filling the **"Shareholders Satisfaction Survey"** attached to this notice and emailing the same at cs@lalpathlabs.com through their registered e-mail ID or sending the signed copy at the Corporate Office of the Company at 12th Floor, Tower B, SAS Tower, Medicity, Sector-38, Gurugram – 122001.

Your feedback will help the Company in improving its Shareholders Service Standards.

Instructions for remote e-Voting and attending AGM through VC/OAVM are as under:

A. VOTING THROUGH ELECTRONIC MEANS

1. 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 SEBI Listing Regulations, the Shareholders are provided with the facility of voting through electronic means ("remote e-Voting") on all the resolutions set forth in this notice, through remote e-Voting services provided by Central Depository Services (India) Limited ("CDSL").

2. The facility for e-Voting will also be made available during the AGM and the Shareholders attending the AGM who have not cast their vote by remote e-Voting shall be eligible to vote through the e-Voting system during the AGM. The Shareholders who have cast their vote by remote e-Voting may also attend the AGM but shall not be entitled to cast their vote again.
3. The remote e-Voting period commences on Sunday, June 26, 2022 at 9:00 A.M. and ends on Wednesday June 29, 2022 at 5:00 P.M. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on June 23, 2022 ("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.
4. The voting rights of the Shareholders 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 i.e. June 23, 2022 and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only. In case of joint holders, only such joint holder who is named first in the order of names will be entitled to vote.
5. The Board of Directors of the Company has appointed M/s PDS & Co., Company Secretaries, as Scrutinizer to scrutinize the remote e-Voting process and e-Voting during the AGM in a fair and transparent manner.

The Instructions for shareholders for e-Voting and joining virtual meeting are as under:

Pursuant to SEBI Circular SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository

Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

In order to increase the efficiency of the voting process, all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants, able to cast their vote without having to register again with the e-Voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

Pursuant to above SEBI Circular, login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of Shareholders	Login Method
	<ol style="list-style-type: none"> 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/. Select "Register Online for IDeAS Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

Type of Shareholders	Login Method
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Log in method for e-Voting and joining Virtual meeting for Physical Shareholders and Shareholders other than Individual holding in Demat form:

- (i) The Shareholders should log on to the e-Voting website www.evotingindia.com
- (ii) Click on "Shareholders".
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digit beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digit Client ID,
 - c. Shareholders 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 Physical Shareholders and other than Individual Shareholders holding shares in Demat.	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number send by Company/RTA or Contact Company/RTA.

Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or the Company please enter the member id / folio number in the Dividend Bank details field.
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- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders 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 also to be 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 Shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Dr. Lal PathLabs Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Note for Non – Individual Shareholders and Custodians - For Remote e-Voting only

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer (pbalodia@gmail.com) and to the Company (cs@lalpathlabs.com), if voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING AGM ARE AS UNDER:

- The procedure for attending AGM and e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- The link for VC/OAVM to attend the AGM will be available where the EVSN of the Company i.e Dr. Lal PathLabs Limited will be displayed

after successful login as per the instructions mentioned above for remote e-Voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be able to vote at the AGM.
4. Facility of joining the AGM through VC/OAVM shall be opened 30 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. The facility will be available for Members on first come first served basis.
5. For better experience, we recommend that you join the AGM with high-speed wired internet connectivity. This prevents WiFi dropouts and speed issues.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to AGM mentioning their name, demat account number/folio number, email id, mobile number at cs@lalpathlabs.com. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolution(s) through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any votes are cast by the Shareholders through e-Voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the meeting.

Process for those Shareholders whose Email/Mobile No. are not registered with the Company/Depositories

For Physical Shareholders	Send a letter to the Company at cs@lalpathlabs.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), Self attested copy of PAN Card and self attested copy of any one document from Aadhar Card, Driving License, Election Identity Card and Passport for registering email address/Mobile No.
For Demat shareholders	Please update your email address and mobile no. with your respective Depository Participant (DP)
For Individual Demat shareholders	Please update your email address and mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual meetings through Depository

In case you have any queries or issues regarding attending AGM and e-Voting, from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 225533.

Declaration of Results

1. The Scrutinizer shall provide, not later than two working days 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.
2. 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 at www.evotingindia.com 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.

3. The recorded transcript of the proceeding of AGM shall be placed on the Company's website at www.lalpathlabs.com and the same also be in safe custody of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Shareholders of the Company at their 23rd Annual General Meeting ('AGM') held on July 20, 2017, had appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W - 100018), as the Statutory Auditors of the Company for a term of five (5) years i.e. to hold office from the conclusion of 23rd Annual General Meeting to the conclusion of 28th Annual General Meeting of the Company to be held in year 2022.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, would be completing their term of five (5) years as the Statutory Auditors at the conclusion of this AGM and as per applicable provisions of the Companies Act, 2013 are eligible for re- appointment for a further term of five (5) years.

In view of the above, the Board of Directors of the Company in their meeting on May 17, 2022, on the recommendation of Audit Committee, have approved the re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors for a term of five (5) years, until the conclusion of 33rd AGM at a remuneration of Rs. 88,00,000 (including Tax Audit) plus applicable taxes and reimbursement of out of pocket expenses for Financial Year 2022-23.

In accordance with the provisions of Section 139, 141 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Deloitte Haskins & Sells LLP, Chartered Accountants, have provided their consent and eligibility certificate to that effect that, their re-appointment, if made, would be in compliance with the applicable laws.

Deloitte Haskins & Sells LLP have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

Deloitte Haskins & Sells (DHS LLP or the Firm) is registered with the Institute of Chartered Accountants

of India (Registration No. 117366W/W-100018). The Firm has around 2,600 professionals and staff. DHS LLP has offices in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa. The registered office of the Firm is One International Centre, Tower 3, 2th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India.

None of the Directors and/or KMP's of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of this AGM Notice.

The Board, on the recommendations of the Audit Committee, recommends the resolution set forth in Item No. 4 for the approval of members by way of an Ordinary Resolution.

ITEM Nos. 5, 6 & 7

Your Company believes that share based employee benefit schemes/ plans are effective tools to reward the employees of the Company and its Subsidiaries for their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, to retain the key resources and knowledge in the organisation. Accordingly, the Company had introduced a share based employee benefit plan in year 2016 ("RSU 2016") post listing of its shares, administered through an irrevocable trust namely 'Dr. Lal PathLabs Employees Welfare Trust' ("**Trust**") under which options / units have been granted from time to time for achieving the aforesaid objectives. The shares requirement under RSU 2016 was met out of pre-listing shareholding of the Trust without diluting the shareholding of the then existing shareholders.

The options/ shares available under RSU 2016 are inadequate for the share based benefit requirements for the forthcoming years. As the business is growing and in view of its increasing human resources particularly with a view to attract, retain, and motivate critical resources and growth drivers, it is thought expedient to introduce a new share based employee benefit plan namely '**Dr Lal PathLabs Employee Stock Option Plan 2022**' ("**ESOP 2022**" / "**Plan**") for the achievement of the aforesaid objectives, to be administered through the Trust.

The equity shares required for the implementation of the proposed Plan shall be sourced from (i) primary issue of equity shares of the Company to the extent of 1.25%, and (ii) secondary acquisition to the extent of 0.25% through the Trust, respectively of the paid-up equity shares of the Company as on May 6, 2022. The contemplated use of shares from the secondary acquisition is well within the ceiling prescribed under the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations,

2021 (“**SBEB Regulations**”). The specific number of shares from the respective sources have been mentioned below.

As far as shares from secondary acquisition are concerned, free funds (net of any outstanding liabilities) available with the Trust shall be used without involvement of any Company loan for secondary acquisition.

Whereas, for acquisition of primary shares for the purpose of the Plan, the Company shall provide interest free loan to the Trust, in one or more tranches, not exceeding 5% (Five percentage) of the aggregate of the paid up equity share capital and free reserves of the Company being the statutory ceiling prescribed in this regard under the SBEB Regulations read with relevant provisions of the Companies Act, 2013 and the Companies (Share Capital and Debenture) Rules, 2014. As the loan money shall be paid back to the Company for subscription of shares, it shall be cashflow neutral. Further, this loan shall be repaid by the Trust out of proceeds of exercise of the employee stock options (“**Options**”) and any other eventual income of the Trust.

As per provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (“**SBEB Regulations**”), the Company seeks members’ approval of the Plan, grant of Stock Options to the eligible employees of the Company and its subsidiaries thereunder, and use of shares from secondary acquisition.

The main features of the Plan are as under:

a) Brief description of the Plan:

The Company proposes to introduce the Plan with primarily with a view to attract, retain, incentivise and motivate the existing employees of the Company and its subsidiaries, employees joining the Company and its subsidiaries, and their Directors that would lead to higher corporate growth and productivity. The Plan contemplates grant of Stock Options (“**Options**”) to the eligible employees (including Directors) of the Company and its subsidiaries, as may be determined in due compliance of SBEB Regulations and provisions of the Plan. After vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee (“**Committee**”) of the Company shall supervise the Plan. All questions of interpretation of the Plan

shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan. Whereas the Trust shall administer the Plan.

b) Total number of Options to be granted:

The total number of Options to be granted under the Plan shall not exceed **12,50,278 (Twelve Lakh Fifty Thousand Two Hundred and Seventy Eight) Options**. The source shall be from (i) Fresh issue up to **10,41,898 (Ten Lakh Forty One Thousand Eight Hundred and Ninety Eight)**, and (ii) secondary acquisition by the Trust up to **2,08,380 (Two Lakh Eight Thousand Three Hundred and Eighty)**.

The SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number and price of the Options granted in such a manner that the total value of the Options granted under the Plan remain the same after any such corporate action. Accordingly, if any additional Options are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the ceiling of **12,50,278 (Twelve Lakh Fifty Thousand Two Hundred and Seventy Eight) Options** shall be deemed to be increased to the extent of such additional Options issued.

c) Identification of classes of employees entitled to participate in the Plan:

Employee means (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) A director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; and (iii) An employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company, but does not include:

- a) an Employee who is a Promoter or a person belonging to the Promoter Group;
- b) a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the issued and subscribed equity shares of the Company.

Provided that an employee or director of a group company including its associate company or of a holding company of the Company, shall be eligible

to participate in the Plan subject to prior approval of the shareholders by way of special resolution.

d) Requirements of vesting and period of vesting:

All the Options granted on any date shall vest not earlier than minimum vesting period of **1 (one) year** and not later than the maximum vesting period of **4 (four) years** from the date of grant of Options as may be determined by the Committee. The Committee may shorten or otherwise vary the vesting period from time to time within the minimum and maximum period stated above.

The vesting dates in respect of the Options granted under the Plan shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of Options granted to an employee.

Options shall vest essentially based on continuation of employment as per requirement of SBEB Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting as deemed appropriate.

In the event of death or permanent incapacity of an employee, the minimum vesting period shall not be applicable and in such instances, all the unvested options shall vest with effect from date of the death or permanent incapacity.

e) Maximum period within which the Options shall be vested:

All the Options granted on any date shall vest not later than a maximum of **4 (four) years** from the date of grant of Options as may be determined by the Committee.

f) Exercise price or pricing formula:

Exercise Price per Option shall be determined by the Committee on each occasion of grant and the Committee shall have the discretion to allow up to 10% (Ten Percent) discount to the market price as on date of grant of Option.

g) Exercise period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire on completion **5 (five) years** from the date of respective vesting.

The vested Option shall be exercisable by the employees by a written application to the Trust expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee or Trust from time to time. The Options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under the Plan:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

i) Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted per employee and in aggregate for such employee under the Plan, shall not exceed **2,08,380 (Two Lakh Eight Thousand Three Hundred and Eighty)** Options.

j) Maximum quantum of benefits to be provided per employee:

There is no contemplation of benefit other than grant of Options and any benefit arising out of Options shall be subject to ceiling specified in point hereinabove.

k) Route of Plan implementation:

The Plan shall be implemented and administered by the existing Trust of the Company.

l) Source of acquisition of shares under the Plan:

The Plan contemplates use of fresh shares and shares acquired through the Trust from the secondary acquisition.

m) Amount of loan to be provided for implementation of the Plan(s) by the company to the trust, its tenure, utilization, repayment terms, etc:

The Company shall provide necessary financial assistance by grant of loan, provision of guarantee or security in connection with a loan to the Trust, subject to 5% (Five Percent) of paid up capital and free reserves, being the statutory ceiling. The loan amount may be disbursed in one or more tranches.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the Plan and shall be repayable to the Company upon realization of proceeds on permitted sale/ transfer of equity shares including realization of exercise price and any other eventual income of the Trust.

The Trust shall utilise the loan amount disbursed from time to time strictly for the subscription of shares to be utilized for the purpose of the Plan.

n) Maximum percentage of secondary acquisition:

The Plan also envisages purchase of shares not exceeding 0.25% of the paid-up equity share capital as on date by way of secondary acquisition through the Trust. This is well within the statutory limit as prescribed under the SBEB Regulations.

o) Accounting and Disclosure Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per prevailing accounting guidelines, the Company shall comply with the accounting policies and disclosure requirements as prescribed under Regulation 15 of the SBEB Regulations.

p) Method of Option valuation:

The Company shall adopt 'fair value method' for valuation Options as prescribed under Guidance Note or under any relevant accounting standard notified by appropriate authorities from time to time.

q) Period of Lock-in:

The shares issued pursuant to exercise of options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.

r) Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the Plan:

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of Options granted under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

s) Declaration:

In case the company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share ("EPS") of the Company shall also be disclosed in the Directors' report.

Consent of the Shareholders is being sought by way of special resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SBEB Regulations.

A draft copy of the Plan is available for electronic inspection by sending an email at cs@lalpathlabs.com on all working days (excluding Saturdays, Sundays and Holidays) till the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent they may be lawfully granted Options under the Plan.

In light of above, you are requested to accord approval of the special resolutions at Item Nos. 5, 6 and 7.

ITEM NO. 8

The Company intends to implement a new share-based employee benefit plan namely 'Dr. Lal PathLabs Employee Stock Option Plan 2022' ("**ESOP 2022**")/ ("**Plan**") for which approval is sought from the members in separate resolutions at Item No. 5, 6 and 7. This proposed Plan shall be administered through Company's existing irrevocable employee welfare trust namely Dr. Lal PathLabs Employee Welfare Trust ("**Trust**"). The proposed Plan contemplates use of shares from primary and secondary acquisition. For secondary acquisition, no Company loan is involved, as free fund with the Trust shall be utilized. However, for acquisition of primary shares by the Trust, the Company shall provide loan or provide security or guarantee in connection with a loan to the Trust subject to 5% (Five Percent) of paid up capital and free reserves of the Company, being the statutory ceiling as prescribed under SBEB Regulations read with Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 ("Companies Rules"). The loan amount may be disbursed in one or more tranches and shall be cash flow neutral.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the Plan and shall be repayable to the Company upon realization of proceeds on permitted sale/ transfer of equity shares including realization of exercise price and any other eventual income of the Trust.

The Trust shall utilise the loan amount disbursed from time to time strictly for the subscription of shares to be utilized for the purpose of the Plan.

Necessary details in this regard are provided as under:

a) The class of employees for whose benefit the Plan is being implemented and money is being provided for acquisition of the Shares

Eligible Employee being (i) an employee as designated by the company, who is exclusively working in India or outside India; or (ii) A director of the company, whether a whole-time director or not, including a non-executive director who is

not a promoter or member of the promoter group, but excluding an independent director; and (iii) An employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company, but does not include:

- a) an Employee who is a Promoter or a person belonging to the Promoter Group;
- b) a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the issued and subscribed Equity Shares of the Company.

Provided that an employee or director of a group company including its associate company or of a holding company of the Company, shall be eligible to participate in the Plan subject to prior approval of the shareholders by way of special resolution.

b) The particulars of the Trustee or employees in whose favour such Shares are to be registered

It is contemplated that one or more of the designated trustees shall acquire and hold the Shares of the Company in due compliance of the relevant provisions of Companies Rules. The trustees shall transfer the Shares in favour of the eligible employees after realisation of exercise price and applicable taxes.

c) The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any

Trust is in the nature of an irrevocable employee welfare trust with the name **Dr. Lal PathLabs Employee Welfare Trust ("Trust")** having its principal office at Block E, Sector-18, Rohini, New Delhi-110085, India.

Particulars of the Trustees:

S. No.	Name	Address	Occupation	Nationality
1	Dr. Reena Nakra	House No C 301, Antriksh Nature, Sector – 52, Noida, Uttar Pradesh – 201301	Service	Indian
2	Mr. Munender Soperna	D -157, Sector 11, Model Town, Faridabad, Haryana – 121006	Service	Indian
3	Ms. Shalini Kumar	69-D, Pocket-4, Mayur Vihar, Phase-I, Delhi-110091	Service	Indian

The Trustees are neither promoters, directors nor key managerial personnel of the Company nor are they related to the promoters, directors or key managerial personnel.

d) Any interest of key managerial personnel, directors or promoters in such Plan or trust and effect thereof

Promoters are not eligible to be covered under the Plan. However, key managerial personnel and executive/ whole-time directors may be covered under the Plan in due compliance with relevant Companies Rules read with SBEB Regulations.

e) The detailed particulars of benefits which will accrue to the employees from the implementation of the Plan

The Options shall be granted to the eligible employees on grant date. After exercising of the Options and payment of exercise price with applicable taxes, the Trust/ Trustees shall transfer corresponding number of Shares to the eligible employees. The eligible employees can then sell the Shares in open market and can reap the benefit.

f) The details about who would exercise and how the voting rights in respect of the shares to be acquired under the Plan would be exercised

The Trustees shall not vote in respect of Shares held in the Trust as per extant SBEB Regulation. In this circumstance, the voting rights can be exercised by an eligible employee only when the Shares are transferred by the Trust to him/her.

None of the directors and / or key managerial personnel of the Company including their relatives are interested or concerned in the Trust/ resolution, except to the extent of their entitlements, if any, under the Plan.

Consent of the Shareholders is being sought by way of a special resolution pursuant to the Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 read with Regulation 3(8) of the SBEB Regulations.

In light of above, you are requested to accord your approval to the special resolution as set out at agenda Item No. 8 of the accompanying notice.

ITEM NO. 9

Mr. Rahul Sharma, Non-Executive Director of the Company was granted 1,62,180 stock options @ ₹ 311.30 in February 2015 under the Company's ESOP 2010 Plan, of which 27,197 options have already been exercised by him.

Mr. Sharma has expressed his intent to exercise the remaining options in different tranches at different points of time.

Exercise of such options, however is likely to create a perquisite in the hands of Mr. Sharma, to the extent of difference between the Market Price on the date of exercise and Grant Price of the options so vested.

In case of exercise of options by Mr. Sharma, value of perk arising therefrom coupled with his annual Director commission for the Financial Year 2022-23 may result in his remuneration exceeding 50% (Fifty percent) of the total remuneration payable to all Non-Executive Directors of the Company.

It may be noted that pursuant to the provisions of Regulation 17(6) (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable w.e.f. April 1, 2019), approval of shareholders is required in case the annual remuneration payable to a single Non-Executive Director exceeds 50% (Fifty percent) of the total remuneration payable to all Non-Executive Directors

In view of the above, the Nomination & Remuneration Committee and Board of Directors of the Company in their meetings held on May 17, 2022 approved the proposal for seeking consent of shareholders for payment of remuneration to Mr. Sharma, in the nature of commission or perquisites arising as a result of exercise of vested Stock Options, which may exceed 50% (Fifty percent) of the total remuneration payable to all Non-Executive Directors of the Company for the Financial Year 2022-23.

Accordingly, approval of the Shareholders is sought by way of a Special Resolution to pay such remuneration to Mr. Sharma, as set out at item no. 9 of this AGM Notice.

Except Mr. Rahul Sharma, Non-Executive Director of the Company and his relatives (to the extent of their shareholding), none of other Directors and/or KMP's or their relatives are concerned or interested, financially

or otherwise, in the resolution set out at item no. 9 of this AGM Notice.

The Board recommends the resolution set forth in Item No. 9 for the approval of Shareholders by way of a special resolution.

ITEM NO. 10

The Board of Directors of the Company in their meeting held on May 17, 2022, on recommendation by the Audit Committee, appointed M/s. A.G. Agarwal & Associates (Firm Registration Number: 000531), Cost and Management Accountants, as the Cost Auditors for the Financial Year 2022-23 at a remuneration of ₹ 75,000/- (Rupees Seventy Five 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 Shareholders of the Company.

The Board considers the remuneration payable to the Cost Auditors as fair and recommends the resolution contained in Item no. 10 of the accompanying notice for approval of the Shareholders 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. 10 of this AGM Notice.

By Order of the Board
For **Dr. Lal PathLabs Limited**

Rajat Kalra
Company Secretary and
Legal Head
Membership No: A-16947

Date: May 17, 2022
Place: Gurugram

Brief Profile of Directors 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. Archana Lal Erdmann	Mr. Rahul Sharma
DIN	08432506	00956625
Date of Birth	April 23, 1981	September 14, 1960
Date of First Appointment to the Board	May 17, 2019	July 22, 2005
Brief Resume, Age and Nature of Expertise in specific functional areas	<p>Dr. Archana Lal Erdmann holds an MBBS degree (Bachelor of Medicine and Bachelor of Surgery) from Bharati Vidyapeeth Medical College, Pune and completed M.D. & DNB (Pathology) from Sri Ramachandra University, Chennai, Tamil Nadu. Dr. Archana is an American board certified Geneticist, and completed fellowships in Clinical Cytogenetics and Clinical Molecular Genetics from Stanford University School of Medicine, California, USA.</p> <p>Dr. Archana brings 13 years of experience in laboratory genetics and genomics testing with a focus on research for genetic tests for both inherited and acquired genetic diseases, developing next-generation sequencing-based tests for genotyping tumors, clinical variant curation, cell line characterization, and expanding the scope of genetic testing to identify patients eligible for novel targeting therapies.</p>	<p>Mr. Rahul Sharma, aged about 61 years, is a Non-Executive Director on our Board. He studied Mathematics at the University of Delhi and commerce at the Kakatiya University. He has about 28 years of experience in the field of human resources.</p> <p>Mr. Rahul is presently the Partners of HYRD, Singapore (wholly owned subsidiary of the Trakinvest Group), a technology enabled end-to-end recruiting solutions & on-boarding platform and Porsh Ware LLP.</p> <p>He has over 28 years of experience covering the human resources sector and executive recruiting. Previously he was a Partner at Executive Access, a leading executive search firm in Asia. He joined the firm in 1993 and was a key senior member of the firm's Asia Pacific Banking and Finance executive recruiting and consulting practice. Prior to Executive Access, he was with State Bank of India. He joined the bank as a Probationary Officer in 1987 and went onto manage a variety of portfolios in India and Japan. His sporting achievements in cricket include representing Delhi in the Ranji Trophy and also captaining and representing Hong Kong in One Day Internationals.</p> <p>He has been a Director on the Company's Board since 2005, and is a member of Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee.</p>
Shareholding in the Company either directly or in form of beneficial interest for any other person	18,43,751 Equity Shares	7,000 Equity Shares (Mr. Rahul Sharma, holds 1,34,983 fully vested stock options granted to him @ ₹ 311.30 in February 2015 under the ESOP 2010 Plan of the Company.)
Relationship with other Directors & KMP's	Dr. Archana Lal Erdmann is the daughter of (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal, Promoters and Directors of the Company	None
No. of Meetings of the Board attended during the year	7 (Seven) Meetings	7 (Seven) Meetings
Directorships held in other Companies (Excluding Foreign Companies)	<ul style="list-style-type: none"> Genecode Health Private Limited 	<ul style="list-style-type: none"> Chimes Aviation Private Limited
Membership /Chairmanship of Committees of other companies	None	None
Terms and conditions of appointment/ re-appointment and Remuneration sought to be paid/last drawn	<p>Remuneration sought to be paid:</p> <p>In accordance with the Shareholders approvals dated October 10, 2018 and July 29, 2021, the Company proposes to pay commission to the Non-Executive Directors in such amounts or proportion and in such manner, as the Board of Directors may from time to time determine, based on performance of the Company and performance evaluation of each such Director and subject to a maximum of ₹ 20,00,000/- (Twenty Lakhs) per annum per Director beginning from Financial Year 2021-22 onwards.</p> <p>Remuneration last drawn:</p> <p>As mentioned in the Corporate Governance Report</p>	<p>Remuneration sought to be paid:</p> <p>As per the details provided in Item No. 9 of this AGM Notice</p> <p>Remuneration last drawn:</p> <p>As mentioned in the Corporate Governance Report</p>

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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,
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Website: www.lalpathlabs.com | E-Mail cs@lalpathlabs.com

Phone: +91 124 3016500 | Fax: +91 124 4234468

SHAREHOLDER SATISFACTION SURVEY

Dear Member,

As part of our constant endeavour to improve shareholder service, we seek your feedback on this Shareholder's Satisfaction Survey. Please spare a few minutes of your valuable time to fill this questionnaire.

Name of Sole/First Shareholder :

DP ID & Client ID/Folio Number :

Email ID :

Kindly rate your responses on specified service areas listed below on the following scale:

S.No	Area	Rating				
		5	4	3	2	1
1.	Overall Service Rating of RTA					
2.	Response to queries/grievances by Company/RTA					
3.	Receipt of various documents from the Company i.e. Annual Report, ECS Intimation etc.					
4.	Quality of disclosures to Stock Exchanges/on Company's Website					
5.	Quality and content of Annual Report					
5- Excellent ; 4-Very Good ; 3-Good ; 2-Satisfactory; 1-Need Improvement						

Do you have any grievance which has not been addresses so far : Yes ☐ No ☐

If yes, please provide a brief summary of the grievance.

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.....

Any suggestions for improving the quality of Investor Services

.....

(SIGNATURE OF THE MEMBER)

THANK YOU FOR YOUR SUPPORT. YOUR FEEDBACK IS IMPORTANT TO US.

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