



# Transforming with Tech Integration

Patient-first approach | Wider outreach | Higher business scalability

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#### **Forward-looking statements**

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

## Key highlights

**12%**

3-year revenue CAGR

**35%**

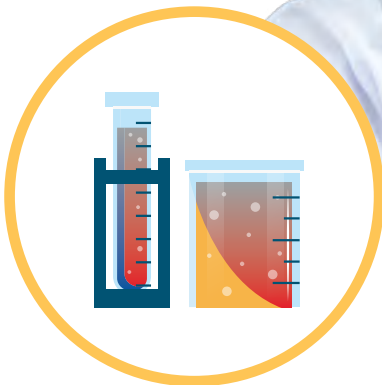
ROCE (Excluding Cash and Cash Equivalents - Normalised PAT)

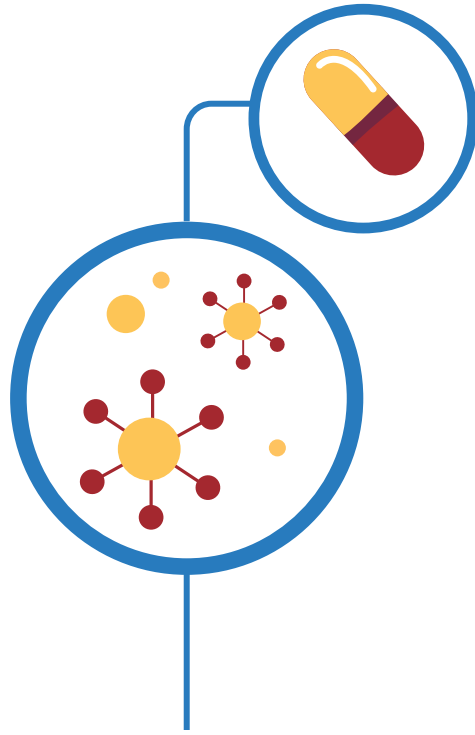
**5762**

Patient Service Centres

**280 labs**

Geographically spread-out network



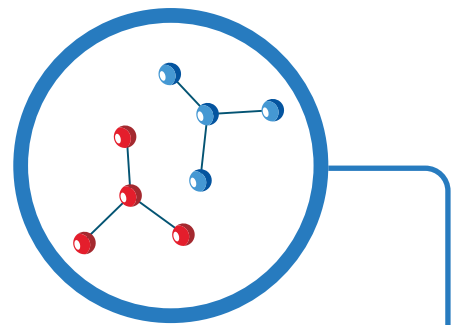


Our legacy of providing dependable and quality diagnostic services for over seven decades remains a beacon of hope for millions of patients and their families in India.

Over the years, we are transforming in step with changing times and investing in an efficient, technology-enabled network to accommodate the growing volume of samples and enhance patient accessibility.

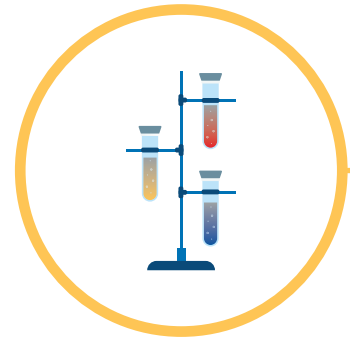
Our strategic focus areas, comprising geographic expansion, portfolio diversification and digital transformation, are driving significant growth in our operational and financial performance. We are prioritising network synergies as well as employing a phygital mechanism to meet evolving consumer preferences. We remain committed to diversify our offerings, while adding new tests to our test menu.

Navigating a competitive landscape, we are pursuing growth opportunities both organically and inorganically, particularly in the underpenetrated markets. Through continuous innovation, branding efforts and prudent financial management, we are strengthening our leadership position and enhancing value for all stakeholders.



## About Us

# Transforming with technology at the core



At Dr. Lal PathLabs, we are making quality diagnostic services accessible and affordable to millions of people for 75 years. We are investing in an efficient, technology-enabled network to accommodate the growing volume of samples and enhance patient accessibility.

In our journey we have grown both organically and inorganically to reach out to millions of people across different parts of India and also expand our test menu range.

Our team of skilled professionals, including scientists, pathologists and technicians rely on cutting-edge technologies to provide dependable and precise healthcare solutions. From pathology to radiology, genetics, and microbiology, our extensive portfolio of tests and services ensures comprehensive patient care.

With a patient-first approach, we empower our patients with knowledge to make informed health decisions. Through tech integration, we have expanded our reach nationwide, offering our broad range of services to patients, healthcare providers and corporates alike.

Driven by our commitment to quality and growth, we have serviced millions of patients in the last five years, establishing ourselves as India's leading consumer healthcare brand in diagnostic services. We continue to transform healthcare with technology, ensuring higher scalability and a wider outreach for the benefit of all.



### Vision

## Be the most trusted healthcare partner, enabling healthier lives.



### Mission

To be the undisputed market leader by providing accessible, affordable, timely and quality healthcare diagnostics, applying insights and cutting-edge technology to create value for all stakeholders.



### Values



Customer first



Accountability



Quality



Empathy and Compassion



Ethics and Integrity



## Key Differentiators

1

Established and Trusted Healthcare brand

2

Largest Network of Labs & Collection partners with Pan-India presence

3

Technology Leadership across Patient Experience, Medical test menu and End to End Operations

4

Wide Test Menu, constantly upgrading

5

Scalable Operating Model facilitating network expansion

## Milestones

# Bringing diagnostic services to patients' doorsteps



**1949-1999**

**1949**

Founded under the leadership of late Dr. Major S. K. Lal.

**1977**

Set up India's first lab to introduce Gelman Electrophoresis

**1981**

North India's first private lab to introduce Radioimmunoassay (RIA) for hormones

**2008**

Introduced modular systems of Roche Biochemistry and Immunoassay units

**2006**

Six laboratories successfully upgraded the NABL quality standard from ISO/IEC 1702S to ISO/IEC 15189

**2004**

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

**2003**

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



**2009-2019**

**2009**

Recognised by the Government of India for Swine Flu Testing

**2010**

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

**2024**

Over its 75 years remarkable journey, Dr. Lal PathLabs has been at the forefront of transforming diagnostics, earning the trust of millions as their healthcare partner and setting un-paralleled standards in Indian Diagnostics.

**2023**

India's First lab to use AI as an adjunct reporting for prostate cancer and breast cancer reporting

**2022**

L-Ace (Autoimmunity Centre of Excellence) & L-Cord (Centre of Excellence - reproductive diagnostic) launched

**1986**

India's first lab with end-to-end digital-enabled operations

**1987**

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

**1989**

India's first lab to install Amerlite Immune Chemiluminescence Assays (ICMA) for HIV and HbsAg

**1999**

India's first lab to install the world-famous Triple Laboratory Software (Ultra)

**2002**

India's first lab to get an international accreditation from the prestigious College of American Pathologists

**2001**

India's first lab to link satellite labs.  
First lab to be certified for ISO 9001:2000

**2000**

India's first lab to be accredited by the NABL against the standard NABL 100

**2000-2008****2013**

Won Paul Writers Marketing Hall of Fame Award

**2015**

First pathology company to be listed on National Stock Exchange

**2017**

Latest 'Next Generation Sequencing' Technology in Genomic Testing launched

**2019**

Dr. Arvind Lal and Dr. Om Prakash Manchanda was bestowed the EY 'Entrepreneur of the Year' award in the category of Health and Life Sciences

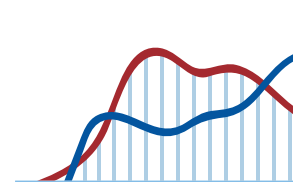
**2021**

Bangalore Reference Laboratory with an expansive test menu range launched

Acquired Suburban Diagnostic to expand market in Western India

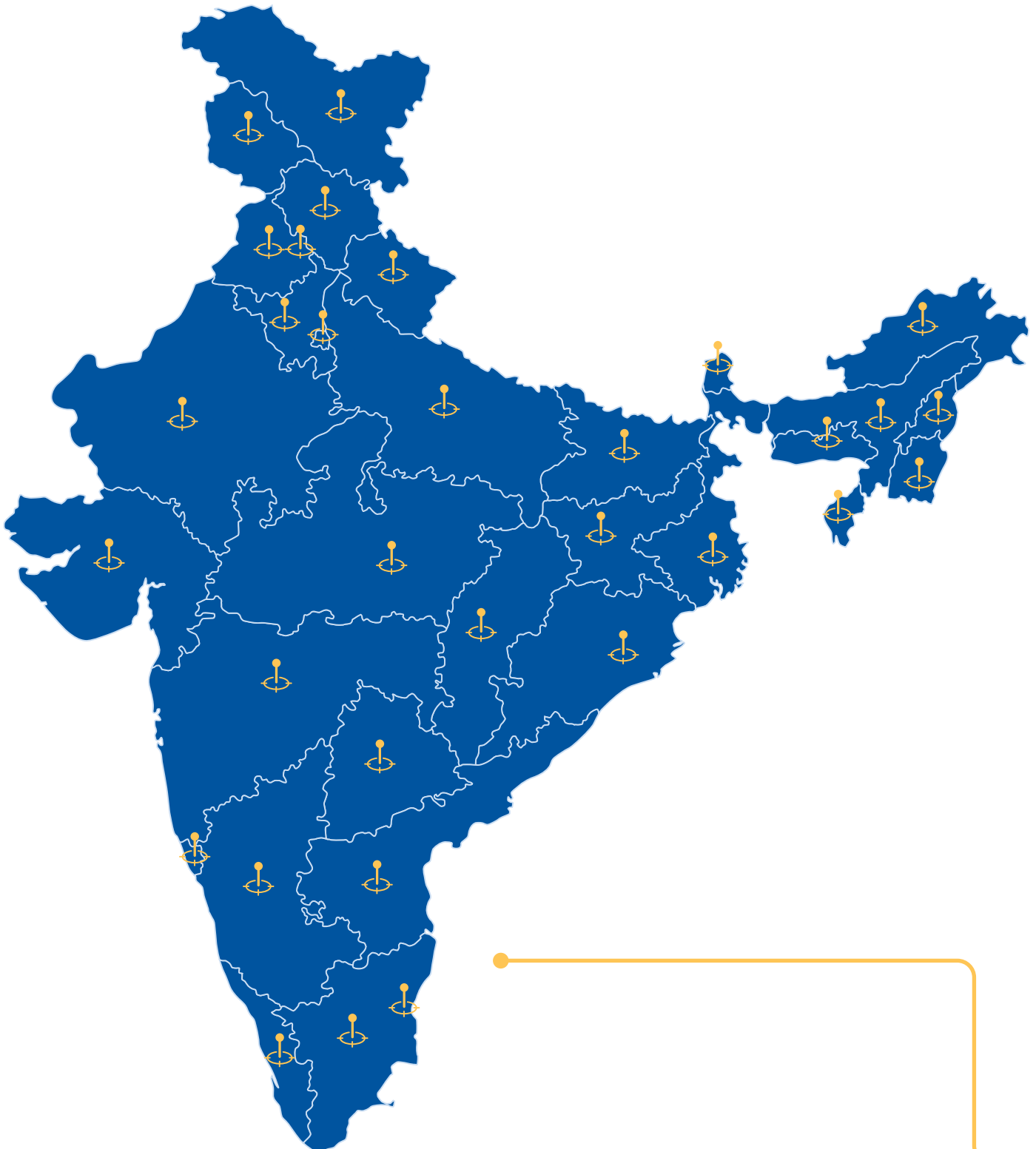
**2020**

One year of GENEVOLVE, the new Genomics division of Dr. Lal PathLabs

**2020 onwards**

## Geographic Presence

# Taking healthcare to the last mile



Did you  
know



In FY24, we provided services to **27.6 million patients** and **tested a total of 78.2 million samples**, representing a growth of **8.1%** in samples over previous year.

#### State Name & UT

- |                      |                       |
|----------------------|-----------------------|
| 1. Uttar Pradesh     | 18. Uttaranchal       |
| 2. Delhi             | 19. Jammu & Kashmir   |
| 3. Haryana           | 20. Chandigarh        |
| 4. Maharashtra       | 21. Karnataka         |
| 5. Andhra Pradesh    | 22. Meghalaya         |
| 6. Assam             | 23. Arunachal Pradesh |
| 7. West Bengal       | 24. Tamil Nadu        |
| 8. Tripura           | 25. Kerala            |
| 9. Rajasthan         | 26. Gujarat           |
| 10. Orissa           | 27. Goa               |
| 11. Punjab           | 28. Chhattisgarh      |
| 12. Bihar            | 29. Sikkim            |
| 13. Madhya Pradesh   | 30. Pondicherry       |
| 14. Jharkhand        | 31. Ladakh            |
| 15. Telangana        | 32. Manipur           |
| 16. Himachal Pradesh |                       |
| 17. Nagaland         |                       |

## 280

Clinical laboratories

## 5,762

Number of Patient Service Centres

## 11,619

Number of Pick-up Points

## 36

NABL accredited Labs

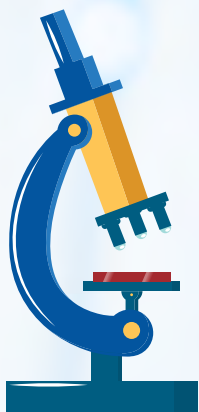
## 2 CAP

Accredited labs

## 4,857

Different tests conducted everyday

**Our strategic focus areas, including geographical expansion, portfolio diversification and digital transformation are driving significant progress.**





**By leveraging DLPL and Suburban's distinct competitive strengths, we are prioritising network synergies as well as employing a 'phygital' mechanism to meet evolving consumer preferences.**

## Chairman's perspective

# Expanding our reach, enhancing lives with our growth strategy



**In the diagnostics industry, where competition is fierce and change is constant, Dr. Lal PathLabs has retained its market leadership.”**

— **(Hony) Brig. Dr. Arvind Lal, Padma Shri**  
Executive Chairman

### Dear Shareholders,

As we begin another year, I want to express my gratitude to all our stakeholders and share some reflections of a rewarding journey during the last fiscal. In the diagnostics industry, where competition is fierce and change is constant, Dr. Lal PathLabs has retained its market leadership. Our excellence driven service model and the ability to offer superior testing experience through an omni channel approach has enabled us to provide high quality diagnostic services at affordable rates. It has not only enabled us to increase our reach but has also earned us numerous compliments and the confidence of patients and physicians alike.

While our brand value sets us apart, we also acknowledge that staying ahead requires more than just reputation. We have been achieving this through continuous

innovation in test offerings, while meticulously working on pricing strategies to remain accessible and affordable. Importantly, we are actively expanding our geographical presence to reach underserved regions.

I am pleased to report that the past year has been marked by our exceptional performance. We have reported robust double-digit top-line growth with significant improvements in our operating and net margins, driven by our focus on efficiency, scalability and productivity.

During the year under review, we have continued to make targeted investments in marketing and process efficiencies to strengthen our brand value and improve patient experience. Notably, the opening of our state-of-the-art reference laboratory in Mumbai in the previous fiscal has been a



resounding success. We are already seeing a surge in test volumes across various clusters in Maharashtra, encompassing both routine and specialised tests.

We continue to maintain a strategic focus on geographical expansion, portfolio diversification and digital transformation to drive significant progress. Leveraging our core strengths in diagnostic services, we are prioritising network synergies and employing a phygital mechanism to meet evolving consumer preferences.

As we stand at the cusp of rapid changes in the field of medicine, we recognise the importance of understanding market trends and developing facilities that make a difference to the entire patient care lifecycle. From disease detection to prognosis, diagnosis and treatment planning, accuracy and precision of diagnostic services play an important role. To ensure delivery of highest standards of service, we rely on cutting-edge technology. With the prominent usage of AI powered diagnostic services and data analytics, the healthcare landscape continues to witness rapid advancements that are contributing to improved patient outcomes. It is also streamlining operational efficiency.

At Dr. Lal PathLabs, we are at the forefront of this change. We were among the first in India to adopt digital pathology using high-resolution digitised slides. This, along with the implementation



**We have reported robust double-digit top-line growth with significant improvements in our operating and net margins, driven by our focus on efficiency, scalability and productivity.”**

of artificial intelligence (AI) in diagnostic pathology, exemplifies our commitment to harnessing technology for improving our services. These advancements have also significantly reduced turnaround time for availing diagnostic services. Powerful AI and machine learning (ML) tools are also being deployed to ensure accurate and earlier diagnosis of various pathological conditions.

This tech-driven approach has fundamentally transformed Dr Lal PathLabs. We are no longer just a pathology company; we are a tech-enabled service provider, committed to bringing the finest testing facilities to patients in different corners of the country. Our investments in technological upgrades have not only benefitted patients but has also allowed us to nurture process efficiencies. It has resulted in greater productivity and streamlined operations.

As we move forward, we are focused on growing organically as well as through acquisitions. By widening our reach into Tier 3 and 4 cities, establishing hub labs and focusing on suburban markets, we aspire to take our services closer to patients. Additionally, we aim to improve patient experience by offering the convenience of testing through home sample collection. Besides, we have improved our app to make our services easily available through our digital platform.

In closing, I would like to acknowledge the hard work and dedication of our people for their continued commitment to service excellence. We also remain thankful to our Board and shareholders for their trust and faith in our abilities. It gives us direction and confidence to scale new horizons and uncover new avenues of success.

Warm regards,

**(Hony) Brig. Dr. Arvind Lal,  
Padma Shri**  
Executive Chairman

## Managing Director's message

# Targeting growth in high-potential markets



**We have also spearheaded the establishment of 'donor-derived cell-free DNA' as a non-invasive monitoring test for solid organ transplantation."**

— **Dr. Om Prakash Manchanda**  
Managing Director

### Dear Shareholders,

India's diagnostic landscape is experiencing a rapid shift. The rise of non-communicable diseases along with the prominence of infectious diseases continue to fuel the demand for evidence-based treatment as well as preventive healthcare solutions. For the last 75 years, we have realised the need to remain aligned to evolving market dynamics to aid patient care. It keeps us well on track to introduce cutting-edge diagnostic services and fulfil the unmet needs of specialty and super specialty tests.

At Dr. Lal Path Labs, we are enthusiastic about leading the transformation towards a healthier future. By making provision for accurate and timely diagnosis, we are shaping healthcare outcomes for millions of patients. It gives us the courage and confidence to scale our services and expand our footprint across Indian towns and cities,

including the tier 3 and 4 markets.

Over the past fiscal year, we have achieved numerous milestones, including the introduction of the pioneering Histocompatibility and Transplant Immunology testing with Next Generation Sequencing (NGS). This has facilitated over 600 runs of HLA-NGS, for analysing 27,000 samples of Bone Marrow and Solid Organ Transplantation in India, Africa, Bangladesh and Nepal. We have also spearheaded the establishment of 'donor-derived cell-free DNA' as a non-invasive monitoring test for solid organ transplantation.

During the fiscal year, we have also focused on improving our network of laboratories through the creation of more collection centres and pickup points. We have identified growing demand for quality diagnostic services



from different parts of the country, including Tier-3 and Tier-4 towns and seek to considerably expand our presence in these areas.

In FY2023-24, we clocked a revenue of ₹ 22,270 million, representing a growth of 10.4%. We also served 27.6 million patients and tested 78.2 million samples over last year. We have also significantly improved our operating and net margin in comparison to FY2023.

At Dr. Lal Path Lab, our investments in technology and digital infrastructure have helped us to streamline procedures and enhance patient convenience. Along with the development of a user-friendly app that allows patients to schedule tests and access reports online, we are constantly upgrading our IT infrastructure to safeguard data privacy.

While we lay emphasis on the importance of growing a profitable business, we also realise the importance of fostering sustainable practices. To minimise our impact on the environment, we believe in responsible utilisation of resources, limiting water usage and managing waste responsibly. At the same time, we are aware of our responsibility towards society. It encourages us to engage in meaningful initiatives covering education, healthcare and preservation of the ecosystem to create a lasting impact on people from all walks of life.



**At Dr. Lal Path Lab, our investments in technology and digital infrastructure have helped us to streamline procedures and enhance patient convenience.”**

Moving ahead, we intend to deepen our presence in the underpenetrated regions of Tier-3 and Tier-4 markets while targeting growth in high potential markets of western and southern India. We have also made significant investments in advanced IT systems, AI, data analytics and machine learning to augur efficiency and streamline our operations. We always prioritise patient-needs and strive to introduce value-added services focusing on the accuracy and efficiency of diagnostic tests. As we witness formidable synergies of growth unfolding before our eyes, we remain determined to make a difference to patient care and the diagnostics services space at large.

Before I conclude, I would like to thank our people for their dedication and express my heartfelt gratitude towards all our stakeholders for their support and belief in our abilities. With your support, we seek to uncover new avenues of growth.

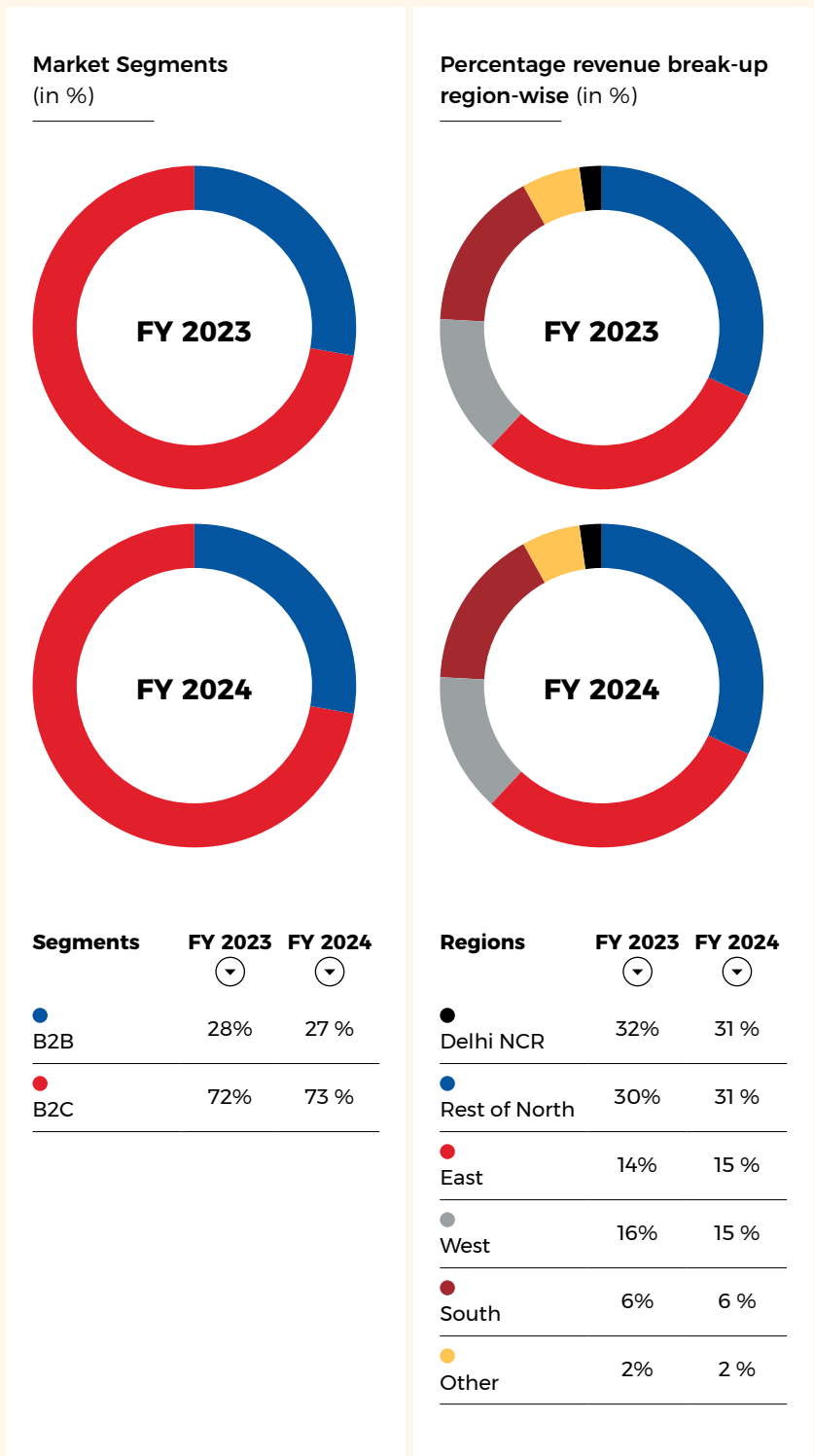
Warm Regards,

**Dr. Om Prakash Manchanda**  
Managing Director

## Operational highlights

# Growing responsibly with a long-term perspective

### Percentage revenue break-up between B2B and B2C



**660**

Patient service centres added in FY 2024 totaling 5,762

**681**

Pick-up-points enrolled in FY 2024 totaling 11,619

**78.2 Mn**

Samples collected in FY 2024

**27.6 Mn**

Number of Patients Served

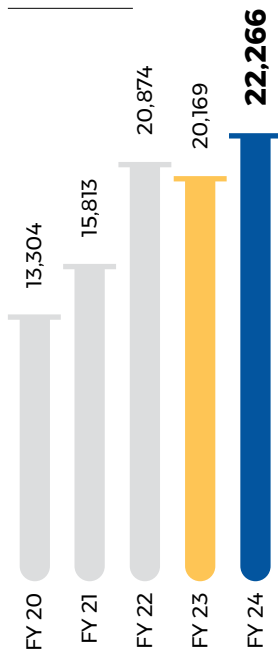
**36**

NABL Labs

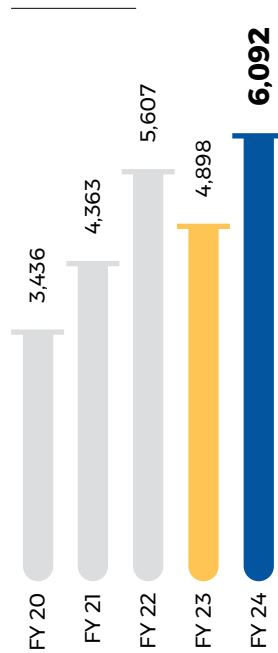
## Financial highlights

# Growing responsibly with a long-term perspective

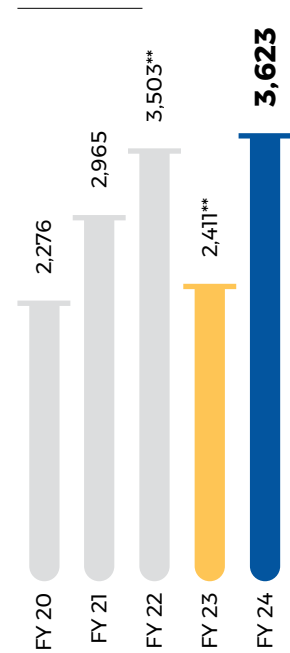
**Revenue from Operations**  
(₹ in million)



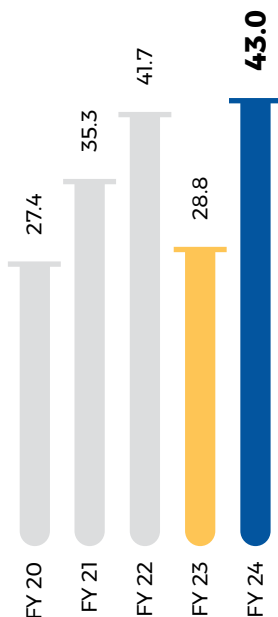
**EBITDA\***  
(₹ in million)



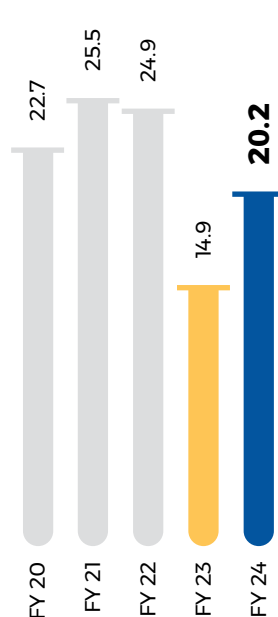
**PAT**  
(₹ in million)



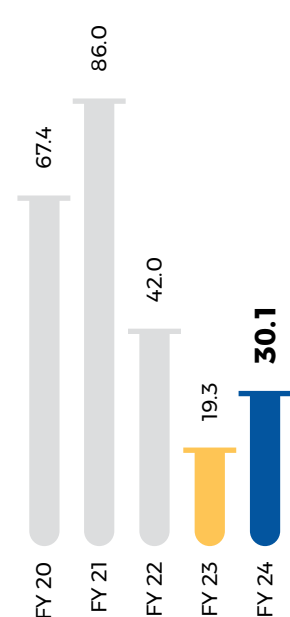
**EPS**  
(in %)



**ROCE**  
(in %)



**ROCE (Excluding cash & cash equivalent) \*\*\***  
(in %)

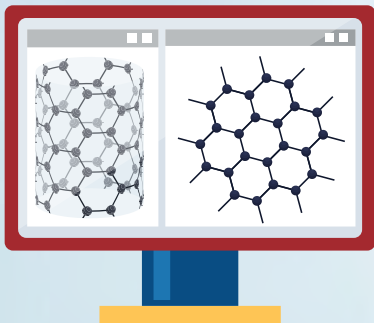


\* Earlier, we were reporting Normalised EBITDA, however this year we are providing Reported EBITDA.

\*\* Shown Reported PAT instead of Normalized.

\*\*\* ROCE on Reported PAT.

Leveraging digital  
infrastructure to  
**make life easier  
for patients**



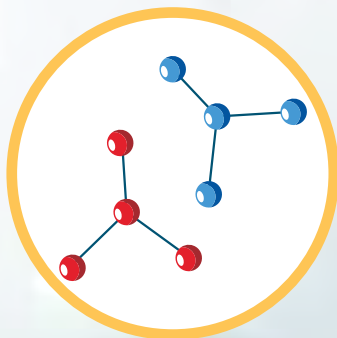


**India's first lab to use artificial intelligence for prostate and breast cancer reporting.**

## Digitisation

# Digitising our operational fabric

We are empowering our business model, with advanced technology integration. Prioritising the expectations and concerns of patients, we are expanding our reach and driving business scalability. Through the adoption of Power BI and AI-driven data modelling, we are crafting insightful dashboards. These tools provide real-time data, enabling our leaders to forecast and plan strategies ahead of time. Seamless integration with various business applications ensures the dashboards are always up-to-date with accurate information.





### New Website Launch

- ▶ New age user intuitive website.
- ▶ Responsive, mobile friendly web designs.
- ▶ SEO friendly for improved customer reach
- ▶ Strategic placement of Buttons and Web forms to generate more leads and better order conversion rates from website



### Reco.ai

- ▶ LPL's own AI based Recommendation Engine
- ▶ Recommends Patient relevant tests as per his current health condition, past report trends, demographic details, etc.



### Logistics App

- ▶ Machine Learning based FE Route Generation
- ▶ Machine Learning based Tube Scanning Bag creation process.
- ▶ Secure QR Code based handshake for every process.
- ▶ Geo-fencing and Precious sample recognition Intra and Intercity sample movement



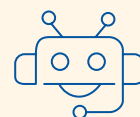
### Wallet

- ▶ **Senior Citizen Wallet:** Wallet points on every booking for Senior Citizen Patients.
- ▶ **Phlebo Wallet:** Wallet points on enhanced superior services to customers.



### One Registration

- ▶ One unified platform for all POS registrations
- ▶ Error Proofing



### Chatbot 2.0

- ▶ New version of Chatbot.
- ▶ Book an appointment functionality.
- ▶ ETR and Report visibility of customer orders. Recommendation of Preventive Health Checkups

**Our IT-enabled initiatives**

**ABDM Adoption**

We have partnered with the National Health Authority (NHA) on the innovative Ayushman Bharat Digital Mission (ABDM). Designed to enhance access, efficiency and transparency in healthcare delivery, ABDM is a flagship initiative of the Government of India. At DLPL, we comply with ABDM, receiving certification from the NHA for successfully completing all three milestones: M1, M2, and M3.

Our collaboration with ABDM has yielded significant milestones. The platform, a first of its kind, establishes a national-level information exchange platform for healthcare providers. This innovative system grants end-users real-time and free access to their healthcare data across all providers, facilitating the creation of personal digital Electronic Medical Records (EMRs).

# M1, M2 & M3

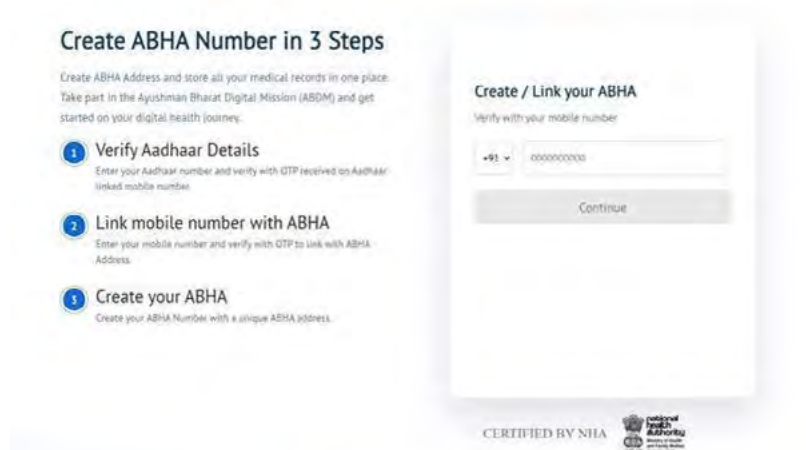
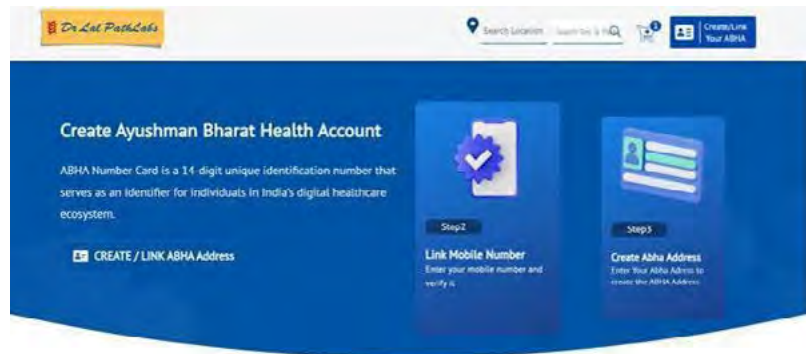
**certifications**

**Test Now Pay Later**

In our continuous efforts to enhance customer satisfaction, we have introduced a new feature aimed at improving convenience: Test Now Pay Later. This initiative offers customers the option to pay through EMI and delay payment for tests, both on our website and at Point of Sale. Inspired by the practices of major e-commerce and online payment platforms, this programme seamlessly integrates with our ERP system.

The primary objective of this initiative is to support customers in accessing high-value tests and giving them respite from

immediate financial burden. By providing this option, we aim to empower our customers to prioritise their health requirements without worrying about immediate payment constraints. This not only promotes customer retention, but also fosters long-term loyalty to our brand by aligning healthcare needs with financial well-being through accessible, high-quality services.



### Digitisation and AI for Haematology

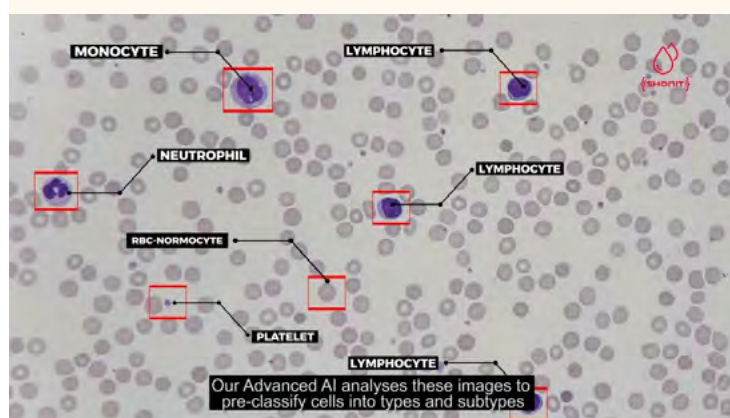
Our innovative in-vitro diagnostic tool radically changes the process of manual microscopy in the field of Haematology. By automating this traditionally labour-intensive task, our device digitises and meticulously analyses haematology slides. This means that pathologists can now conduct remote reviews of slides from virtually anywhere and at any time, enhancing flexibility and efficiency in diagnostic workflows.

Moreover, this innovation significantly accelerates Turnaround Time (TAT), ensuring prompt diagnosis and treatment decisions for patients. It fosters seamless remote collaboration among healthcare professionals, facilitating knowledge-sharing and consensus-building. Most importantly, our device alleviates the eye strain and fatigue commonly experienced by pathologists during prolonged microscopy sessions, promoting their well-being and enhancing diagnostic accuracy.

By automating this traditionally labour-intensive task, our device digitises and meticulously analyses haematology slides.



Artificial Intelligence for reporting digitally scanned hematology slides



Our Advanced AI analyses these images to pre-classify cells into types and subtypes

Advanced AI analyses these images to pre-classify cells into types and subtypes

Platelet Counts

Name	Average Count/ 100X FOV	● N	● M	● G
Normal Platelets (N)	27.9	37	2	0
Macro Platelets ** (M)	2.5	20	2	0
Giant Platelets (G)	0.1	21	2	0
Total Platelets	30.5	19	2	1
		28	0	0
		29	4	0
		41	4	0
		42	6	0
		23	3	0
		19	0	0

⚠ Platelet clumps are detected. Platelet count might be underestimated

## Human Assets

# Teams help us transform and triumph

Our teams collectively have made us win and gain market share in a competitive landscape. At DLPL, we prioritise professional growth and wellbeing of our teams to enhance their capabilities and empower them to succeed in their respective roles.

Our robust policies ensures the highest standards in our operations and safeguards the human rights of our teams. We acknowledge that an inspiring and inclusive work environment is crucial for the overall success of our organisation, and we continuously strive to foster a culture that values diversity, promotes equal opportunities and respects the dignity of every individual.

### Employee engagement

We prioritise employee engagement by building a culture of transparency, trust and mutual respect. This transparent environment enables our teams to share ideas and collaborate across departments through initiatives such as monthly reviews, cross-

functional project teams and customer success weeks.

We organise programmes recognising the efforts of our teams and celebrate milestones achieved, making them feel valued and appreciated for their hard work and dedication.

We further invest in our employees' well-being through various initiatives with people managers, ensuring they feel heard and valued. Additionally, we offer flexible work arrangements, promoting a healthy work-life balance and ultimately a more engaged and satisfied workforce.



## Learning & Development

We invest in continuous learning and development to bridge skill gaps and empower our teams. We identify training needs at all levels (organisation, function areas, individual specific) in technical, leadership and behavioural areas. This allows us to co-create targeted programmes with different functions to address specific skill gaps.

We provide a comprehensive learning menu including leadership courses from distinguished universities, product training for diverse teams and coaching and mentoring sessions. Employees can further develop their skills at their own pace through open learning platforms such as Udemy and Skillsoft. To promote career growth, we offer internal job postings and cross-functional rotational programmes, ensuring a skilled and engaged workforce.

# 41,428

Hours of trainings conducted



## Upskilling Programmes

### EDGE

The EDGE (Enabling Development Growth and Excellence) programme, tailored exclusively for doctor development, facilitates skill and knowledge enhancement through on-the-job training and continuous learning opportunities.

Satellite and reference lab doctors undergo technical training

sessions from 3 to 7 days aimed at developing specialised skills for establishing new capabilities or expanding existing ones.

The comprehensive curriculum includes courses on maternal screening, HB electrophoresis, protein electrophoresis and quality management. This initiative not only enables test menu expansion, but also ensures the

availability of reliable resources for reporting purposes.

Major courses covered:

- ▶ Maternal Screening
- ▶ HB Electrophoresis
- ▶ Protein Electrophoresis
- ▶ Quality
- ▶ Flow cytometry

Specialized Technical Skill Development Program for Satellite Doctors



The comprehensive curriculum includes courses on maternal screening, HB electrophoresis, protein electrophoresis and quality management.

### MEDNXT - Post Doctoral Fellowship & Short-term courses

An on-the-job training initiative for fellows, MedNxt serves several key objectives. It aims to strengthen the employer branding within the medical community, serving as a platform to highlight our organisation's strong emphasis on academics and research. It seeks to attract talent from a broader spectrum

of sources. Additionally, MedNxt is instrumental in cultivating a talent pool, specifically tailored for regional reference labs and hub labs. It offers job enrichment opportunities by enabling participants to serve as mentors, further enhancing their professional development within the field.

## HUNAR

We host a technical skill development programme, specifically to meet the needs of laboratory technical personnel. This equips them with the knowledge and expertise required for specialised technical functions, enabling them to excel in their roles. This programme has proven highly beneficial for both the organisation and the technical personnel, as it helps to build a skilled workforce, provides internal growth opportunities, and empowers employees with enhanced skills and capabilities.

The in-house technical skill upgrade focuses on specialised departments such as:

- ▶ Histopathology
- ▶ Quality
- ▶ Flow Cytometry
- ▶ Molecular Diagnostics (including NGS and cytogenetics)
- ▶ Microbiology and Serology
- ▶ HLA testing
- ▶ Special Chemistry
- ▶ Genetics



## Samridh

A three-day classroom training programme, especially curated to develop skills and create an enabling environment for our lab admins to unleash their potential and thus help them lead their teams to achieve their goals.

## Selling Skills

A two-day comprehensive classroom training programme, especially curated for the sales team, drives effectiveness on-field by being structured in their sales approach, understanding and preparing well before going on-field, leveraging interaction with different types of customers and partners, handling objections effectively and leading prospects to closure.



## Commercial Acumen

A two-day classroom training programme is designed to enhance the confidence of Lab Operations team in understanding lab P&L and its key metrics thereby improving lab profitability.



## Induction Programmes

### Aarambh

Designed specifically for new sales team members, a tailored induction programme, provides them with a comprehensive introduction to our company, products and sales strategies. By equipping them with the necessary knowledge and bolstering their confidence, Aarambh ensures a quick integration and enables them to hit the ground running. This programme accelerates sales growth and productivity by setting the foundation for success in their roles.

### Parichay

A holistic onboarding experience for new employees across various departments. It familiarises them with our organisational values, policies and processes, facilitating a hassle-free transition into their roles. Through Parichay, new team members quickly adapt, foster strong working relationships and align themselves with our organisational goals. This programme enhances employee engagement, retention and overall performance by providing a solid foundation for success.

### Genesis

A specialised induction programme designed for new doctors joining our organisation. It provides a comprehensive orientation to our processes, quality guidelines, technology platforms, patient care protocols, and interdisciplinary collaborations. By equipping new doctors with the necessary knowledge, tools and support, Genesis ensures a seamless integration and fosters their professional growth. This programme empowers them to deliver high-quality patient care from day one, making a positive impact and contributing to exceptional healthcare outcomes.



## Awards and Recognition Programmes

### MedEx - Medical Excellence Awards

MedEx serves as a platform dedicated to showcasing the remarkable contributions to medical excellence made by members of the doctor's fraternity, while also providing an avenue to celebrate their achievements. Moreover, it facilitates networking opportunities with LPL leadership and peers.

New Categories are:



**Technical  
Excellence**



**Operational  
Excellence**



**Quality  
Excellence**

### GEMS

GEMS serves as our comprehensive Reward & Recognition Platform, covering employees nationwide and internationally. The platform highlights the top-performing individuals as GEMS Employee of the Year and Team of the Year, dedicated to honouring high achievers who consistently surpass expectations.

### Diversity and inclusion

We have embarked on a journey to hire more differently-abled employees. These talented individuals were assessed based on their qualifications and experience, and placed in mainstream roles that leverage their strengths. We believe in providing equal opportunities, so all our employee policies apply uniformly. To ensure a smooth transition and foster a truly inclusive environment, we provide on-the-job

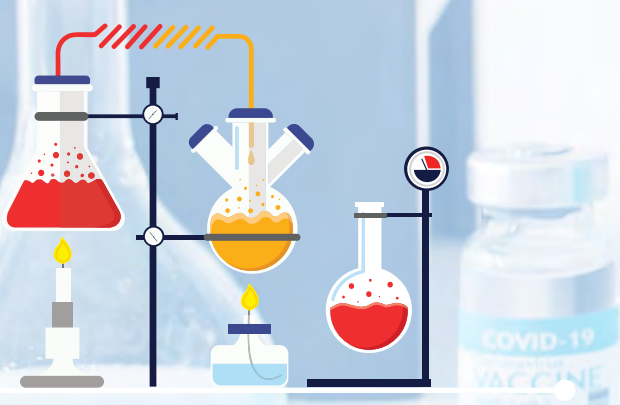
training for each differently-abled employee specific role.

Additionally, we encourage team members to be allies by participating in sensitisation programmes. This helps create a workplace free from discrimination, where everyone feels respected and valued. We understand that open communication is key, so we have designated a dedicated point of contact (SPOC) to address any concerns. Our ambitious target for the next year is to have at least 50 PWDs contributing their talents and perspectives to our company's success.

# 28

**differently-abled  
employees onboarded**







## Environment

# Committed to grow sustainably

We are dedicated to improving patient services, while minimising our environmental impact. From energy-efficient lighting to solar power expansion, we are committed to conserving resources. We prioritise water conservation and adhere strictly to waste management guidelines. Together, these efforts reflect our unflinching commitment to a greener, more sustainable future.

### Energy Conservation

We have implemented several initiatives aimed at managing our energy footprint effectively. These efforts include the introduction of IoT for lab units tracking, retrofitting CFL lights with LED technology, and ensuring a power factor of 0.99 is maintained. Additionally, we have replaced old AC units with newer, more efficient models. Additionally, significant steps have been taken to enhance the utilisation of solar energy.

We have increased our solar generation capacity from 120 KW to 162 KW and introduced a new solar panel system with a capacity of 3MW, of which 1.5MW has been operational since April 2024. These measures collectively demonstrate our commitment to reducing our energy footprint and embracing sustainable practices.

# 162 KW

**Total solar generation capacity**



## Water Conservation

We have prioritised measures to reduce water consumption and improve wastewater treatment within our operations. We have embraced the mantra of “reduce, reuse, and recycle” to minimise our water footprint wherever feasible. Moreover, we have implemented policies aimed at amplifying water recycling efforts internally, with a key focus on adhering to Effluent Treatment Plant (ETP) standards. Looking ahead, we have crafted comprehensive strategies, targets and plans for water management spanning the next five years. These include ongoing wastewater treatment through our ETP systems, conscientious water resource management practices, and the implementation of additional initiatives to increase water conservation and recycling initiatives.



## Climate Change

We have implemented various initiatives to minimize our emissions and enhance environmental sustainability. We have set the temperature limit for HVAC systems to a maximum degree of 24 degree Celsius to optimize energy usage. We have maintained our power factor to ensure efficient electricity consumption. Moreover, we have been actively tracking energy units on a month-over-month (MOM) and year over-year (YOY) basis to identify areas for improvement. Specifically, we have replaced our DG units in Delhi NCR with CPCB-IV compliant generators and equipped DG sets with DF kits, all aimed at reducing emissions and promoting cleaner energy practices.

## Waste Management

In handling both hazardous and non-hazardous waste generated within our labs, we strictly adhere to the BMW Guidelines of 2016. Throughout FY24, we've maintained a comprehensive approach to waste management, integrating multiple strategies into our operations. This includes continued compliance with the BMW Guidelines of 2016, the operation of Effluent Treatment Plants (ETP), and the utilization of autoclaves. These activities collectively ensure that our waste management practices are efficient, environmentally responsible, and in accordance with established regulations and standards.



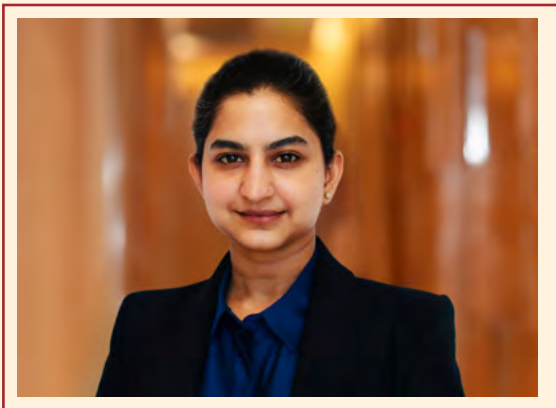
## Board of Directors



(Hony) Brig. Dr. Arvind Lal  
Executive Chairman



Dr. Vandana Lal  
Whole-time Director



Dr. Archana Lal Erdmann  
Non-Executive Director



Dr. Om Prakash Manchanda  
Managing Director



Mr. Arun Duggal  
Independent Director



Mr. Rahul Sharma  
Non-Executive Director



**Mr. Rohit Bhasin**  
Independent Director



**Mr. Rajit Mehta**  
Independent Director



**Ms. Somya Satsangi**  
Independent Director



**Mr. Gurinder Singh Kalra**  
Independent Director





Corporate Social Responsibility Report



# Healthcare on the Path of **Precision & Purpose**



## 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, preventive healthcare services. LPL Foundation contributes to healthcare and preventive healthcare services in the country by making an impact on the underprivileged section of our society. To achieve this, LPL Foundation is working with a focused approach, through its flagship programs consisting of Vocational Training and Skill Development in Healthcare. The purpose of the Foundation is to create a pool of certified healthcare workers to bridge the gap in the availability of qualified healthcare professionals and to provide sustainable livelihood for unemployed youth in rural, remote and semi-urban areas of the country. Besides the flagship programs, the other focused, thematic area of the Foundation is Public Health which comprises of health education to school children, awareness generation and preventive healthcare services, capacity building of the community, linking them to government health services, adolescent healthcare, anaemia management support to tuberculosis patients, geriatric care, water & sanitation and creating employment opportunities among the skilled, unemployed youth by upskilling the unskilled, in the rural and semi-urban areas.

# Lal PathLabs Foundation



## Vision

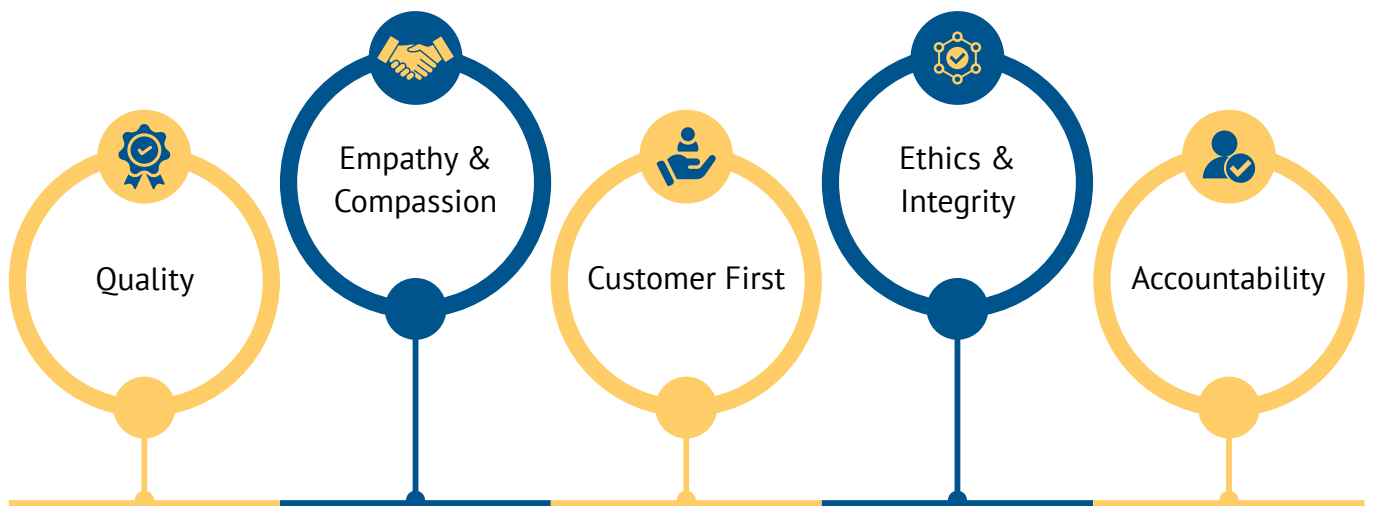
We envision to build a healthy nation and improving the lives of the community through high-quality and preventive healthcare initiatives.



## 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, like-minded organisations and the Government to achieve the outlaid intents for the communities we serve.

## Values



## CSR Policy

At Dr Lal PathLabs, CSR is not simply an add-on charity-driven initiative but one that is based on a directive that the company must play an indispensable role alongside government, civil society and communities to solve complex development challenges of the country. The Company believes in creating value for its stakeholders, including the underprivileged sections of the society, and enabling this segment to lead a life with dignity. To achieve this, the Company continuously contributes towards building capacities and creating resources for the marginalised people in society.

Details of the policy can be downloaded at <https://uat-cdn.drlallab.com/pdf/csr.pdf>



## CSR Strategy

LPL 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 facilitates employment and capacity building of marginalised communities, helping them contribute to the healthcare delivery sector while they build their livelihood in the sector.

## CSR Objectives



## CSR Tenets

Our CSR tenets spring forth from two pillars  
- Healthcare and Preventive healthcare.

### Healthcare

- A healthy nation
- Skilling for employment in healthcare delivery
- Healthcare knowledge & technology to the marginalised

### Preventive Healthcare

- Education
- Preventive healthcare services and hygiene
- Connect community with healthcare service providers

## Beneficiary Profile

- Unemployed youth
- Women, children, adolescents and senior citizens
- Persons with special needs
- Socially and economically backward communities
- Rural communities

## CSR Thrust Areas

### Skilling

- Phlebotomist training for employment of youth.
- Provide quality diagnostic solutions in tier II & III areas.
- Establish service link between rural patients & service providers.
- Bridge the gap of availability of qualified paramedical staff in rural areas.

### Public Health

- Build awareness on healthcare & preventive healthcare in marginalised communities (rural remote/semi urban)
- Provide linkages for marginalised communities to government health and community programs.
- Work alongside government and communities for disease prevention.
- Ensure healthcare support to marginalised, underserved and specially-abled members in rural areas.

## CSR Thrust Areas

### Research

- Partnership with IIM-A for healthcare research.
- Set up a chair namely "Dr Lal PathLabs Chair in Healthcare".
- Create thought leadership in the diagnostic services & healthcare sector.

### Others

- Program agility to address immediate needs of society.
- Support to special causes based on adhoc needs.
- Work with government agencies in response to nation's call for interventions.

# CSR Governance

 <p>CSR Committee</p>	(Hony) Brig. Dr. Arvind Lal	Chairman	 <p>2 CSR Committee Meetings</p>
	Dr. Om Prakash Manchanda	Member	
	Mr. Harneet Singh Chandhoke	Member (From 1 April 2023 till 20 Aug 2023)	
	Mr. Sunil Varma	Member (From 1 April 2023 till 20 Aug 2023)	
	Mr. Arun Duggal	Member (From 21 Aug 2023 till date)	
 <p>Management Team</p>	(Hony) Brig. Dr. Arvind Lal	Chairman	 <p>100% Attendance</p>
	Dr. Om Prakash Manchanda	Managing Director	
	Mr. Manoj Garg	Group CHRO	
 <p>CSR Team</p>	Mr. Rajesh Singh	GM- CSR	
	Mr. Anand Singh	Sr. Executive - CSR	
	Mr. Pankaj Issar	Dy. Manager - CSR	
	Ms. Shivani Tripathi	Asst Manager - CSR	

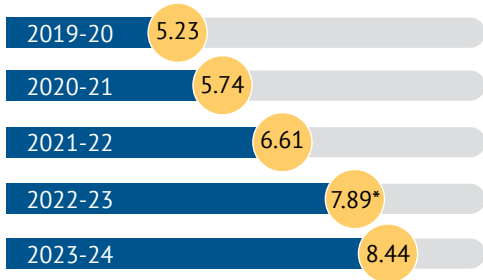
## CSR Roadmap/milestones



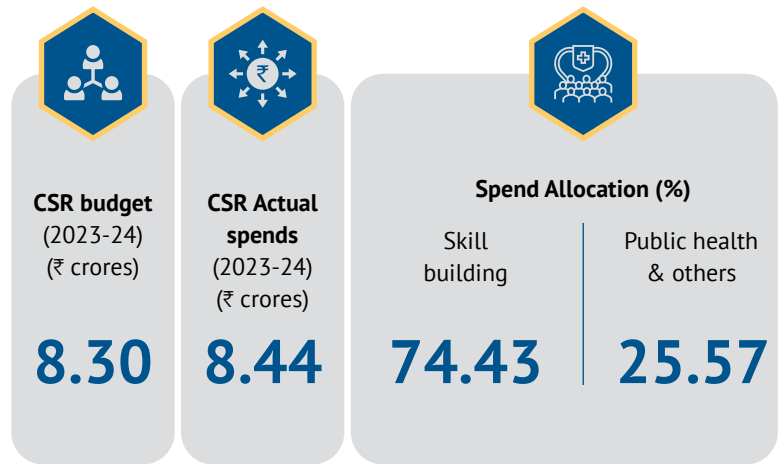
# CSR Snapshot

## Financial

(₹ crores)

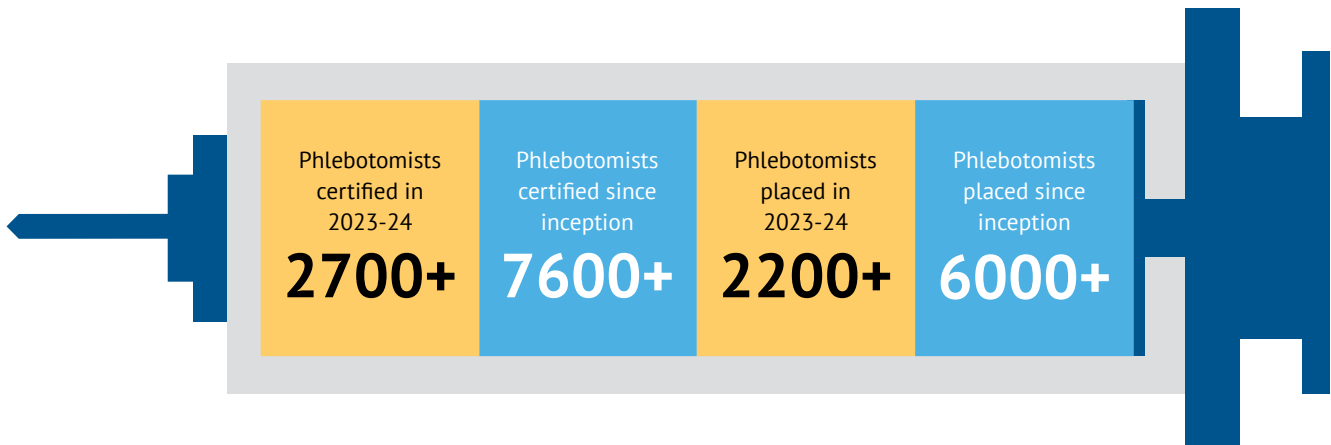


\*₹ 0.30 crores spent subsequently



## Impact

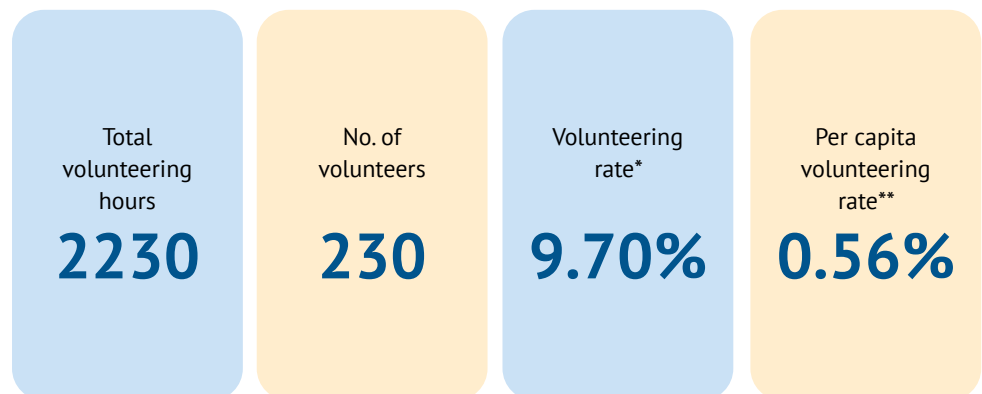
### Training & Placement



### Training Infrastructure



### Employee Volunteering (2023-24)



\*total volunteering hours/total volunteers \*\* total volunteering hours/total employee strength

## Reach

**19+** States covered till date

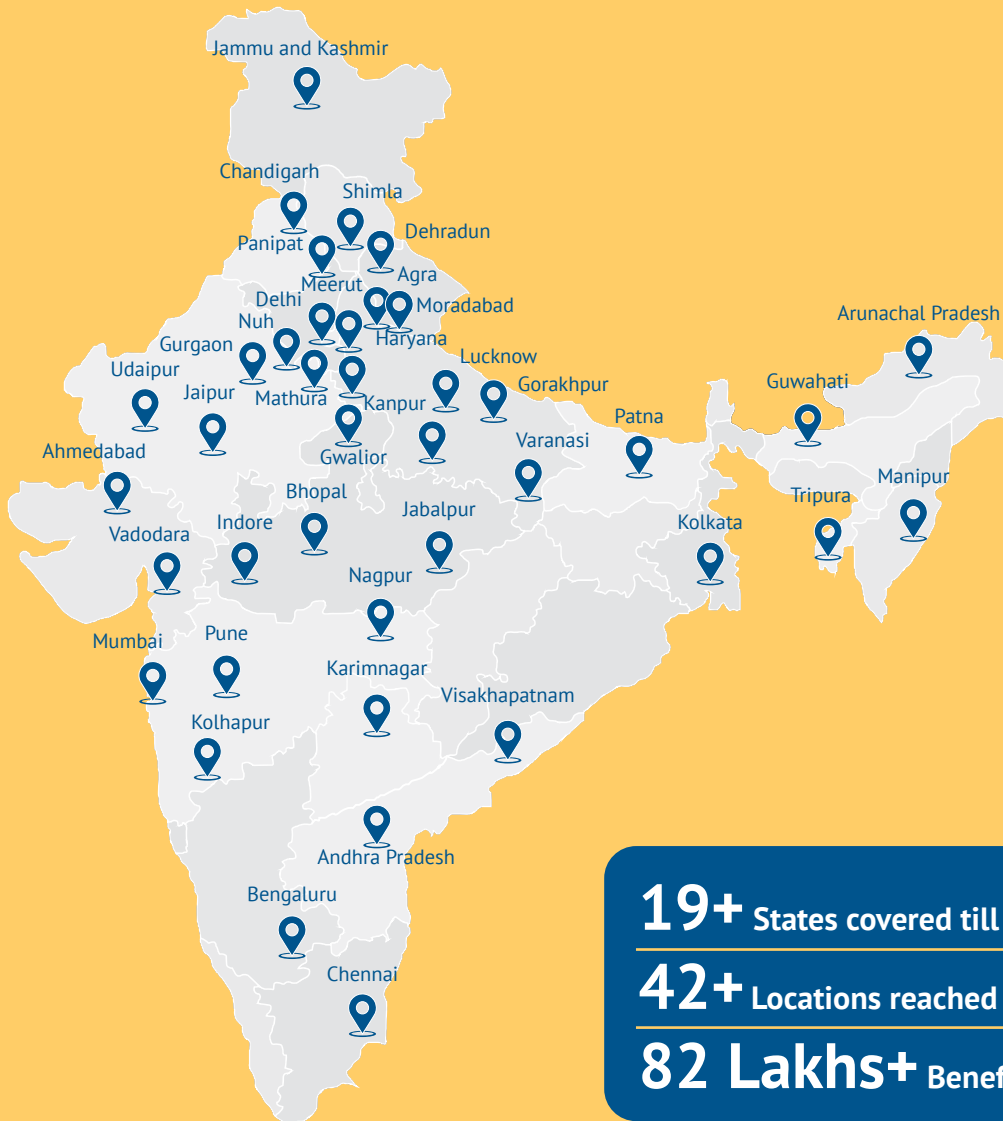
**42+** Locations reached till date

**82 Lakhs+** Beneficiaries

**20.50 Lakhs+** Direct beneficiaries reached

**61.50 Lakhs+** In-direct beneficiaries reached

## Lal PathLabs Foundation - footprint



# Driving Precision and Purpose

## Message from the Chairman



Dr. Lal PathLabs’ business strategy is built on the premise that what is good for the business ought to be good for the people. This rings true especially for the diagnostic services sector which is pivotal to a majority of healthcare interventions, health-related decisions and public policies.

The diagnostic services sector is still a highly fragmented market with the organised sector’s market share at just about 17 %.<sup>1</sup> While the consolidation in the sector is imminent and happening, we as major players have a greater responsibility to bear. This responsibility is underpinned by the prospects for supercharged growth for the Indian economy. It is imperative that the country’s populace stays healthy to realise this growth. Considering the majority of this populace is based in the rural and semi-urban parts of the country, our presence in these markets open a plethora of opportunities for us to serve these communities. I am happy to note that we are doing this with our business operations and CSR interventions.

### Driving Precision through Technology

We have ensured precision in diagnostics and service delivery by adopting cutting-edge technology today, in preparedness for patient needs tomorrow. This has helped us adopt technology holistically, across the operational chain. End-to-end digitalisation of all our patient touchpoints has brought us closer to our customers by way of personalisation and customisation. We have done this through dedicated applications for sample collection, logistics and service

delivery. We use machine learning and artificial intelligence to seamlessly interact and interpret data for greater patient experience. This has enabled us to seamlessly interlink our regional laboratories, patient service centres and pick-up points across urban, tier II, tier III regions and beyond. Our laboratory testing excellence has kept ahead of technology advancements with genomics testing, AI-based specialty diagnostics for advanced screening for certain cancers, rare diseases, organ transplants, etc. We have also ramped up our hardware to support digitalisation and get up to speed with our growth and scale.

### Driving Purpose through CSR

As a leading player in the diagnostics sector, we apply our expertise to connect our services to people in semi-urban and rural areas, through capacity-building in the rural areas, bridging the gap in the availability of skilled professionals to serve in the diagnostic sector and providing employment opportunities. We have invested in CSR programs on preventive healthcare measures, especially in the interiors of the country, to generate awareness on good health, well-being and prevention of non-communicable and communicable diseases.

<sup>1</sup>Axis Capital Healthcare report-Mar 2023

## Living our Purpose

Our CSR programs target marginalised communities and address the following focus areas –

### Skilling

Skilling and employment of youth to serve in the healthcare sector as phlebotomists.

### Public Health

- Preventive healthcare campaigns, capacity building, telemedicine and connecting the community with healthcare service providers in rural and remote areas.
- Comprehensive health education with a focus on non-communicable diseases, to promote healthcare awareness.
- Enhancing the effectiveness of Government healthcare programs through our support and reach, especially providing nutritional support to TB patients under Ni-Kshay Mitra Program of the Ministry of Health & Family Welfare, Government of India.
- Reducing the gap in quality healthcare access to people with chronic diseases and communicable diseases.
- Providing medical intervention through partnerships and collaborations enabling access to quality healthcare for economically challenged people.
- Supporting children with disabilities and their parents through the occupational therapy centres, to make them independent and bring about normalcy in their lives.

### Healthcare Research

- Creating thought leadership in healthcare by taking a multi-pronged approach through healthcare research by establishing a professorial chair at IIM-Ahmedabad.

Our social interventions for the community address key Sustainable Development Goals (SDGs) and we have attempted to bring about healthcare equity among a diverse group of beneficiaries.



Our CSR efforts bring a wholeness to our business purpose,  
the two we believe, are truly interlinked.

At Lal PathLabs Foundation, we have successfully lived our purpose through unique CSR interventions by creating a pool of phlebotomists from rural areas, leveraging our digitalising efforts for telemedicine and healthcare linkages, strengthening public health centres in the rural areas by working alongside healthcare officials, and most of all, rising to the nation's call whenever the need arises.

Our CSR efforts bring a wholeness to our business purpose, the two we believe, are truly interlinked. I thank our teams who are driving LPL Foundation's agenda. I do hope to continue with full steam to transform the lives of people in rural and economically backward societies, bringing about good health and well-being to where it matters most.

Yours sincerely,

**(Hony) Brig Dr. Arvind Lal**  
Executive Chairman

# The Path of Purpose with Healthcare

## A Note from the Managing Director

Dear Stakeholders,

It has indeed been a long and arduous journey as we step into the new financial year and we think long and hard about all the things we did very well and those that we hope to do better. LPL Foundation's journey is one of being on the path of its purpose even as we grow by leaps and bounds in the healthcare diagnostics business.



I am happy to say that we got a lot of things right in our CSR delivery and we will continue to strengthen and scale the same so that we touch more people by bridging the gap in healthcare requirements. Our multi-stakeholder approach to CSR program delivery has proved to be a holistic one, as corroborated by the external, third-party evaluation of some of our programs. In the coming years, we plan to scale those that are adding value to our beneficiaries and change course in some others where we can drive more value. Our ultimate goal is to touch upon those segments that have hitherto not been covered by other such CSR initiatives.

The LPL Foundation has aimed to bridge the gap in the healthcare sector in rural areas and link special segments from marginalised communities to quality healthcare. Our beneficiaries include unemployed youth in semi-urban/rural areas, children with special needs, adults with disabilities, women's health targeting adult and adolescent females to manage anaemia, patients from marginalised communities with

chronic diseases and communities in far-reaching areas with no access to healthcare. We have also focused on preventive healthcare through our awareness campaigns extending from young children to adults.

### Achieving our Purpose

Our carefully crafted CSR programs have positively impacted our beneficiaries in the remote areas of the country. We had our feet on the ground in rural areas and served as an essential link for people in these regions to mainstream healthcare.

### Skill Development and Employment

Our flagship program on Skilling reduced unemployment and bridged the gap in the availability of trained healthcare professionals, through education, training, and placement of 2200+ youth as phlebotomists in FY 2023-24. This program has reached 9 states, 1 union territory and 16 locations in the country, training and certifying 7600+ youth and providing placements for 6000+ youth since program inception.

Our carefully crafted CSR programs have positively impacted our beneficiaries in the remote areas of the country. We had our feet on the ground in rural areas and served as an essential link for people in these regions to mainstream healthcare.

### Public Health Initiatives

LPL Foundation worked with Government health officials in Nuh district to eliminate TB, a communicable disease, by providing nutrition kits to all the 1900+ TB patients in the district currently being treated. We enhanced the efficacy of the program through widespread campaigns, creating awareness of communicable diseases.

### Health Camps and Diagnostic Outreach Programs

We reached about 120 villages through diagnostic outreach, health camps, telemedicine, home remedies for minor ailments and awareness of preventive health measures through the Arogya Resource Centres by training and empowering on-ground healthcare workers (Swasthya Sevika) from within the villages.

### Healthcare Access and Affordability

The healthcare need for specialised therapy for differently-abled children is being provided to about 45 children to mainstream them through occupational therapy which includes the training of parents to manage such children.

Persons with disabilities were provided with prosthetic limbs to help them lead a life of self-sufficiency. 90 such persons were assisted and 30 more have been identified.

We established a sustainable support system for the provision of essential medicines for 2500+ patients undergoing orthopaedic and cancer treatment.

Reducing the gap in healthcare access, about 1600+ patients with renal disease, hailing from marginalised communities were provided with dialysis treatment.

### Initiatives for Preventive Healthcare

Influencing young minds to focus on good health and awareness, 18 schools and 2900+ children were targeted under a Comprehensive School Health Program with a focus on

non-communicable diseases including training of 30+ teachers on imparting health education to the children.

### Partnerships & Collaborations

As a leading diagnostics service provider, we remain at the forefront of research and innovation. Our investment in advanced technologies in diagnostics and collaboration with research institutions reflects our commitment to advancing diagnostic capabilities and contributing to medical science. The healthcare research initiative launched in 2022-23 through a partnership with IIM-Ahmedabad, established a Chair in Healthcare Research at the prestigious institute. The program, currently in the third year, supports research to provide insights into niche areas of healthcare that require special attention such as policy frameworks, socio-economic interventions, etc.

### Program Evaluation

In the financial year 2023-24, we conducted a third-party project evaluation by an internationally reputed audit firm of our flagship program in the focus area of 'Skilling' and the Comprehensive School Health Program in the focus area of 'Public Health'. The auditors' (KPMG) conclusions on the 'LPL Academy for Laboratory Medicine – Phlebotomist Training' highlighted the numerous strengths of the program in terms of program efficacy, impact, sustainability and high scores in key program objectives which included SRoI (Social Return on Investments) such as placement certainty (94 %) and improved quality of life for trainees (92%) due to the intervention\*\* (Refer detailed section on Program Evaluation). The suggested improvements to enhance the program will be duly considered and implemented in the following years.




By fostering a culture of innovation, we strive to play a pivotal role in shaping the future of healthcare. Concurrently, the LPL Foundation has made inroads in reaching healthcare to the rural areas that form the heart of India. We hope to traverse this path of purpose with greater determination in the years to come. This optimism is made possible, thanks to the unflinching support of our implementation partners, employees, and our CSR teams.

Yours truly,

**Dr. Om Prakash Manchanda**

Managing Director

# CSR Programs Overview

	Project name	Activity	Schedule VII listing
 <b>Skilling</b>	LPL Academy for Laboratory Medicine-Phlebotomist Training	Skill development & employability as phlebotomists	ii
	 <b>Public Health</b>	Comprehensive School Health Program (CSHP)	Health education for school children & their teachers
Life Skills Development for Differently-abled Children		Occupational & physiotherapy for specially-abled	ii
Nutritional Support to TB Patients (Ni-kshay Mitra)		Nutritional support to TB patients for TB eradication	i
Arogya Resource Centre		Community health program, health awareness, preventive health services and capacity building	i
Madhav Srushti		Renal disease -healthcare & preventive healthcare and dialysis in the marginalised community	i
Comprehensive Menstrual Health Solution to Urban Slum Girls and Women in Mumbai (Maharashtra)		Menstrual hygiene management in urban slums	i
To Provide Medicine Support to Underprivileged Patients		Medicine support to the cancer & orthopaedic surgery patients	i
Prosthetic Support and Awareness Program for People with Physical Disability		Rehabilitation of disabled persons	i
 <b>Healthcare Research</b>	Establishing a Professorial Chair in Healthcare	Research in healthcare	ix



Location	Development sector(s)	Implementation
Lucknow, Gorakhpur, Varanasi, Meerut (UP), Jaipur, (Rajasthan), Rohini (Delhi), Indore, Gwalior (MP), Pune, Nagpur, Kolhapur (Maharashtra), Vizag (AP), Karimnagar (Telangana), Dehradun (Uttarakhand), Chandigarh (UT), Guwahati (Assam)	Vocational training in healthcare	B-ABLE Foundation and Lok Bharti Education Society
Delhi NCR & Tri-city Chandigarh	Public Health	Child Eye
Indore	Public Health	Sri Sarda Math, Indore Branch
Nuh, Haryana	Public Health	Society for Participatory Integrated Development (SPID)
Kanpur, Agra & Mathura	Public Health	Arogya Foundation of India
Indore	Public Health	Sri Guruji Sewa Nyas
Mumbai	Public Health- Women's Health	Grameen Pragati Foundation
Vadodara	Healthcare support	Hari Om Seva Trust
Indore	Disability management for adults	Arihant Charitable Trust
Ahmedabad	Research (Healthcare)	IIM Ahmedabad



# CSR Programs in FY 2023-2024



# Skilling

## Flagship program

LPL Academy for Laboratory Medicine – Phlebotomist Training

### Program goal

- Bridge the gap in the need for skilled workers for delivering healthcare services in rural, remote and semi-urban areas.
- Provide skilling and enable employability for rural youth to serve as the last mile link in healthcare access in rural areas.

### Beneficiaries

- Underprivileged, unemployed youth between 19 to 35 years of age from rural, remote and semi-urban localities.

### Objective

- Provide dignified and sustainable livelihood to the unemployed youth through rigorous training as phlebotomy technicians.

### Implementation partners

- B-ABLE Foundation
- Lok Bharti Education Society

## Overview

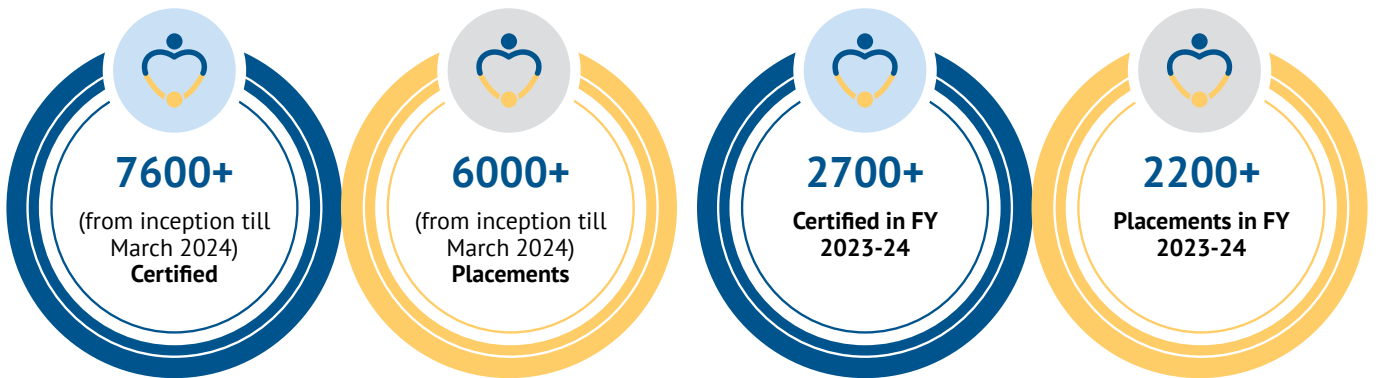
The lack of skilled workers in the healthcare sector and the lack of job opportunities for youth in remote locations is an area that the LPL Foundation has successfully addressed with its Skilling Program. With Government sponsored insurance schemes penetrating remote areas, diagnostic service delivery is the need of the hour, as a majority of medical interventions are based on diagnostic interventions. LPL Foundation trains youth as phlebotomists and laboratory technicians from within the rural

areas so that they can serve as linkages for healthcare access to communities that are still under-served in the rural and semi-urban regions.

The Academy for Laboratory Medicine is currently established in 16 centres across 9 states & 1 Union Territory in the country. The centres are affiliated to the National Skill Development Corporation (NSDC) and certification is provided by the Health Sector Skill Council (HSSC).



### Program Impact

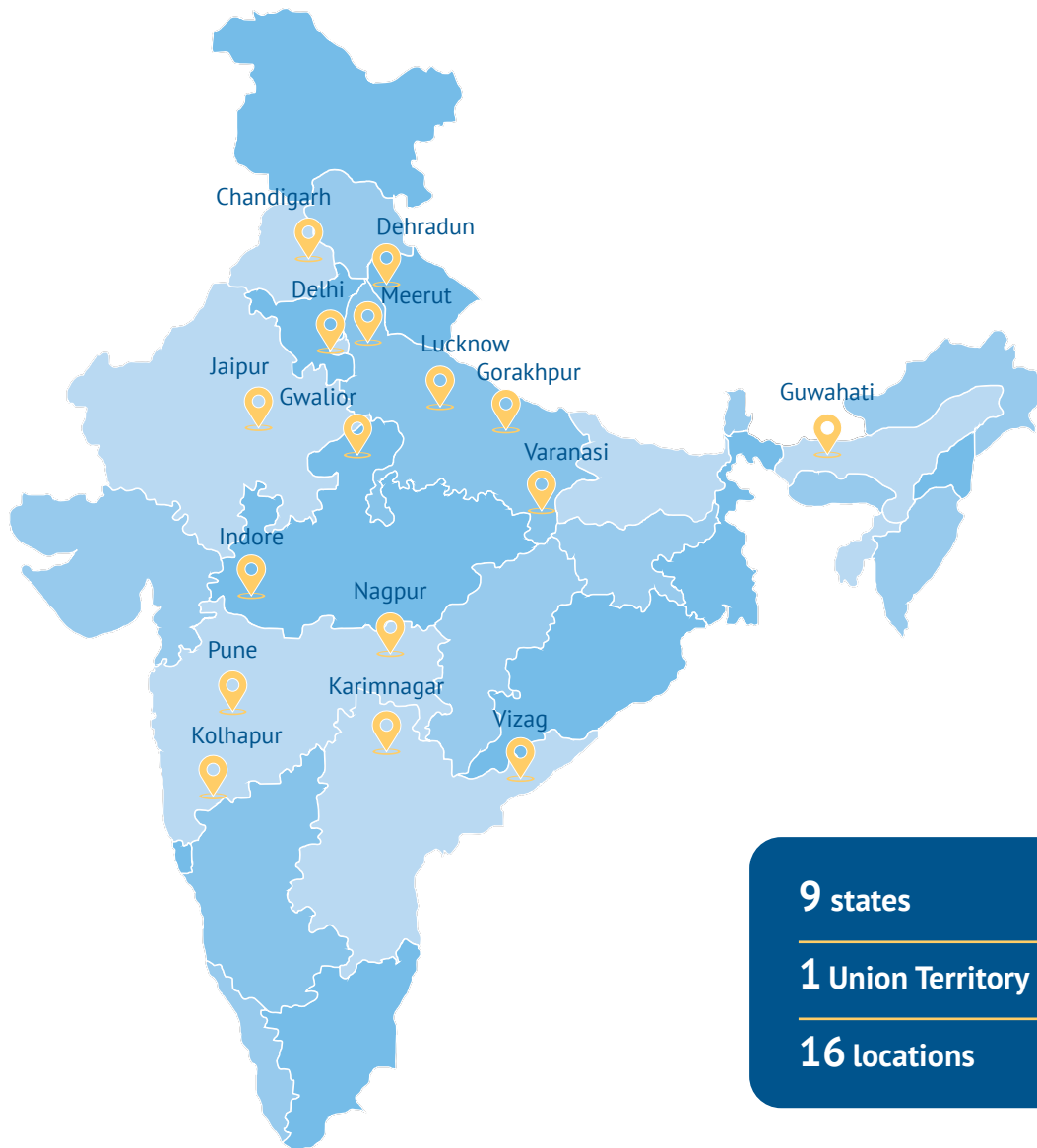


**82%** Successful placement of all certified phlebotomists in FY 2023-24

**54%** Female candidates trained in FY 2023-24

**80%** Placement for female candidates trained in FY 2023-24

### Training Centres as of FY 2023-24



## Employment Generation in the Healthcare Sector

### Indore



“My experience with the phlebotomist course was good & gave me technical knowledge in pathology. This has prepared me for the future. I now lead a respectable life with a permanent job in the medical field. This job is reliable even in adverse economic conditions.”

**Arti Patidar**



“Thanks to the LPL Foundations Phlebotomist course, I am now employed at a diagnostic centre in Indore. I will always be grateful to Lal PathLabs Foundation for giving me a direction in life and helping me towards dignified living.”

**Kajal Soude**



“My father is a tailor and I needed to support him economically. With the Phlebotomist Skilling Program, I hope to make a career in the healthcare sector. Thanks to the team's efforts, I am now employed at Govt. Hospital in Indore, on a regular monthly income.”

**Kushi Pal**

### Visakhapatnam



“I live in Krishnapuram, near Visakhapatnam. I lost my father at a very young age and my mother has been supporting me as a daily wage earner ever since. I was eager to ease the responsibility on her as well as pursue a career in healthcare. I enrolled in the phlebotomist certification course and was thrilled to receive a stipend even during my on-the-job-training. Now I am employed in a leading hospital in Visakhapatnam and I am able to support my mother.”

**Vanaja Vabbalareddy**



“My father is a daily wage earner and not in very good health. I aspire to pursue a career in the healthcare sector but I needed to get employment to support my family. I joined the Phlebotomist Skilling Program. I am now employed at a leading diagnostic centre, thanks to the support of LPL Foundation.”

**Sai Kumar Vorugant**



“Sai Durga Chukka, always a bright and hardworking student, dreamed of a successful career. Seeing her hardworking mother's struggles to support her since childhood, she was determined to stand by her. After completing her Higher Secondary Certificate in Science, Sai Durga was looking for opportunities in the healthcare sector. She eagerly joined the Phlebotomist Skilling Program and gained extensive exposure through training and faculty support at the Academy. With support from the Lal PathLabs Foundation and her own hard work and dedication, she is now gainfully employed and is able to provide financial support to her mother, even as she pursues her dreams.”

**Sai Durga Chukka**

**Jaipur**



“My goal is to work in the healthcare sector and to become a good person, helping patients. I got to know about the Phlebotomist Skilling Program through social media and I enrolled in the program. Today I am gainfully employed, I am confident, independent and self-made, thanks to the LPL Foundation’s skilling program.”

**Vanshika Rathore**

**Lucknow**



“I hail from Ballia, Lucknow district, and I am part of a large family with many siblings. Faced with the financial responsibilities of a large family, I enrolled in the phlebotomist program. I am currently earning ₹ 17,000 in a reputed hospital. I am supporting my siblings and I am also pursuing higher education.”

**Maya**

**Kolhapur**



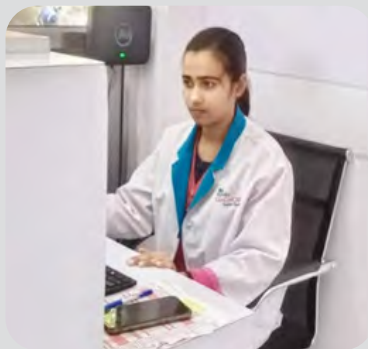
“I come from Panutre Tal, Gaganbawada, a village in Kolhapur district. My father was the only earning member of a family of 6. I enrolled in the Phlebotomist Skilling Program and I believe there is a positive difference in me before and after the program. I am now employed at a diagnostic laboratory. If you want to achieve something in life and support your family, this is the best course.”

**Ganesh Dyandev Patil**



“After completing my 12th, I could not pursue higher education due to financial constraints. I heard about the Phlebotomist Skilling Program through a friend and enrolled. Today, I am employed in Kathipura, I am independent and have resumed my higher studies. My deepest thanks to LPL Foundation.”

**Chaitan Pratap Sisodiya**



“I come from a large family in the Rae Bareilly district. The income from agriculture was not enough to sustain us. I enrolled in the LPL Foundation’s phlebotomist program. At the onset of on-the-job training, I received placement in a reputed lab in Lucknow. My dedication and hard work, has paid off.”

**Lakshmi Devi**



“ I come from Kale taluka, Gaganbawaba district, Kolhapur. I joined this course to get employed and support my family. I got a placement after completing the course and I am also supporting myself through higher studies”.

**Shruti Shivaji Kamble**

## Nagpur



“My journey from Sakoli, Bhandara District, is all about seizing opportunities and continuous learning. I heard about the Phlebotomist Skilling Program through Whatsapp and I took the opportunity. My message is simple -Grab employment opportunities early and invest in continuous learning and development. This, I believe, is the key to unlocking success and fulfilment in life.”

**Apurva Rewatkar**



“I belong to a lower middle-class family from Itwari, Nagpur. I came to know about the Phlebotomist Skilling Program through an advertisement and enrolled in it. The program honed my employability skills and I am now employed at a diagnostic laboratory in Mahal, Nagpur. I am now able to support my family.”

**Pawan Shirsikar**

## Varanasi



“I am the daughter of a farmer and I come from Saraiya, Rajgarh, Mirzapur, Uttar Pradesh. Though eager to support my family, I lacked the necessary skills to secure a job. I enrolled in the Phlebotomist Skilling Program. Despite the challenge of living away from my family for six months, I carried on with determination. I am now employed as a Phlebotomy Technician at a popular hospital in Varanasi. Indeed, the program exceeded my expectations and I am grateful for the same.”

**Arpita Singh**



“I found myself at a crossroads after completing my Intermediate level exams. I am the son of a farmer from Ramnagar, Varanasi. I enrolled in the Phlebotomist Skilling Program in Durgakund, Varanasi, as it promised job opportunities upon completion. Sure enough, I was flooded with offers for employment. I am employed in Ravindrapuri, Varanasi. The program improved my life and I am able to support my family.”

**Sajan Nirala**

The phlebotomists trained by the LPL Foundation under its flagship program have benefitted participants immensely by the opportunities it presented. The trained and certified phlebotomists have reported good job placements and economic upliftment. They also appreciated the opportunity to contribute to the healthcare sector, making their lives more purposeful.

# Public Health

## 1. Arogya Resource Centre (ARC)

**Program goal**

- Provide primary & secondary healthcare within the village clusters.
- Create healthcare awareness in the rural communities.
- Empower grassroots-level women to drive rural health.

**Objective**

- Provide linkages to rural communities with government and private, secondary and tertiary health facilities in cities.
- Create awareness on preventive healthcare, nutrition and hygiene; address anaemia and malnutrition through proactive interventions to prevent ailments.
- Training on first aid and home remedies for common ailments.
- Telemedicine support for healthcare.

**Beneficiaries**

- Rural communities with no access to basic healthcare, women and children.

**Implementation partner**

- Arogya Foundation of India

### Overview

The Arogya Resource Centres address the immediate need for healthcare in remote villages by training and empowering grassroots-level women as Swasthya Sevikas. These women have a greater connection with the communities and they assist the communities on basic health. Regular health camps and preventive diagnostic tests are conducted to identify the health issues in the region and provide linkages to primary/tertiary healthcare facilities. Awareness programs on first aid, herbal medicines for minor ailments, hygiene and sanitation measures, address preventive health. Soak pits, composts, and vegetable and herb gardens within the houses, are aimed at providing hygiene and nutrition support. Through telemedicine, health concerns are addressed by a qualified healthcare professional such that health issues are addressed at an early stage.



## Program Impact

**18,000 families**

Healthcare awareness covered

**18,000 families**

Training on first aid

**10,000 families reached**

Health camps conducted (annual and follow-up)

**563 schools**

Awareness programs in schools

**10,025 patients**

Telemedicine reach

**6,890 patients. 51% cured**

Patients treated with home remedies

## Sanitation

**103** soak pits, **144** waste pits & toilet use, hygiene awareness covering **9,800** people



## Program reach

**4** Sanches/

**120** villages

Agra Dist.

**30 villages**

Edmatpur block

Kanpur Dist.

**60 villages**

Bithoor & Maitha blocks

Mathura Dist

**30 villages**

Nandgaon block



## 2. Madhav Srushti

### Program goal

- Affordable healthcare and chronic disease awareness among under-privileged segments

### Objective

- Making high-cost renal disease treatments affordable to underprivileged segments.
- Sensitise communities on preventive care and renal disease outcomes

### Beneficiaries

- Underprivileged communities afflicted with renal disease in Indore

### Implementation partner

- Sri Guruji Seva Nyas

### Overview

This program provides state-of-the-art dialysis treatment to underprivileged people afflicted with renal disease in rural areas, at affordable costs. The program includes awareness programs to sensitise rural populations on prevention of chronic diseases and life-style changes to stay healthy.

### Program impact

**1600+ patients**

Diagnostics & dialysis provided

**2000+ people reached through 10 awareness sessions**

Preventive care and awareness programs



### 3. Nutritional Support to TB Patients – Ni-Kshay Mitra

#### Program goal

- Support India's TB eradication program through Ni-Kshay Mitra 2.0 initiative of Ministry of Health & Family Welfare, Government of India

#### Objective

- Provide nutritional assistance for patients afflicted with tuberculosis for better disease management in underprivileged communities.
- Sensitise communities on preventive care for TB and connect them with Government healthcare service providers.
- Work actively with health officials in the management of TB.

#### Beneficiaries

- Underprivileged communities undergoing treatment for TB in Nuh (Mewat) district of Haryana.

#### Implementation partner

- Society for Participatory Integrated Development Society (SPID)

#### Overview

LPL Foundation has supported the Government's TB Eradication Program by being a 'Nikshay Mitra' since October 2022. This entails holistic support to the TB disease management initiative by providing nutritional support to afflicted communities in the marginalised segments of society. A healthy diet and awareness through counselling are necessary for the medications' efficacy and faster recovery. People also need to be sensitised on the disease as it is a communicable, infectious disease and educated on the myths and fears that surround it. Towards this end, LPL Foundation distributed nutritious food kits consisting of nutrition-enhancing food staples, and protein-based foods such as eggs, lentils, edible oil, etc. LPL Foundation worked in collaboration with the Government officials of the District Health Department in the region.

TB being an infectious disease, LPL Foundation conducted extensive awareness programs in the communities and for close family members of afflicted patients. This was aimed at ensuring the prevention of the spread of the disease, removing misconceptions and fears associated with the disease and ensuring patients are facilitated in their recovery. These campaigns help to disseminate TB-related information and foster a sense of understanding about general health-related issues.



#### Program Impact

#### TB Patients reached:

Coverage - Increased from 1 block in FY 2022-23 to the entire district in FY 2023-24

## 2,146

persons supported since the program inception

## 1,924

persons supported  
FY 2023-24

## 11,544

nutritional food staple kits were  
distributed in FY 2023-24

## 10,000+

persons covered under the  
awareness campaigns

## 4. Comprehensive School Health Program (CSHP)

### Program goal

- Comprehensive health education for children in schools.
- Training of teachers on course curriculum.

### Objective

- Preventive healthcare for non-communicable diseases through education, knowledge and behaviour change programs in schools.

### Beneficiaries

- Class VI and VII students in selected schools in Delhi-NCR and Tri-city Chandigarh.

### Implementation partner

- Child Eye

### Overview

The program entails conducting health education programs for school children. The program focuses on life-style related and non-communicable diseases covering nutrition, hygiene, physical activity, disease concepts & general health, training of teachers, and awareness sessions for parents on health. The resultant research study is being used as a basis for greater application of disease prevention strategies across a diverse stakeholder group.



### Program Impact

18

schools covering

2924

children with

40

hours of awareness sessions

30+

teachers trained

## 5. Life Skills Development for Differently-abled Children

### Program goal

- Provide therapy to children with special needs and lifestyle related diseases in marginalised communities

### Objective

- Ensure professional development and therapy for children with neuro-muscular disorders and life skills for the management of special needs.
- Mitigate the high cost of management of children with special needs.
- Awareness and training to parents/caregivers in the management of differently-abled children.

### Beneficiaries

- Children from economically weaker sections of society with cerebral palsy, autism, Down's syndrome, ADHD, muscular atrophy, learning disabilities, retardation, etc.

### Implementation partner

- Sri Sarada Math, Indore Branch

### Overview

LPL Foundation supports the project 'Blossom's Occupational Therapy Centre' to help manage differently-abled children with various special needs providing therapy to mainstream them and lead a more fulfilling life. The interventions include occupational therapy, physiotherapy, speech therapy, sensory integration and other early childhood interventions to arrest further deterioration. The focus of the program is to address those children coming from families in the economically weaker segments of society. The program facilitates the specialist care that these children require for their development leading to a better quality of life. The program also covers special awareness programs for parents and caregivers to better manage the health and well-being of these children.



### Program Impact

50

Children with various special needs provided therapy  
Training and counselling are provided to their parents in managing disability

### Location

Indore, Madhya Pradesh

## 6. Other Public Health Programs

	Comprehensive Menstrual Health Solution	Medical Assistance for Underprivileged Patients	Prosthetic Support to Manage Disability
Objective	Menstrual hygiene management in urban slums.	Medicines support for orthopaedic and cancer patients in underprivileged communities.	Support people with disabilities and help transition them to self-sufficiency.
Location	Slums in Parel, Worli, and Koliwada in Mumbai	Vadodara, Gujarat	Indore, Madhya Pradesh
Partner	Grameen Pragati Foundation	Hari Om Seva Trust	Arihant Charitable Trust
Overview	Conduct awareness programs in schools and the broader community to educate individuals on menstrual hygiene; train and empower ASHA workers to spread awareness on mental health; availability of privacy room for girls, distribution of sanitary pads etc.	The program aims to make reasonable or free medicines to underprivileged patients requiring orthopaedic and cancer surgery. Through partnerships with healthcare service providers.	The program identifies and provides prosthetic limbs for disabled people from underprivileged communities
Impact FY 2023-24	1600 girls provided with sanitary pads. 15,000 individuals participated in the Adolescent Reproductive Sexual Health (ARSH) Awareness program conducted via School Health Clubs.	2500 patients received financial relief by reasonably priced or free medicines.	90 free prosthetic limb implants were provided to disabled individuals. 30 new candidates were identified for implants through awareness programs.



# Healthcare Research

## Program goal

- Establishing a Research Chair to build capacity in the healthcare domain by bringing synergy among professionals across the healthcare delivery chain, thus reducing the gap in the quality of delivery between public and private healthcare.

## Objective

- Creating new knowledge, thought leadership and research specific to healthcare

## Beneficiaries

- Research projects that benefit professionals across the healthcare value chain.

## Implementation partner

- IIM- Ahmedabad

## Overview

The 'Dr Lal PathLabs Chair in Healthcare' was set up in 2022 at IIM-A with the efforts of the IIM-A Endowment Fund. The project has several research projects initiated by Dr Lal PathLabs and IIM-A, covering various topics –

**Organ donation:** This is a multi-stakeholder analysis of the donor, receiver and the management of transplants.

### Issues concerning marginalised communities :

- People Living with HIV (PLHIV) analyses the issues faced by PLHIV in marginalised communities.
- Working with blind people analyses and explores possibilities to include blind people in leadership roles.
- Research project in understanding the challenges of sex workers.

**Child Development delays:** The project takes a milestone-based approach to understanding child development delays by developing a platform for mothers and parents.

**Health & Wellness Centres(HWC):** Initiated by DLPL in Chattisgarh and Uttarakhand, the research project plans to document the transformation of the erstwhile Public Health Centres (PHC) which can serve as a template for other such projects.

**IT in healthcare:** Scaling up of sustainable IT intervention in public healthcare, the project has commenced with the study for the implementation HER in Himachal Pradesh.

**COVID 19 Vaccination in India:** From labs to jabs: Scaling up of Covid-19 Vaccination in India is a report that is under development.

**Online social support:** Online social support exchange among medical travellers in South Asia is a content analysis of Facebook posts analysed into a structured report.



## Program Impact

This is a collaborative project between DLPL and IIM-A. The initial phase of the program continues until 2025. The project impacts several aspects of the healthcare industry and highlights some issues that have not been touched upon so far.

# Program Evaluation

LPL Foundation's flagship program of vocational training under the focus area Skilling and the Comprehensive School Health Program under Public Health were evaluated by an independent auditor, KPMG Assurance & Consulting Services LLP in the FY 2023-24.



## Skilling: LPL Academy for Laboratory Medicine - Phlebotomist Training

### Evaluation scope

Assessment of the efficacy and impact of the training offered

Assessment of change in income and quality of life

Social Return on Investment (SRoI)

### Evaluation parameters

#### Identification and mobilisation

- Participant profiling
- Candidate mobilisation
- Pre-program counselling

#### Program management

- Program and trainee management
- Trainee guidance and skilling
- On-the-job training (OJT)

#### Post-program

- Career development and placement
- Monitoring and evaluation
- Post-placement handholding
- Impact post-employment

### Impact Assessment Metrics

(Key findings from survey of sample size)

**45%** of respondents surveyed were BPL (below the poverty line) candidates.

**51%** joined the program due to high placement record and 49% due to program certification by authorized bodies and schemes like NSDC and Skill India.

**59%** of participants' salary expectations were met.

**100%** of participants completed OJT and found the program to be Good and Very Good.

**99%** of participants responded that they were guided enough during OJT through guidance, feedback, monitoring and follow-ups by the training centre representatives.

**92%** of respondents were provided options from multiple employers indicating placement efficiency.

**92-93%** of respondents reported positive impact in personality, confidence and soft skills.

**91-93%** provided positive feedback on course content and training implementation.

**92%** were able to contribute to savings and household expenses indicating a positive impact on quality of life.

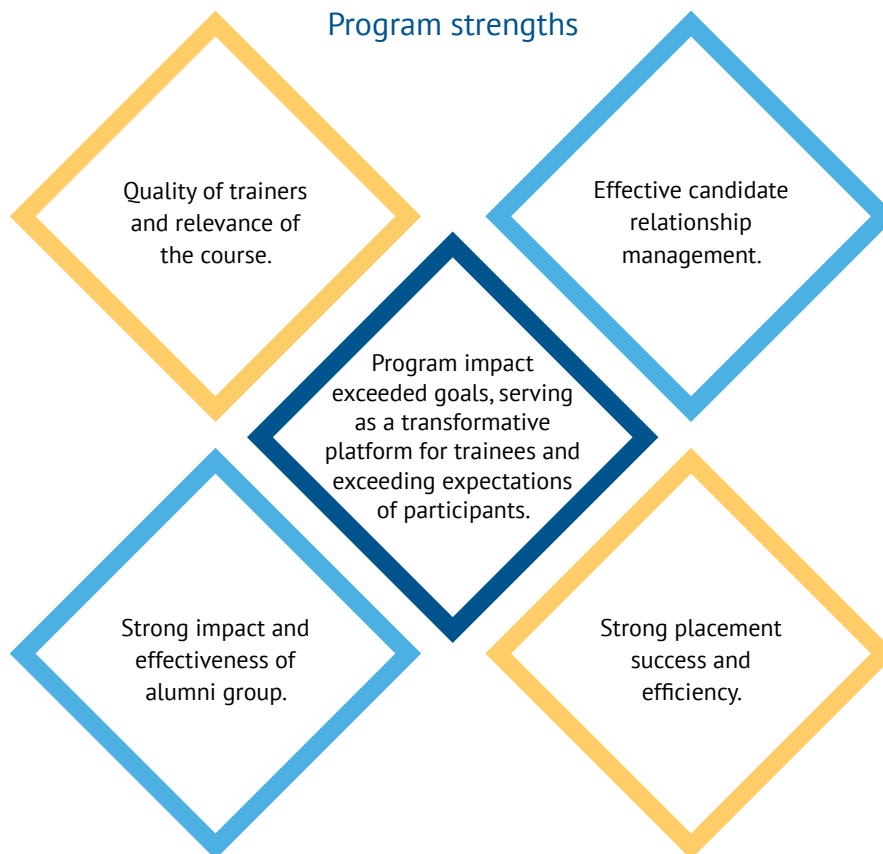
### Social Return on Investment (SRoI)

The SRoI quantifies the value of the social impact of projects, programs, and policies. It examines the social, economic, and environmental benefits that arise from an intervention and assigns a monetary value to the social and environmental benefit that has been created by identifying indicators of value that can be monetised. Our flagship program’s SRoI provided a quantified ratio of the financial investment in the program to the quantified impact including the socio-economic impact on stakeholders. This measure is the basis on which LPL Foundation plans to scale up the program taking a multi-pronged approach, going forward.

The SRoI ratio for the project is estimated at 5.41: 1.00 i.e. for every rupee 1 of investment by the company, ₹ 5.41 is the social value created and attributable to the program

**SRoI ratio**  
**5.41 : 1**  
**A social return on investment of 5.41x of every rupee of investment in the program**

### Observations



### Challenges

**Trainee retention** – Observed difference in the percentage of enrolled and certified candidates.

LPL Foundation enrolls about 15 to 20% additional candidates to meet certification targets, serving as a buffer for candidate dropout due to extraneous circumstances.

**Need for further scale-up** – Based on the assessment survey, the program was found to be impactful. Given the need and demand for phlebotomists, it is recommended to scale up the program strategically.

LPL Foundation expects to scale up the program in the coming years through a multi-pronged approach by identifying like-minded partners and forming a consortium to deliver the program in-line with the demand.

## Public Health: Comprehensive School Health Program (CSHP)

Organisation for Economic Co-operation and Development (OECD) under the Development Authority Committee (DAC) helps nations address the millennial goals for developing countries. LPL Foundation's CSHP was evaluated following the OECD DAC criteria by KPMG.

### Evaluation parameters

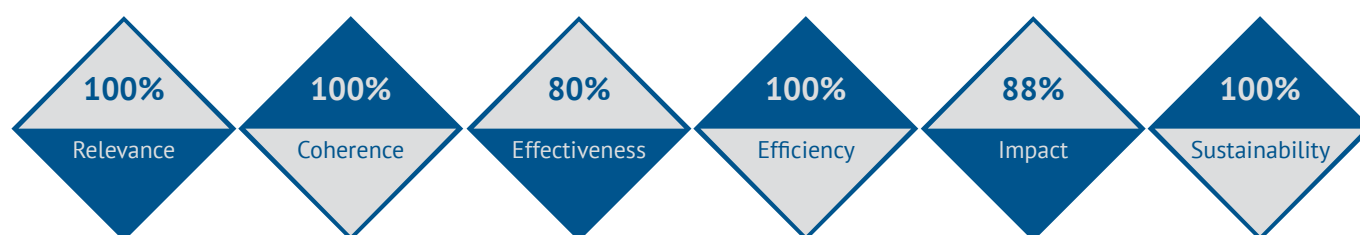
Program evaluation was based on the OECD DAC criteria of Relevance, Coherence, Effectiveness, Efficiency, Impact and Sustainability.

### Evaluation scope

Understand the performance of the CSHP.

Assess the knowledge, behavioural change, responsiveness and perception of participants.

### Impact assessment metrics



### Program strengths

- 73% students had understanding of diabetes as an NCD.
- 95% students had medium to high recall of topics that they learnt under the curriculum.
- 89% students found sessions inclusive and engaging.
- 86% students agreed that the topics were discussed with peers and family.
- 64% students were found to practice a healthier way of life which were taught in the CSHP.

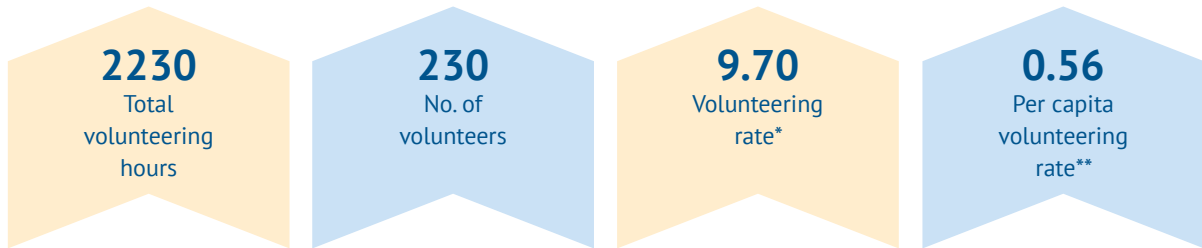
### Recommendations

- Increase class groups and include younger children in Class V to the present class groups.
- Increase the breadth of the curriculum to include menstrual health as the program targets adolescents.
- Expand the program to include a diverse class of schools for a greater reach of the program.
- Widen the delivery mode to include online and digital learning for greater coverage.
- Make the CSHP modules as part of the school curriculum and consider incorporating the program as part of macro-level policy development.

# Events

## Volunteering

### Employee Volunteering (2023-24)



\*total volunteering hours/total volunteers \*\* total volunteering hours/total employee strength

### Volunteering Programs

1. **Daan Utsav**, a festival of giving brought together DLPL employees to volunteer by giving their time, money, resources, or skills back to society. Programs were also conducted through online awareness campaigns with employee participation.
2. Online training by volunteers for the Phlebotomist Training Program.
3. Online yoga and meditation sessions conducted by volunteers for DLPL employees.



### World TB Day

The Lal PathLabs Foundation commemorated World TB Day. The day was marked by awareness campaigns working with various stakeholders including implementation partners, CHC hospitals, medical officers, etc. A street play was organised, that provided insights into tuberculosis (TB), its causes, symptoms, diagnosis, treatment, and prevention methods. The programs stressed the importance of early detection, proper treatment adherence, and public health interventions including vaccinations, in combating the disease. The awareness programs covered about 550+ beneficiaries in various hospitals.

### Viksit Bharat Sankalp Yatra

The LPL Foundation teams participated in the Viksit Bharat Sankalp Yatra, conducted by Govt of Haryana from 30 November 2023 to 10 December 2023, in Nuh District, Mewat. This was a campaign, launched by Government of India to make people aware on various development works. Our team set up camps in over 22 Gram Panchayats to participate in the campaign. The program ensured awareness of Government of India schemes across the country, reaching out to all Gram Panchayats, Nagar Panchayats, and Urban Local Bodies.



# Corporate Information

## Mr. Shankha Banerjee

Chief Executive Officer

## Mr. Ved Prakash Goel

Group Chief Financial Officer

## Mr. Vinay Gujral

Company Secretary & Compliance Officer

## Corporate Office

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

## Registered Office

Block E, Sector - 18, Rohini,  
New Delhi - 110 085  
Ph: + 91 - 11 - 4988 - 5050  
Email ID: [cs@lalpathlabs.com](mailto:cs@lalpathlabs.com)  
Website: [www.lalpathlabs.com](http://www.lalpathlabs.com)

## Registrar & Share Transfer Agent

### Link Intime India Private Limited

Noble Heights, 1st Floor  
Plot NH2, C-1 Block LSC,  
Near Savitri Market, Janakpuri,  
New Delhi-110058  
Ph: +91 - 11 - 4941 - 1000  
Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

## Auditors

### Deloitte Haskins & Sells LLP,

Chartered Accountants, 7th Floor,  
Building 10, Tower B, DLF Cyber City  
Complex, DLF City Phase-II,  
Gurugram -122002, Haryana, India



# Directors' Report

## Dear Members,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report on the business and operations of your Company along with the audited statement of accounts for the financial year ended March 31, 2024.

## FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2024 is summarized below:

(₹ In Million)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Total Income	22,958.06	20,586.01	20,268.64	18,156.30
Total Expenses	17,903.55	17,147.74	15,108.93	14,248.03
Profit/(Loss) before Tax (PBT)	5,054.51	3,438.27	5,159.71	3,908.27
Profit/(Loss) after Tax (PAT)	3,622.93	2,410.77	3,843.70	2,923.58

## FINANCIAL PERFORMANCE

### I. Consolidated Performance

During the FY 2023-24, the Company reported a Consolidated Total Income of ₹ 22,958.06 Million compared to ₹ 20,586.01 Million in the previous year. The Consolidated Net Profit After Tax of the Company stood at ₹ 3,622.93 Million compared to ₹ 2,410.77 Million in the previous year.

### II. Standalone Performance

During the FY 2023-24, the Company reported a Standalone Total Income of ₹ 20,268.64 Million compared to ₹ 18,156.30 Million in the previous year. The Standalone Net Profit After Tax of the Company stood at ₹ 3,843.70 Million compared to ₹ 2,923.58 Million in the previous year.

## CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company for the Financial Year 2023-24, 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 year under review, your Company paid dividends as under:

Date of Declaration	Dividend Type	Financial Year	Dividend Per Share (face value of ₹ 10/- each)
July 27, 2023	1 <sup>st</sup> Interim Dividend	2023-24	₹ 6/-
September 12, 2023	Final Dividend	2022-23	₹ 6/-
February 01, 2024	2 <sup>nd</sup> Interim Dividend	2023-24	₹ 12/-

In addition to above, 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 2023-24, for approval by the Members at the 30<sup>th</sup> 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://uat-cdn.drllab.com/2023-06/Dividend-Distribution-Policy.pdf>

## TRANSFER TO RESERVES

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

## CHANGE IN SHARE CAPITAL

### Authorized Share Capital

During the year under review, there was no change in the authorized share capital of the Company. As on March 31, 2024 the Authorised Share Capital of the Company stood at ₹ 1,07,96,00,000/- divided into 10,79,60,000 equity shares of ₹ 10/-each.

### Paid-up Share Capital

During the year under review, the paid-up equity share capital of the Company has been increased from ₹ 83,36,78,770/- divided into 8,33,67,877 equity shares of ₹ 10/- each to ₹ 83,47,78,520/- divided into 8,34,77,852 equity shares of ₹ 10/- each pursuant to allotment of Equity Shares under the Employee Stock Option Plan (s) of the Company as detailed below:

S. No	Date of Allotment	Number of Equity Shares allotted
1.	April 12, 2023	16,000
2.	May 19, 2023	25,000
3.	July 13, 2023	6,000
4.	July 28, 2023	49,975
5.	August 31, 2023	5,000
6.	November 17, 2023	8,000
<b>TOTAL</b>		<b>1,09,975</b>

Further, after closing of financial Year 2023-24, the Paid-up equity share capital of the Company has been increased from ₹ 83,47,78,520/- divided into 8,34,77,852 equity shares of ₹ 10/- each to ₹ 83,48,03,520/- divided into 8,34,80,352 equity shares of ₹ 10/- each pursuant to allotment of 2,500 Equity Shares by the Board of Directors on May 10, 2024 under Employee Stock Option Plan of the Company.

These Equity Shares rank pari-passu with the existing Equity Shares of the Company in all respects.

During the year under review, your Company has not issued any Equity Share with differential rights, Sweat Equity Shares or Bonus Shares.

## EMPLOYEES STOCK OPTION PLAN / SCHEME

During the year under review, there has been no material change in the existing ESOP Plans of the Company and the same have been implemented in compliance with relevant/ applicable ESOP Regulations/ Guidelines.

The disclosure(s) as required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available on the website of the Company at:

[https://media.lalpathlabs.com/2024-06/Information-as-per-SEBI-\(SBEB\)-Regulations-FY24.pdf](https://media.lalpathlabs.com/2024-06/Information-as-per-SEBI-(SBEB)-Regulations-FY24.pdf)

## SUBSIDIARIES

A report on the performance and financial position of each of the Subsidiaries and their contribution to the overall performance of the Company for the financial year ended March 31, 2024 in Form AOC -1 as per the provisions of Companies Act, 2013 is attached herewith as **Annexure-2** and forms an integral part of this Annual Report.

The Annual Accounts of the each 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 Subsidiary Companies are also available under investors section on the website of the Company at [www.lalpathlabs.com](http://www.lalpathlabs.com).

The Company has formulated a policy for determining material subsidiaries. The said policy is available on the website of the Company at: <https://uat-cdn.drlallab.com/2023-06/Policy-for-determining-Material-Subsidiaries.pdf>

## TRANSFER OF UN-CLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, pursuant to the provisions of Section 125 of the Companies Act, 2013 read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, your Company has duly transferred Un-claimed Dividends and Un-claimed Shares to IEPF Authority as detailed below:

S. No	Particulars	Un-claimed Dividend (In ₹)	No. of Equity Shares
1.	Final Dividend FY 2015-16	19,424/-	256
2.	Interim Dividend FY 2016-17	14,840/-	60*

(\* ) Out of 60 Equity Shares, 40 Equity Shares transferred to the demat account of IEPF Authority on April 03, 2024.

Further, dividend declared during the year pertaining to the equity shares transferred to demat account of the IEPF Authority, was also credited to the IEPF Account.

The Claimant(s), whose un-claimed amount/ shares has been transferred by the Company to IEPF Account may claim their amount/ shares by complying with the procedure stipulated in the IEPF Rules.

## 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, 2024 and the date of the report.

## PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read 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** and forms an integral part of 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 an integral 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 Members, excluding the aforementioned information. Any Member interested in obtaining a copy of such statement may write to the Company Secretary of the Company at [cs@lalpathlabs.com](mailto: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. Om Prakash Manchanda (DIN: 02099404), Managing 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 himself for re-appointment. Appropriate resolution for his re-appointment is being placed for the approval by the Members of the Company at the ensuing AGM.

A brief profile of Dr. Om Prakash Manchanda and other related information is detailed in the Notice convening the 30<sup>th</sup> AGM of your Company.

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

### II. Appointment/ Re-appointment

During the year under review, the Board of Directors appointed, Mr. Gurinder Singh Kalra (DIN: 10197218) and Mr. Rajit Mehta (DIN: 01604819) as Additional Director(s) of the Company in the category of Independent Director(s), not liable to retire by rotation for a term of three (3) consecutive years beginning from July 27, 2023. Further, the Members of the Company in their 29<sup>th</sup> Annual General Meeting (AGM) on September 12, 2023 approved their appointment as Independent Directors of the Company.

Further, the Members of the Company in their 26<sup>th</sup> AGM on July 30, 2020 re-appointed Dr. Vandana Lal (DIN: 00472955) as Whole - Time Director of the Company for a period of five (5) years commencing from April 01, 2020 on such terms and conditions including remuneration as mentioned in Notice of 26<sup>th</sup> AGM. The present tenure of Dr. Vandana Lal as Whole - Time Director accordingly will expire on March 31, 2025.

Considering Dr. Vandana Lal's background, experience & contribution made towards the growth/success of the Company and basis the performance evaluation exercise, the Board of Directors in their meeting on May 10, 2024 recommended her re-appointment (including remuneration structure) effective from April 1, 2025 as Whole-Time Director of the Company for a further period of five (5) years to the Members for approval.

### III. Completion of Tenure

During the year under review, Mr. Sunil Varma (DIN: 01020611), Dr. Saurabh Srivastava (DIN: 00380453), Mr. Anoop Mahendra Singh (DIN: 01963056) and Mr. Harneet Singh Chandhoke (DIN: 02758084), ceased to be Non-Executive Independent Directors of the Company upon completion of their second consecutive term w.e.f. August 20, 2023 (closing of business hours).

### IV. 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 Section 149 of the Companies Act, 2013 and Rules made thereunder read with Schedule IV as well as Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, all the Independent Directors fulfil the criteria of independence as specified in Companies Act, 2013 and Rules made thereunder read with Schedule IV as well as Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent from the Management.

Further, all the Directors including Independent Directors of the Company possess appropriate skills, experience & knowledge in one or more fields viz. Board & Governance, Finance, Accounting & Finance Reporting, Information Technology and Specialized Industry & environmental knowledge or other disciplines related to Company's business.

## KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with Rules made thereunder, the following were the Key Managerial Personnel (KMPs) of the Company as on March 31, 2024:

- i. (Hony) Brig. Dr. Arvind Lal – Executive Chairman
- ii. Dr. Om Prakash Manchanda – Managing Director
- iii. Dr. Vandana Lal – Whole Time Director
- iv. Mr. Bharath U – Chief Executive Officer
- v. Mr. Ved Prakash Goel – Group Chief Financial Officer
- vi. Mr. Vinay Gujral – Company Secretary & Compliance Officer

Mr. Bharath U, resigned as Chief Executive Officer (KMP) of the Company w.e.f. May 9, 2024 (closing of business hours).

Further, basis the recommendation of Nomination & Remuneration Committee, the Board of Directors re-designated Mr. Shankha Banerjee by appointing him as Chief Executive Officer (KMP) of the Company w.e.f. May 21, 2024.

## 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 have carried out annual evaluation of (i) its own performance; (ii) Performance of Individual Directors; (iii) Performance of Chairman of the Board; and (iv) Performance of all the Committees of the Board for the Financial Year 2023-24.

A structured questionnaire was prepared 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 taking into account the views of Executive Directors and Non-Executive 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.

## NOMINATION & REMUNERATION POLICY

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

The Nomination and Remuneration Policy as amended from time to time is attached herewith as **Annexure - 4** and forms an integral part of this Annual Report and the same can also be accessed on the website of the Company at: <https://uat-cdn.drlallab.com/2023-06/Nomination-and-Remuneration-Policy.pdf>

## NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board met Five (5) times during the Financial Year 2023-24. The details of the meeting of the Board and its 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, 2024, 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, 2024 and of the profit/loss of the Company for the Financial Year ended March 31, 2024;
- c) proper and sufficient care has been taken by the Directors 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 by the Directors;

- 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 Members of the Company in their 28<sup>th</sup> Annual General Meeting (AGM) on June 30, 2022, 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) years i.e. from the conclusion of 28<sup>th</sup> AGM till the conclusion of 33<sup>rd</sup> AGM of the Company, to be held in calendar year 2027.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors have confirmed that they have not been disqualified to act as Statutory Auditors of the Company and that their continuation is within the ceiling limit as prescribed under section 141 of the Companies Act, 2013 and/ or other relevant statute.

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, 2024, does not contain any qualification or reservation.

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

### II. Cost Auditors

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year. Accordingly, such accounts and records were made and maintained for the Financial Year 2023-24.

The Board of Directors on the recommendation of the Audit Committee has re-appointed M/s A.G. Agarwal & Associates, Cost and Management Accountants, as Cost Auditors of the Company for the Financial Year 2024-25 at a fee of ₹ 1,10,000/- (Rupees One Lakh Ten Thousand Only) plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the Members 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 Chandrasekaran Associates, Company Secretaries ("Secretarial Auditors") to conduct the Secretarial Audit of the Company for the Financial Year 2023-24.

The Secretarial Audit Report for the Financial Year ended March 31, 2024 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.

## ANNUAL RETURN

The draft of 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 <https://media.lalpathlabs.com/2024-06/Draft-MGT-7-Annual-Return-2023-24.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 available on Company's website at <https://uat-cdn.drlallab.com/2023-06/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 as per the limits specified under Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was entered during the year under review 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, GUARANTEES 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 at Note No. 6 to the Standalone Financial Statements of the Company.

During the year under review, the Company has not given any loan or provided any guarantees pursuant to Section 186 of the Companies Act, 2013.

## RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to manage the risks in a proactive and efficient manner. Your Company periodically assesses risk elements in the internal and external environment and incorporates risk treatment plans in its strategy, business and operational plans.

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 given 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 Regulation 22 of 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](http://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 formulated and adopted a policy on CSR which can be accessed at: <https://uat-cdn.drlallab.com/2023-06/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 CSR Obligation.

The composition of CSR committee and the disclosures as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended are provided in the "Annual Report on CSR Activities" attached herewith as **Annexure-6** 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 for the Financial Year 2023-24 is attached herewith as **Annexure- 7** and forms an integral part of this Annual Report.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report ('BRSR') for Financial Year 2023-24 is attached herewith as **Annexure-8** 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 for the Financial Year 2023-24 along with a certificate from the Practicing Company Secretary on its compliance, is attached herewith as **Annexure-9** 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 POSH Act").

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) as specified under the POSH Act.

The Company conducts sessions for employees to build awareness amongst employees about the Policy and the provisions of the POSH Act.

Status of Complaints under the POSH Act during the Financial Year 2023-24 is detailed below:

Particulars	No. of Complaint*
Complaint pending at beginning of Financial Year	0
Complaint received during Financial Year	3
Complaint resolved during Financial Year	2
Complaint pending at end of Financial Year	1

(\* ) Out of the 3 cases reported, in 2 cases no harassment proven and 1 case was under investigation as on March 31, 2024.

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

The information on conservation of energy, technology absorption, expenditure on R&D, 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**

**Steps taken or impact on conservation of energy, Step taken by the Company for utilising alternate source of energy and Capital Investment on energy Conservation equipments:**

- I. Maintaining Power Factor (PF) upto 0.99 (unity). Maintaining upto- 0.9994 at majority of the locations where the consumption is high.
- II. Labs/ PSC locations are equipped with LED Lights for saving energy in past years and all new labs are equipped with LED only.
- III. Installed R32 refrigerant operated air conditioning systems across the operations of the Company, which helps in conserving Ozone layer.
- IV. Automatic phase sequence corrector panel installed in all locations for saving the Diesel consumption.

- V. Current installed capacity of solar power Plant(s) is 162 KW.
- VI. De-scaling of Chillers is being done semi-annual for better efficiency & saving the energy
- VII. RO waste water recycling has helped in saving approx. 26.3KL of water per day in FY 2023-24,
- VIII. ETP (Effluent Treatment Plant) installed in all satellite labs for waste water treatment throughout the year to treat the liquid waste of labs, for keeping the environment clean.
- IX. Equipped all locations with Advance Autoclave by which Temp, Pressure and time are recorded automatically in graph and data. It's as per BMW guidelines.
- X. E-bikes taken on rent for sample transportation during the FY 2023-24 for home collection and logistics. E-bikes offer a considerable opportunity to cut travel emissions.
- XI. Commissioned Solar Power of 1.5MVA during April 2024 and another 1.5MVA to be commissioned in June, 2024 for Alternate Power in National Reference Lab Rohini.
- XII. Introduced 24 New CPCB IV Compliant DG in Delhi/NCR and 750KVA X3 DG with Dual Fuel Kit in National Reference Lab, Rohini.

**(B) TECHNOLOGY ABSORPTION**

**(i) Imported Technologies:**

S. No.	Processes / Technologies	Description	Date of Import	Absorption	Benefits
(i)	NLP (Natural Language processing Software)	Fully featured Voice to Text software, to transcribe notes into the reports in Histopathology. The software was extensively validated to understand the complex medical terminology using our own cases before being put in use for routine transcription.	April, 2023	Fully	<ul style="list-style-type: none"> <li>- Time Efficiency &amp; Productivity</li> <li>- Accuracy &amp; Error Reduction</li> <li>- Improved turn around time</li> </ul>
(ii)	Digitization and AI for Hematology	An in-vitro diagnostic device designed to automate manual microscopy	April, 2023	Fully	The device can digitise and analyse hematology slides, remote review from anywhere / anytime, faster TAT, remote collaboration, reduce eye strain / fatigue for pathologist

S. No.	Processes / Technologies	Description	Date of Import	Absorption	Benefits
(iii)	12 colour and 13 colour Flow cytometry	The technique has improved resolution and linearity for all clinical specimens and Next-generation flow cytometer improved. Simplified system settings, data acquisition, and result exporting functions enables automation to ease workflow and improve productivity and standardization through consistent results and unique assay portability capabilities. Less sample carryover and higher acquisition speed is an advantage for MRD analysis.	August, 2023	Fully	<ul style="list-style-type: none"> <li>- T and B cell FCXM, Leukemia/Lymphoma, MRD. Stem cell enumeration, all tests pertaining to Lymphocyte subsets and PID are acquired and analyzed.</li> <li>- First in India to install BACKLinks LIST software for Bi-directional LIS connectivity for Lymphocyte subset assays and Stem cell enumeration assays.</li> </ul>
(iv)	Clinical Microbiology Reporting (CMR) reporting software	<p>The CMR (Clinical Microbiology Reporting) solution is an information technology (IT) based healthcare solution which integrates with equipment used for antibiotic sensitivity such for positive cultures:</p> <ul style="list-style-type: none"> <li>- System uses Restful APIs with JSON payload to give antibiotic specific BMQ Index (Breakpoint to MIC Quotient) for decision making on choice of antibiotic for the patient</li> <li>- Report specific to culture sample and updated based on latest guidelines for antibiotic usage</li> </ul>	September, 2023	Fully	<p>Empowering clinicians with informed decisions for optimal antimicrobial therapy decisions:</p> <ul style="list-style-type: none"> <li>- Intuitive MIC guiding table</li> <li>- Optimal medication dosage</li> <li>- Minimize Antibiotic Resistance</li> <li>- Antibiotic Policy with Antibiotic Tiers marked with color codes.</li> <li>- BMQ Index (Breakpoint to MIC Quotient) Among the same antibiotic tier/ line, higher the BMQ better is the efficacy of the drug</li> <li>- Intrinsic Resistance Guidance</li> <li>- Antibiotic Specific Comments</li> <li>- Organism Specific Comments</li> <li>- Multi Drug Resistance MDR/XDR/PDR labelling</li> <li>- Guidance of additional testing for XDR Organisms</li> <li>- Updated with latest guidelines such as CLSI, EUCAST</li> <li>- Provision for antibiogram generation</li> </ul>

S. No.	Processes / Technologies	Description	Date of Import	Absorption	Benefits
(v)	Component Resolved Diagnostics (CRD) for Allergy testing	The Component Resolved Diagnostic based in vitro multiplex allergy testing system simultaneously analyses total IgE and specific IgE antibodies against nearly 300 allergens in a single sample run. The test utilizes microarray & recombinant DNA technology, nanotechnology & Artificial Intelligence in order to comprehensively analyze the allergic status based on specific components of allergens.	February, 2024	Partial*	<ul style="list-style-type: none"> <li>- Differentiates between genuine &amp; cross-reactive sensitizations</li> <li>- Analyzes molecular spreading to monitor disease progression &amp; guide timing of therapeutic intervention</li> <li>- Ability to analyze the persistence or remission of food allergy</li> <li>- Protein family identification enables risk stratification</li> <li>- Ability to provide prognostic information about sensitization</li> <li>- Individualized guidance for allergen avoidance</li> <li>- Assists selection of patients for allergen immunotherapy</li> <li>- Reduces the need for oral food challenges</li> <li>- Effectively analyzes complex allergic syndromes (OAS, Latex-fruit syndrome, Cat-pork syndrome, etc.)</li> <li>- CCD inhibition to reduce false positives due to CCD binding</li> </ul>

\*As on March 31, 2024, this technology was partially absorbed as the test methodology was under validation and launch of this test would be in May 2024.

**(ii) Other locally sourced Technologies:**

**Enhancing customer convenience - Test now pay later:**

In its ongoing thrust to improve customer experience The Company has added another important tool for its customers where we have provisioned payment through EMI and Test Now Pay Later option for customers on our website and Point of Sale. The program has been riding on the new age digital transactions and taking a cue from big players of e-commerce & online payment platforms. The said program has a seamless process integration with Company's ERP system.

The initiative mainly revolves around supporting high value tests in order to empower customers to access essential health services without immediate financial strain. It promotes customer

retention and long term loyalty for the brand as it enables financial well-being along with their health needs with accessible quality services.

**ABDM Adoption:**

One of the biggest healthcare initiatives taken by National Health Authority (NHA), an apex body directly reporting to Government of India (GoI) is Ayushman Bharat Digital Mission (ABDM). ABDM is devised to improve the access, efficiency, effectiveness & transparency of the healthcare delivery system in the country. The Company has been at the forefront of partnering the said initiative with the NHA & executing the same at Company. The program is divided into 3 Milestones: M1, M2 and M3. The Company being one of the few institutions which are fully compliant with the ABDM program & has received certification by NHA for accomplishment of all the 3 Milestones.

The ABDM platform is (first of its kind) is able to create a national level Information exchange platform for all healthcare providers. The platform enables the end customer to have real time & free access to his/her healthcare information across all the healthcare providers thus creating a personal digital Electronic Medical record (EMR).

#### Business insights over Tech:

In today's data-driven world, businesses recognize the importance of making informed decisions based on accurate and timely information. To achieve this, organizations need powerful tools that can analyze and visualize data effectively. One such decision was done by the Company to implement Power BI for creation of business dashboards. In addition to the Power BI, there have been a substantial use of AI driven Data Modelling to bring in flare of predictive analysis. The dashboards carry great business insights & help business leaders to forecast & plan the strategies much ahead in time. The Dashboards are created on the basis of real time information from the business applications using seamless integration frameworks.

#### (C) Expenditure incurred on Research and Development: ₹ 38.79 Million

#### (D) Foreign exchange earnings and outgo

Particulars	Amount (In ₹ Million)
Foreign Exchange Earnings	258.93
Foreign Exchange Outgo	56.94

#### 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 2023-24, such controls were tested and no reportable material weakness in the design or operation was observed.

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

#### SIGNIFICANT/ MATERIAL ORDERS PASSED BY THE REGULATORS

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

#### CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the Company during the Financial Year 2023-24.

#### 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 Members (SS-2).

#### GENERAL DISCLOSURE

- During the year under review, there is no application made and/ or no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- During the year under review, requirement of disclosing details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable on the Company.

#### APPRECIATION

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

For **and on behalf of Board of Directors**

**(Hony) Brig. Dr. Arvind Lal**

Date: May 10, 2024

Executive Chairman

Place: New Delhi

DIN: 00576638

# ANNEXURE - 1

## 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 Members 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 (5) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries**

S. No.	Name of Subsidiary	Date on which subsidiary was acquired / incorporated	Country of Incorporation	Reporting Currency	Closing exchange rate against Indian Rupee as on Mar 31, 2024	% of Holding	Capital	Other Equity	Total Assets	Total Liabilities	Investments (in subsidiaries)	Turnover	₹ In Million except as stated)			
													Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
1	Paliwal Diagnostics Private Limited	14/08/2008	India	₹	1	80%	0.16	374.83	443.07	68.08	-	428.56	156.71	40.16	116.55	150.00
2	Paliwal Medicare Private Limited	14/08/2008	India	₹	1	80%	0.10	85.57	89.88	4.21	-	47.44	9.22	2.32	6.90	0
3	Dr. Lal Ventures Private Limited	10/12/2018	India	₹	1	100%	10.00	(3.65)	13.13	6.78	-	32.58	1.11	0.26	0.85	0
4	Suburban Diagnostics (India) Private Limited	12/11/2021	India	₹	1	100%	40.26	1,330.97	1,720.55	349.33	-	1,640.33	159.30	41.99	117.31	0
5	PathLabs Unifiers Private Limited	12/12/2018	India	₹	1	100%	713.08	156.36	897.45	28.01	704.01	72.88	17.51	4.42	13.09	0
	i. APRL PathLabs Private Limited <sup>^</sup>	13/11/2019	India	₹	1	80%	0.63	90.67	100.25	8.95	-	89.83	10.14	2.66	7.48	0
	ii. Centrapath Labs Private Limited <sup>^</sup>	07/08/2019	India	₹	1	70%	6.27	590.36	662.11	65.48	-	208.72	68.50	17.96	50.54	47.05
	iii.Chanre Laboratory Private Limited <sup>^</sup>	25/01/2021	India	₹	1	70%	1.67	211.15	246.11	33.29	-	121.24	16.67	4.23	12.44	0
6	Dr. Lal PathLabs Nepal Private Limited	23/08/2016	Nepal	**	0.617299	100%	25.05	(1.5)	95.66	72.11	-	94.24	(0.91)	(0.03)	(0.88)	0
7	Dr. Lal Path Labs Bangladesh Pvt Ltd.	16/10/2017	Bangladesh	***	0.751117	71.83%	31.90	(10.20)	122.70	101.00	-	69.62	3.13	1.60	1.53	0
8	Dr. Lal PathLabs Kenya Private Limited	06/08/2019	Kenya	****	0.625044	100%	47.16	(42.07)	5.32	0.23	-	-	(0.11)	-	(0.11)	0

For and on behalf of the Board of Directors of

**Dr. Lal PathLabs Limited**

**(Hony) Brig. Dr. Arvind Lal**

(DIN: 00576638)

[Executive Chairman]

Place: New Delhi

Date: 10 May, 2024

**Ved Prakash Goel**

[Chief Financial Officer]

Place: New Delhi

Date: 10 May, 2024

**Dr. Om Prakash Manchanda**

(DIN: 02099404)

[Managing Director]

Place: New Delhi

Date: 10 May, 2024

**Vinay Gujral**

[Company Secretary]

Place: New Delhi

Date: 10 May, 2024

\*\* Functional Currency is NPR

\*\*\* Functional Currency is BDT

\*\*\*\* Functional Currency is KSH

<sup>^</sup> Step - Down Subsidiary (Subsidiary of PathLabs Unifiers Private Limited, Company's Wholly Owned Subsidiary)

**Notes:**

a. The Board of Directors of the subsidiaries viz. Paliwal Medicare Private Limited (PMPL) and Paliwal Diagnostics Private Limited (PDPL) in their respective meetings held on October 25, 2021 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 vested in PDPL on a going concern basis without any further act, deed of matter. The scheme of amalgamation is subject to approval by National Company Law Tribunal and other statutory approvals.

b. The reporting period for all the subsidiaries is March 31, 2024.

## 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, 2024:

- 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	Designation	Ratio of Remuneration to the median remuneration of the employees
1.	(Hony) Brig. Dr. Arvind Lal	Executive Chairman	67:1
2.	Dr. Vandana Lal	Executive Director	54:1
3.	Dr. Archana Lal Erdmann	Non-Executive Director	5:1
4.	Dr. Om Prakash Manchanda	Managing Director	103:1
5.	Mr. Rahul Sharma	Non-Executive Director	6:1
6.	Mr. Arun Duggal	Non-Executive Independent Director	9:1
7.	Mr. Rohit Bhasin	Non-Executive Independent Director	6:1
8.	Ms. Somya Satsangi	Non-Executive Independent Director	6:1
9.	Mr. Rajit Mehta*	Non-Executive Independent Director	3:1
10.	Mr. Gurinder Singh Kalra*	Non-Executive Independent Director	3:1
11.	Mr. Sunil Varma**	Non-Executive Independent Director	3:1
12.	Dr. Saurabh Srivastava**	Non-Executive Independent Director	2:1
13.	Mr. Anoop Mahendra Singh**	Non-Executive Independent Director	2:1
14.	Mr. Harneet Singh Chandhoke**	Non-Executive Independent Director	2:1

\* Mr. Rajit Mehta and Mr. Gurinder Singh Kalra appointed as Directors of the Company w.e.f. July 27, 2023.

\*\*Mr. Sunil Varma, Dr. Saurabh Srivastava, Mr. Anoop Mahendra Singh and Mr. Harneet Singh Chandhoke, ceased to be Directors of the Company upon completion of their second term as Independent Directors w.e.f. August 20, 2023 (Closing of business hours).

- 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	Executive Chairman	6.75
2.	Dr. Vandana Lal	Executive Director	6.75
3.	Dr. Archana Lal Erdmann	Non-Executive Director	10
4.	Dr. Om Prakash Manchanda	Managing Director	6.75
5.	Mr. Rahul Sharma	Non-Executive Director	10
6.	Mr. Arun Duggal*	Non-Executive Independent Director	NA
7.	Mr. Rohit Bhasin*	Non-Executive Independent Director	NA
8.	Ms. Somya Satsangi	Non-Executive Independent Director	10
9.	Mr. Rajit Mehta**	Non-Executive Independent Director	NA
10.	Mr. Gurinder Singh Kalra**	Non-Executive Independent Director	NA
11.	Mr. Sunil Varma***	Non-Executive Independent Director	10
12.	Dr. Saurabh Srivastava***	Non-Executive Independent Director	10
13.	Mr. Anoop Mahendra Singh***	Non-Executive Independent Director	10
14.	Mr. Harneet Singh Chandhoke***	Non-Executive Independent Director	10
15.	Mr. Bharath U <sup>@</sup>	Chief Executive Officer	16.75
16.	Mr. Ved Prakash Goel	Group Chief Financial Officer	16.75
17.	Mr. Vinay Gujral <sup>#</sup>	Company Secretary	NA

\*Mr. Rohit Bhasin and Mr. Arun Duggal were in Office for the part of the last Financial Year 2022-23 (appointed w.e.f. November 8, 2022, and February 02, 2023, respectively) and hence the percentage of increase of remuneration in their cases are not comparable.

\*\*Mr. Rajit Mehta and Mr. Gurinder Singh Kalra appointed as Directors of the Company w.e.f. July 27, 2023, and hence the percentage of increase of remuneration in their cases are not applicable.

\*\*\*Mr. Sunil Varma, Dr. Saurabh Srivastava, Mr. Anoop Mahendra Singh and Mr. Harneet Singh Chandhoke, ceased to be Directors of the Company upon completion of their second term as Independent Directors w.e.f. August 20, 2023 (Closing of business hours).

<sup>@</sup>Mr. Bharath U ceased as Chief Executive Officer of the Company w.e.f. May 9, 2024 (closing of business hours).

<sup>#</sup>Mr. Vinay Gujral appointed as Company Secretary of the Company w.e.f. May 11, 2023 and hence the percentage of increase of remuneration in his case is not applicable.

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 6.18%.

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, 2024 is 4099.

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 10.32% while for others it is about 9.02%. 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.

For **and on behalf of Board of Directors**

**(Hony) Brig. Dr. Arvind Lal**

Executive Chairman

DIN: 00576638

Place: New Delhi

Date: May 10, 2024

# 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 Members 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 Members. 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, 2024

[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 governance 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, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 ("**Period under review**") 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, 2024 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 to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (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 to the extent applicable;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"):-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
  - iv. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable;
  - v. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;**(Not applicable to the Company during the Period under review)**
  - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;**(Not applicable to the Company during the Period under review)**
  - viii. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;**(Not applicable to the Company during the Period under review)**

(vi) The following other laws, as amended from time to time, are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:

- (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;

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs;
- ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”)

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

#### **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 to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. 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 Committees 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 major events have happened in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (i) During the period under review the Company had made allotment of 1,09,975 equity shares having face value of ₹ 10/- (Rupees Ten) each pursuant to exercise of Employee Stock Option under following plans:
  - Employee Stock Option Plan -2010: 60,000 equity shares having face value of ₹ 10/- each;
  - Employee Stock Option Plan -2022: 49,975 equity shares having face value of ₹ 10/- each.

Considering the above said allotment of Equity shares, issued and paid-up capital of the Company stands increased to 8,34,77,852 Equity Shares having face value of ₹ 10/- each.

- (ii) During the period the Company had declared the following dividends:
  - Interim dividend of ₹ 6/- per equity share (@ 60% on a face value of ₹ 10/- per share) for the Financial Year 2023-24.
  - Final dividend of ₹ 6/- per equity share (@60% on a face value of ₹ 10/- per share) for the Financial Year 2022-23.
  - 2<sup>nd</sup> Interim Dividend of ₹ 12/- per equity share (@ 120% on a face value of ₹ 10/- per share) for the Financial Year 2023-24.

For **Chandrasekaran Associates**

**Company Secretaries**

FRN: P1988DE002500

Peer Review Certificate No.:- 4186/2023

**Dr. S Chandrasekaran**

**Senior Partner**

Membership No. FCS 1644

Certificate of Practice No. 715

Date: May 10, 2024

Place: New Delhi

UDIN: F001644F000316794

#### **Note:**

*This report is to be read with our letter of even date which is annexed as Annexure-A to this Report 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 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 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 **Chandrasekaran Associates**  
**Company Secretaries**

FRN: P1988DE002500

Peer Review Certificate No.:- 4186/2023

**Dr. S Chandrasekaran**  
**Senior Partner**

Membership No. FCS 1644

Certificate of Practice No. 715

UDIN: F001644F000316794

Date: May 10, 2024

Place: New Delhi

# Annual Report on CSR Activities

For the Financial Year ended March 31, 2024

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 in the community including a focus on preventive healthcare, capacity building and awareness generation.

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](http://www.lalpathlabs.com).

2. Composition of CSR Committee:

S. No.	Name of Member	Designation / Nature of Directorship	No. of Meetings, the Member entitled to attend	No. of Meetings, the Member attended
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	1	1
4	Mr. Sunil Varma*	Independent Director- Member	1	1
5	Mr. Arun Duggal*	Independent Director- Member	1	1

\* During the financial year under review, there were changes in the constitution of the Committee as detailed below.

- Mr. Harneet Singh Chandhoke and Mr. Sunil Varma ceased to be Members of the Committee, consequent to completion of their second term as Non- Executive Independent Directors of the Company w.e.f. August 20, 2023 (closing of business hours).
- Mr. Arun Duggal appointed as Member of the Committee w.e.f. August 21, 2023.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.lalpathlabs.com/csr.aspx>

4. Provide the executive summary along with web-link (s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable : **Not Applicable**

5. a) Average net profit of the company as per sub-section 5 of section 135: **₹ 4,148.89 Million**
- b) Two percent of average net profit of the company as per sub-section 5 of Section 135: **₹ 82.98 Million**
- c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
- d) Amount required to be set off for the financial year, if any: **Nil**
- e) Total CSR obligation for the financial year **(5b + 5c -5d): ₹ 82.98 Million**

6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project): ₹ **84.39 Million**  
 (b) Amount spent in administrative overheads: **Nil**  
 (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**  
 (d) Total amount spent for the financial year (a+b+c): ₹ **84.39 Million**  
 e) CSR amount spent or unspent for the financial year:

(₹ in Million)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
84.39	Nil	NA	NA	Nil	NA

- f) Excess amount for set off, if any:

S. No.	Particular	Amount (₹ in Million)
(i)	Two percent of average net profit of the company as per sub-section 5 of Section 135	82.98
(ii)	Total amount spent for the Financial Year	84.39
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.41
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.41

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

(₹ in Million)

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135	Balance Amount in Unspent CSR Account under subsection (6) of Section 135	Amount spent in the Financial Year	Amount transferred to a fund specified under Schedule VII as per second proviso to sub-section 5 of Section 135, if any		Amount remaining to be spent in succeeding financial year	Deficiency if any
					Amount	Date of transfer		
1	FY 1	3.00	Nil	3.00	Nil	NA	Nil	NA
2	FY 2	Nil	Nil	Nil	Nil	NA	Nil	NA
3	FY 3	Nil	Nil	Nil	Nil	NA	Nil	NA
	Total	3.00	Nil	3.00	Nil	NA	Nil	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: **No**

If yes, enter the number of capital assets created / acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

S. No.	Short particulars of the property or Asset (s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

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

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

**Dr. Om Prakash Manchanda**  
Managing Director  
DIN: 02099404

Date: May 10, 2024  
Place: New Delhi

# ANNEXURE - 7

## Management Discussion and Analysis

### Economic Overview

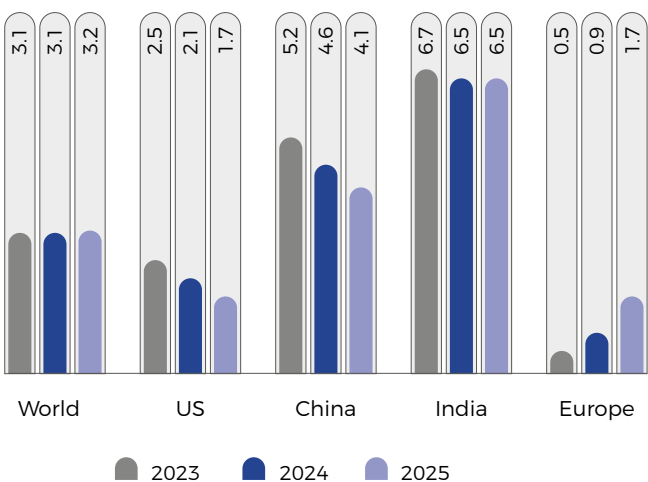
#### Global Economy<sup>1</sup>

During the year, the global economy presented a resilient scenario despite navigating unpredictable headwinds. Challenges such as volatility in commodity prices triggered runaway inflation in both advanced and emerging economies of the world.

Persistent geopolitical conflicts between Ukraine and Russia and other geopolitical crises, further exacerbated the situation, resulting in supply chain constraints. To address inflationary pressures, central banks in major economies implemented gradual interest rate increases, which, to some degree, impacted economic activity. However, emerging and developing economies has shown good growth and capital inflows from foreign institutional investors. Emerging markets and developing economies (EMDEs) are recording growth across multiple sectors, driven by their respective governments' emphasis on enhancing both their infrastructure and manufacturing sectors.

Central banks worldwide responded to rising inflation by increasing interest rates, a measure that proved effective in stabilizing economies without triggering a global recession. Despite the potential for economic slowdown due to these policy adjustments, the global economy managed to maintain steady growth, supported by the effective monetary policies and adaptive financial markets.

#### Global growth (%)<sup>2</sup>

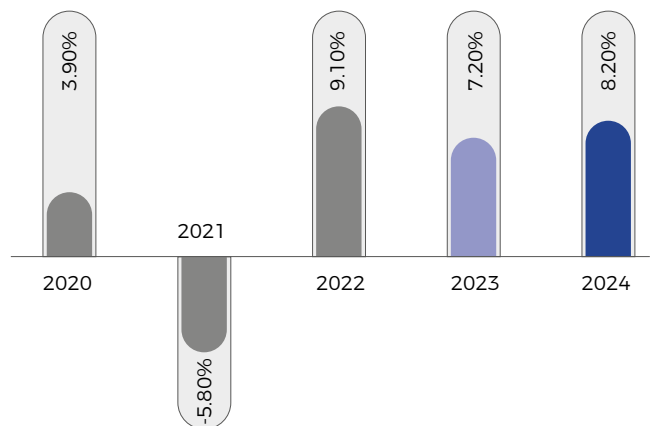


#### Indian Economy

Despite the global economic slowdown, the Indian economy has remained robust, emerging as one of the fastest-growing major economies. According to estimate of NSO, India is expected to register a GDP growth of 8.2% for the year FY24. The domestic economy is also being propelled by strong consumer demand and improving investment morale. Employment rates in the formal sector have improved, and the performance of the private sector remains optimistic. Further, the government's concerted attempts to raise capital investment have encouraged economic activity. It is projected to crowd in private investment and increase job opportunities and demand, which will help accelerate the economy's growth.

Looking ahead, the Indian economic growth is forecast to be strong in FY2023-24, with prudent fiscal policies expected to significantly reduce inflation. The Indian economy is likely to overcome the threats posed by a challenging macroeconomic environment owing to expanding domestic demand, lowering inflation, rising employment rates and robust monetary policies.<sup>3</sup>

#### GDP growth (%)<sup>4</sup>



<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

<sup>2</sup><https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

<sup>3</sup><https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>

<sup>4</sup><https://pib.gov.in/PressReleaseDetailm.aspx?PRID=2022323>

<sup>5</sup><https://www.thehindubusinessline.com/economy/indian-diagnostics-industry-to-reach-25-bn-in-fy28-report/article68019114.ece>

## Industry Overview

### Indian Diagnostic Sector

The Indian diagnostics industry has emerged as a preferred play within the expanding healthcare landscape, driven by attractive margins and significant growth potential. With a market size of ~USD 13 billion in FY23, the domestic diagnostics industry is projected to reach USD 25 billion by FY28, at a CAGR of ~14% over the next five years<sup>5</sup>. The industry has developed from being an investigation provider to a solution provider. It consists of three core components, clinical, retail and logistics.

The industry has developed to a great extent and it provides more than 4500 varieties of tests<sup>6</sup>. The pandemic has forced the companies to cater to the exponentially rising demand for testing, which in turn produced faster results and precise diagnosis. Within the diagnostics market, pathology and radiology are the two main segments. The industry is highly fragmented, with unorganised standalone centres catering to approximately half of the market share, while hospital-based diagnostics centres hold a 37% share<sup>7</sup>. Pathology testing holds about 60% of the market share, with imaging tests making up the remainder. The radiology market is experiencing rapid growth due to rising demand for imaging services. On the other hand, pathology testing services market is also recording a surge in demand owing to more people undergoing preventive health check-ups. In summary, the diagnostic services industry in India is poised for growth in the years ahead.

The diagnostic services market share is divided among unorganised or local standalone labs, hospital-based labs and organized players. Doctor recommendations drive a significant portion of the diagnostic business. To ensure accurate prescriptions, doctors conduct diagnostic tests for most patients before prescribing medication.

The sector growth can be attributed to various factors, including an increasing spending by the geriatric population of the country, rising income levels, growing awareness of preventive testing, advancements in healthcare diagnostics, greater penetration of healthcare insurance and government initiatives in diagnostics.

### Outlook

The Indian diagnostic sector has experienced steady double-digit growth, estimated at around 12-14%. This growth is fueled by factors such as rising awareness of preventive and diagnostic testing, alongside technological advancements and the growing geriatric population in India. The sector is witnessing a significant impact from technological advancements. The incorporation of AI and machine learning into diagnostic procedures is enhancing test accuracy and efficiency, while also facilitating the creation of tailored diagnostic solutions. Additionally, the implementation of telemedicine and digital health records is simplifying the diagnostic process, improving accessibility and efficiency for both patients and healthcare providers.

### Government Initiatives

- **Tele-radiology:** Apart from infrastructure, lack of specialist clinicians especially radiologists have been a major challenge which denies the poor patient of essential radio-diagnosis. To bridge this gap a viable and cost effective PPP model has been devised under which digitized X-Ray films are transmitted to service provider and reports are received within a stipulated time frame<sup>8</sup>.
- **CT scan Services at District Hospital & Technology Support:** Since CT is an expensive test and many districts in India do not have a single CT facility, this initiative is of great value – both in terms of health sector development in a given area as well as in reducing patient expenditure. Under NHM, States are being supported to setup CT Scan services at DH level (with population above 7.5 Lakhs) under PPP.<sup>9</sup> In the allocation for 2024-25, the budget for the National Health Mission (NHM) stands at ₹38,183 crore, a notable increase from the revised allocation of ₹ 33,886 crore in 2023-24.<sup>10</sup>
- **Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY):** This flagship program is the world's largest publicly funded health insurance scheme. It provides coverage of up to ₹5 lakh per family per year for secondary and tertiary care

<sup>6</sup><https://aspirecircle.org/wp-content/uploads/2022/01/Diagnostic-report-HLTH.pdf>

<sup>7</sup>[https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/DrLalPathlabsLimited\\_August%2023,%202022\\_RR\\_299883.html](https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/DrLalPathlabsLimited_August%2023,%202022_RR_299883.html)

<sup>8</sup><https://nhm.gov.in/index1.php?lang=1&level=2&sublinkid=1218&lid=192>

<sup>9</sup><https://nhm.gov.in/index1.php?lang=1&level=2&sublinkid=1218&lid=192>

<sup>10</sup><https://www.cdpp.co.in/articles/indian-budget-series-budget-for-health>

<sup>11</sup>Source: PRS India - Demand for Grants 2023-24 Analysis: Health and Family Welfare

<sup>12</sup>Source: PRS India - Demand for Grants 2023-24 Analysis: Health and Family Welfare

<sup>13</sup>Source: PRS India - Demand for Grants 2023-24 Analysis: Health and Family Welfare

hospitalization. As of December 2023, approximately 55 crore individuals are covered under AB-PMJAY.<sup>11</sup>

- PM Ayushman Bharat Health Infrastructure Mission (ABHIM):** Launched in 2020, ABHIM aims to strengthen primary healthcare infrastructure by establishing 1.5 lakh Health and Wellness Centers (HWCs) across India. The budget allocation for ABHIM in 2023-24 was ₹4,200 crore, a significant increase from previous years.<sup>12</sup>
- A new mission to eliminate sickle cell anaemia by 2047 was announced in the 2023-24 budget. This initiative involves large-scale screening programs and could potentially require investment in diagnostic tools<sup>13</sup>.

### Company Overview

Dr Lal PathLabs is a leading provider of the diagnostic services in India. The Company has a wide range of offerings, including blood tests, urine tests and other high end pathology tests. The Company enhances accessibility by expanding network with a large number of service centers and having partnerships with multiple hospitals. The Company also prioritises accurate and timely test results, using modern technology and strict protocols.

Dr. Lal Pathlabs has maintained its image as a reputed brand across the country, by establishing itself as reliable diagnostic provider. The Company even provides additional benefits of home sample collection and online report access. The Company has developed a mobile application that allows customers to register from their home locations. Upon booking, they receive a confirmatory call and the phlebotomist visits their houses to collect the samples. This initiative has significantly streamlined operations and enhanced customer experience, reducing long queues for registration and phlebotomy.

**1949**

Year of foundation

**5762**

PSCs

The Company has pan-India presence with more than

**11619**

PUPs.

**280**

Clinical laboratories

### Operational Highlights

The Company is leveraging e-commerce to further enhance its market presence. With collection centres facing issues with material management, the Company has developed a Material Requisition Form (MRF) to

simplify the process. Whenever a centre requests for materials, a ticket is raised which notifies the ERP and packing and shipping processes commences.

The Company has efficiently digitalised its presence by facilitating digital technology within the operations. It has launched a new website with user friendly functions that has enriched user experience. Additionally, Dr. Lal Pathlabs has also developed a logistics app that enables tracking technicians, traffic patterns and schedules to generate optimal routes and enhance service delivery in various locations.

The Company has recently integrated AI to offer personalised and pertinent tests for patients based on their health condition, demographic information and other factors. The Company has also added wallet feature and introduced a chatbot to make scheduling appointments easy.

### Reaching Farther. Going Deeper.

The Company is focusing on volume led growth, with a primary focus is to increase the number of patient visits and the test per patient portfolio. The Company is enhancing its capabilities with introduction of newer tests. Lastly, the Company is looking forward to penetrate into tier 3 and tier 4 cities as only limited services are available. Moreover, the Company is actively pursuing any M&A opportunities that might come along the way. Some of the other highlights for the year were:

- The Company achieved a significant milestone in the field of transplant medicine. They successfully completed 600 runs of a next-generation sequencing (NGS) test called HLA-NGS. This test analyses the Human Leukocyte Antigen (HLA) type in over 27,000 samples from patients across India, Africa, Bangladesh, and Nepal.
- The Company continued to expand in Tier-3 and Tier-4 towns through organic mode.
- The Company is focused to developed end to end D2C capabilities starting from digital marketing to lead generation to servicing the patients at home.
- The integration of Dr. Lal PathLabs and Suburban Diagnostics shows continued promise in the Western market. This region has witnessed a growing market share for the combined entity.
- Swasthfit program is contributing 22% of the revenue, medical Centers of Excellence, LACE and LCORD, continue to strengthen their position within the medical community and earn the trust of patients.

## Opportunities



### PCR Testing

Dr. Lal Pathlabs was the first to establish the RT-PCR testing network in 2020, fortifying the Company's position as a pioneer in diagnostics and innovation. This not only enhanced the Company's reputation but also instilled trust among patients. The patients have increasingly sought after Dr Lal's reliable testing services, even extending beyond COVID-19 testing.



### Genomics

The Company has established specialty verticals such as Genevolve that focuses on genomics and offers over 160 new tests. It is also aiming to introduce new segments such as Wellness Genomics and Pharmacogenomics. With a direct outreach to 3000+ doctors, the Company has a dedicated business development team for Genetic tests and takes pride in possessing state-of-the-art technologies in four reference labs.



### Focus on tier 3 and tier 4 cities

The Company is investing to steadily expand its geographic footprint in tier 3 and tier 4 cities. Utilising strategic marketing campaigns to build a strong brand image, the Company is also developing new lab towns to propel its reach.



### High end testing

Increasing healthcare awareness and rising disposable incomes are bolstering the demand for advanced tests such as next-generation sequencing (NGS) and genetic panels. The Company can capitalise on the opportunity to expand its reach and propel its growth. As high-end tests yield higher profit margins than routine diagnostics, the Company can invest in advanced technology and develop expertise to outperform its peers. Through strengthening its capabilities, the Company can cater to the customer segment that seek specialised diagnostic services.



### Screening

With the growing awareness about proactive healthcare, screening proves to be a significant growth opportunity for the Company. The Company can explore the growing market of pre-emptive testing that has steadily gained popularity to detect potential health issues in the initial stages. Through offering comprehensive screening packages and promoting early detection, Dr. Lal Pathlabs can establish itself as a trusted provider of preventive healthcare services.



### Health checkups

As people are becoming more health conscious, the demand for regular checkups is gradually surging. The Company is poised to capitalise on this trend by offering personalised health checkup packages across various price points that appeal to a wider customer base. Dr. Lal Pathlabs facilitates early detection of potential health issues and improves patient outcomes. By advocating routine checkups and diagnostic tests, the Company fosters customer loyalty, establishes long-term relationships and creates a recurring revenue stream.

## Threats



### Increased Competition:

The Indian diagnostics market is witnessing a rise in the number of new entrants, including large hospital chains setting up their own labs and aggressive expansion by regional players.



### Regulatory Scrutiny

Recent reports of alleged data breaches and concerns around data security in the healthcare sector could lead to stricter regulations from government bodies. Compliance with these regulations might increase operational costs for the company.



### Shifting Reimbursement Landscape

Government healthcare schemes and insurance companies are increasingly focusing on cost control measures. This could lead to reduced reimbursement rates for diagnostic tests, impacting the company's profitability.



### Rise of Automation and AI

Advancements in automation and artificial intelligence (AI) could disrupt the traditional diagnostic model. While the Company is investing in automation, they need to stay ahead of the curve to avoid being outpaced by competitors who adopt these technologies more rapidly.



### Evolving Consumer Preferences

Growing health awareness among consumers might lead to a demand for more personalized and convenient diagnostic services. The Company needs to adapt its offerings to cater to these evolving preferences, and widen its services and strengthen customer feedback mechanism to sustain its market share.

## Business Targets and Strategies

The Company aims to retain its pricing mix so as to maintain affordability, except for minor adjustments to adjust inflationary costs in specialty and super specialty tests. The Company focuses on catering to a wider patient base and sustain its market leadership as the leading diagnostic brand of India.

Dr. Lal Pathlabs is willing to expand its presence in the underpenetrated regions of tier 3 and tier 4 cities, focusing on the higher potential markets of the west and south. Additionally, the Company is utilising its digital infrastructure and investing in AI, data analytics and ML to enhance overall patient experience, providing specific. Specifically in the western market, the Company is emerging as a competitive player, looking forward to achieve a rapid upscale by outpacing the industry growth through the its recent acquisition of Suburban Diagnostics.

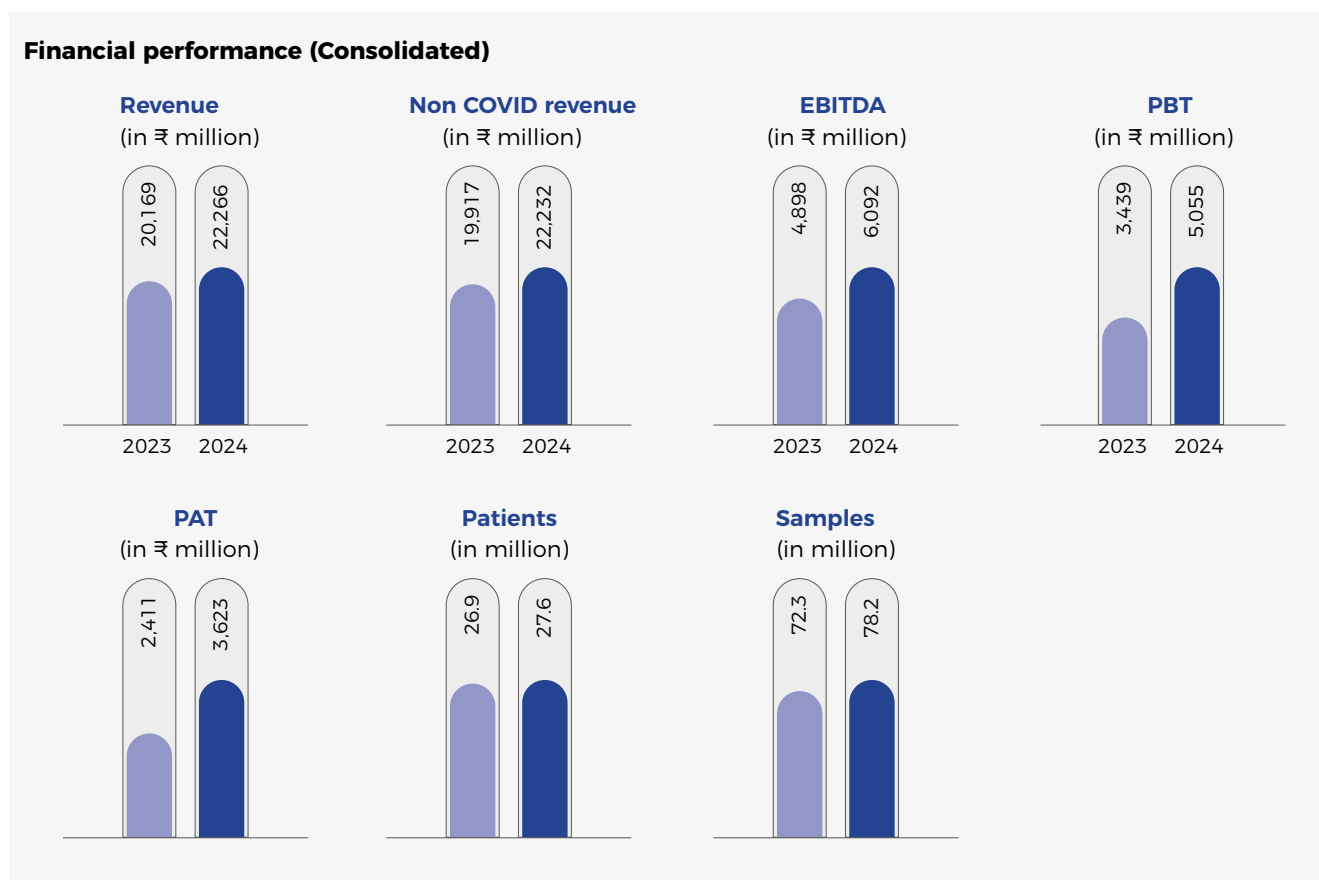
The Company has developed end-to-end D2C capabilities starting from digital marketing to lead generation and finally to serving patients at home. The growing

acceptance of this model, will now be replicate in Tier-2 and Tier-3 cities as well.

Building on strong brand equity, particularly in core markets such as North India including Delhi NCR, value-added opportunities will be offered to patients, following a cluster city approach to drive growth in key areas. Expansion efforts will include enhancing presence in Maharashtra, specifically Mumbai, through Suburban Diagnostics, alongside the launch of reference labs in Bengaluru and Mumbai. Additionally, there will be a focus on augmenting the high-end test portfolio, particularly in super-specialty and bundled tests, through the establishment of specialty verticals such as Genevolve for genomics, L-CoRD for reproductive diagnostics, and L-ACE for auto-immune disorders. The overarching aim remains centered around 'Swasthfit', providing comprehensive bundled solutions to patients.

The progress made by the Company is highlighted by its new marketing campaign "Bharat ka Vishwas", as the initiatives have not only earned them multiple awards but

also helped them to gain trust and confidence of the people. The distinctive grasp of market dynamics and omni-channel presence gives Dr. Lal Pathlabs an upper edge when expanding into tier 3 and tier 4 cities. The Company has also developed and implemented a new custom built logistics solution that allows to cater to customers more efficiently.



### Revenue breakup - geography wise

(values in ₹ million)

Particulars	FY24	FY23
Delhi NCR	6,895	6,360
Rest of North India	7,005	6,100
East India	3,247	2,875
West	3,286	3,094
South	1,324	1,273
Others	508	467
<b>Total</b>	<b>22,266</b>	<b>20,169</b>

Year	Revenue Per Patient (in ₹)	Test Per Patient (in no.)
FY24	806	2.83
FY23	750	2.69

### Revenue

The Company's consolidated revenues totalled ₹ 22,266 Million for the financial year ending March 31, 2024 representing a growth of 10.4%.

### Costs

Cost management stands as a primary area of emphasis for Dr. Lal Pathlabs. The company's operating expenses

for the fiscal year ending March 31, 2024, remain consistent with the previous year. Key cost components for the company include expenses related to reagents and chemicals, personnel, fees associated with collection centers, logistics, information technology, and infrastructure, among others.

### EBITDA

EBITDA stood at ₹ 6,092 Million during FY24, recording a margin of 27.4%.

### PBT and PAT

PBT for FY24 was ₹ 5,055 Million and recorded a margin of 22.7%.

PAT stood at ₹ 3,623 Million during FY24 and recorded 50.3% year-on-year growth rate. The PAT margin for FY24 stood at 16.3%.

### Cash and bank

Cash and Cash Equivalents as of March 31, 2024, is ₹ 9,603 million, cash balance after netting of borrowings is ₹ 8,769 million.

## Key Financial Ratios\*

Particulars	Consolidated			
	FY24	FY23	% variance	Reason for variance
Debtors' turnover	30.04	25.8	16.4%	-
Inventory turnover	12.7	10.4	22.6%	-
Interest coverage ratio	18.2	10.2	79.3%	Improvement on account of increase in earnings during the year and reduction of interest cost due to repayment of borrowings
Current ratio	2.4	2.1	16.9%	-
Debt equity ratio	0.1	0.2	-47%	Reduction on account of repayment of borrowings during the year
Operating profit Margin (%)**	20.9	16.8	24.2%	-
Net profit margin (%)	16	12	34.8%	Increased operational efficiencies resulted in improvement in net margin

\*Figures of previous year have been reinstated on the basis of reported Operating Margins instead of Normalised Operating Margins.

\*\*Formula: (EBIT-Interest Income)/Revenue

## Risks and concerns

Risks	Description	Mitigation
<b>1. Intense competition</b>	Since the industry is not well organised, there are chances of newer players entering the market and offering services at competitive prices. In addition, these new players are capturing a significant portion of the market, which makes it difficult for the Company to get new customers.	The Company aims to mitigate these risks by focusing on itself as a large established player, having national presence and years of experience in the industry. The Company's continuous investment in high quality standards and consistent performance is visible through its proficiency and test results. Additionally, the Company can focus on specialised tests which are not available elsewhere to generate value for its customers and increase market share.
<b>2. Technology paradigm</b>	As more players enter the industry, the diagnostic testing is becoming increasingly popular. Due to its affordability and convenience, testing is easily accessible to more people. This poses a threat to the Company. The industry has also developed online portals and integrated teleconsultation services with technology.	The Company maintains a competitive advantage by integrating technology with treatment. It can yield faster and better results. Proper infrastructure provides reliable testing reports. Additionally, the Company has a dedicated team of experts, who help in evaluating and giving advice. The Company should further invest in technological innovations and partnerships with hospitals to expand its services.
<b>3. Human resource risks</b>	A skilled workforce in this department is a must. The Company's main challenge is to retain a proficient workforce.	The Company has shifted its focus primarily into attracting and retaining qualified professionals through incentives and competitive benefits and salary structure, training programmes and promoting a positive work culture. The Company has fostered a culture of transparency, trust and respect for its employees, enabling the workforce to brainstorm and work together. Monthly business review meetings and cross functional projects nurture a cohesive work culture in the Company.
<b>4. Maintaining accuracy and precision</b>	These types of risks are the most common yet the most dangerous of all. It occurs due to improper maintenance, errors in the testing procedure, lack of handling methods and human errors.	The Company mitigates this risk by standardising its operating procedures and by maintaining the equipment. Additionally, the Company employs highly qualified staff to minimise errors during tests. It also uses modern machines integrated with latest technologies to reduce the risks.

## Human Resource Management

The Company believes in the overall development of its human resources. Dr. Lal Pathlabs promotes skill development programmes to enhance the professional skillsets of its people, enabling them to excel in their respective roles. The Company maintains strong compliance policies to improve its operations and safeguard human rights simultaneously. Dr. Lal Pathlabs focuses on developing an inclusive work culture that promotes diversity, equal opportunities and respect for every individual. These initiatives cumulatively contribute to the overall success of the Company.

**4099** (on roll)

Total number of employees in FY24.

## Internal control systems and their adequacy

The Company has established a comprehensive internal controls framework, which includes thoroughly documented policies and procedures spanning financial and operational aspects. This framework guarantees the upkeep of precise accounting records and offers a reasonable level of confidence in the reliability of financial reporting. Additionally, it facilitates efficient monitoring of operations, protects assets from unauthorised use or loss and ensures compliance with relevant regulations.

## Auditors

During the 28<sup>th</sup> Annual General Meeting held on June 30, 2022, the Members of the Company reaffirmed appointment of Deloitte Haskins & Sells as Statutory Auditors for a duration of five years. Deloitte Haskins & Sells, is a firm registered with the Institute of Chartered Accountants of India under Registration No. 117366W/W-100018.

## Cautionary Statement

The statement provided in this Management Discussion and Analysis acknowledges that the Company's objectives, projections, estimates, expectations, or predictions may be considered as 'forward-looking statements' under applicable securities laws and regulations. It cautions that actual results may differ significantly from those expressed or implied. Various important factors, such as global and Indian demand and supply conditions, prices of finished goods, availability and prices of input materials, cyclical demand and pricing in the Company's main markets, changes in government regulations and tax regimes, economic developments in India and other relevant countries, as well as factors like litigation and labour negotiations, can impact the Company's operations. The Company does not assume any responsibility to publicly amend, modify, or revise the forward-looking statements based on subsequent developments, information, events, or any other circumstances.

## Data Privacy

The Company ensures protection of the data shared by its customers and clients.

This is done by

- **Data loss prevention:** The Company has enabled state-of-the-art data loss prevention technology to prevent disclosure of any information. Additionally, a data classification platform is used for information labelling and management. The Company also have a rights management system that enables continuous data centric protection. Next-generation cyber technologies are deployed to prevent consistent cyberattacks.
- **Software security:** Dr. Lal Pathlabs performs vulnerability assessment and penetration testing of IT apps to secure its cloud infrastructure. The Company also have periodic secure code and configuration reviews of mission-critical systems. The security operations constantly monitor cyber threats.
- **Threat intelligence:** The Company has a threat intel platform to monitor the web for credential disclosures, data leaks and frauds. Dr. Lal PathLabs ensure proactive detection and mitigation strategies for vulnerabilities of publicly exposed systems.

## ESG

Relentless initiatives to improve operational procedures are a testament of the Company's commitment to address its environmental footprint. The Company has significantly minimised plastics use, optimised waste management and reduced emissions of CO<sub>2</sub>. Additionally, the Company aims to solve the complex challenges pertaining to the development of the country. The Company believes in value creation for its stakeholders, contributing towards building capacities and creating resources for the underserved sections of society.

# 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	12 <sup>th</sup> 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 2023-24
10.	Name of the Stock Exchange(s) where shares are listed	i. National Stock Exchange of India Limited ii. BSE Limited
11.	Paid-up Capital	₹ 83,47,78,520 divided into 8,34,77,852 Equity Shares of ₹ 10/- each (As on March 31, 2024)
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 Kumar Garg, Group Chief Human Resource Officer, Tel: + 91-124-3016-500, Email: <a href="mailto:manoj.garg@lalpathlabs.com">manoj.garg@lalpathlabs.com</a>
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
14.	Name of assurance provide	Not Applicable
15.	Type of assurance obtained	Not Applicable

### II. Products/services

#### 16. 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%

#### 17. 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

#### 18. 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	278	278
International	Diagnostic Services in the area of Pathology and Radiology	2	2

(\* Standalone Number)

#### 19. Markets served by the entity:

##### a) Number of locations:

Location	Number of Offices/ Labs
National (No. of States)	28 States and 6 Union Territories
International (No. of Countries)	Nepal and Bangladesh. Besides that, the Company also receives samples from International Locations like Kenya, Bhutan, Sri Lanka, Malaysia, Maldives, UAE, Saudi Arabia, Bahrain, Qatar, Kuwait, Ethiopia, Myanmar, Malawi, Ghana, & Mauritius for testing in India.

##### b) What is the contribution of exports as a percentage of the total turnover of the entity: 1.32%

##### c) A brief on types of customers:

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

### IV. Employees

#### 20. Details as at the end of Financial Year:

##### a) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1,321	1,043	78.96	278	21.04
2.	Other than Permanent (E)	143	68	47.55	75	52.45
3.	<b>Total employees (D + E)</b>	1,464	1,111	75.89	353	24.11
<b>WORKERS*</b>						
4.	Permanent (F)	2,778	2,131	76.71	647	23.29
5.	Other than Permanent (G)	6	3	50	3	50
6.	<b>Total workers (F + G)</b>	2,784	2,134	76.65	650	23.35

\* Based on an internal assessment, the company has 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, 2024.

##### b) Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	1	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D + E)</b>	1	1	100	0	0
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	27	27	100	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	<b>Total differently abled workers (F + G)</b>	27	27	100	0	0

**21. Participation/ Inclusion/ Representation of women:**

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	3	30
Key Management Personnel (KMP) *	6	1	16.67

(\*) Includes Board Members, who are designated as KMP

**22. Turnover rate for permanent employees and workers:**

Particulars	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20.84	19.77	20.62	33.37	22.43	30.81	25.17	21.69	24.53
Permanent Workers	10.11	9.93	10.07	10.61	13.49	11.24	12.49	15.56	13.21

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

**23. (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	80.00	No
2	Paliwal Medicare Private Limited	Subsidiary	80.00	No
3	Dr. Lal Ventures Private Limited	Subsidiary	100.00	No
4	PathLabs Unifiers Private Limited	Subsidiary	100.00	No
5	Centrapath Labs Private Limited	Step down Subsidiary	70.00	No
6	APRL PathLabs Private Limited	Step down Subsidiary	80.00	No
7	Chanre Laboratory Private Limited	Step down Subsidiary	70.00	No
8	Dr. Lal PathLabs Nepal Private Limited	Subsidiary	100.00	No
9	Dr. Lal Path Labs Bangladesh Private Limited	Subsidiary	71.83	No
10	Dr. Lal PathLabs Kenya Private Limited	Subsidiary	100.00	No
11	Suburban Diagnostics (India) Private Limited	Subsidiary	100.00	No

## VI. CSR Details

**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

**(ii) Turnover: ₹ 19,667.58 Million\***

**(iii) Net worth: ₹ 18,482.08 Million\***

(\*) As On March 31, 2024

VII. Transparency and Disclosures Compliances

25. 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)	FY 2023-24			FY 2022-23		
	(If Yes, then provide web-link for grievance redress policy)	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 <a href="https://www.lalpathlabs.com/investor/investor-contact.aspx">https://www.lalpathlabs.com/investor/investor-contact.aspx</a>	There were no complaints that were received.					
Shareholders	Yes Shareholders, for any of their grievances can reach out to the Company Secretary at <a href="https://www.lalpathlabs.com/investor/investor-contact.aspx">https://www.lalpathlabs.com/investor/investor-contact.aspx</a>	93	1	1 (One) Shareholder Complaint was unresolved as on March 31, 2024. However, the same has been resolved as on date	177	3	3 (Three) Shareholder Complaints was unresolved as on March 31, 2023. However, the same has been resolved as on date.
Employees and workers	Yes <a href="https://plhr4u.sgcservices.com/Helpdesk/Helpdesk">https://plhr4u.sgcservices.com/Helpdesk/Helpdesk</a>	5,012	5,012	-	5,697	5,697	-
Customers	Yes <a href="https://www.lalpathlabs.com/general-enquiryrevmap/generalenquiry.aspx">https://www.lalpathlabs.com/general-enquiryrevmap/generalenquiry.aspx</a>	48,805	-	-	43,722	546	The unresolved complaints as of March 31, 2023 have all been subsequently resolved.
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)	-	-	-	-	-	-	-

**26. 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	Workplace Safety	Risk	<p>Workplace safety plays an important role. If the safety measures are not adequate, it can lead to workplace accidents which will be detrimental to both the worker and the organization. It can lead to increased absenteeism, and in turn Lost time on account of the workplace injury.</p> <p>The Company has a detailed safety policy that covers all aspects of workplace safety measures. These measures confirm the commitment of the organization environmental stewardship.</p>	<p>The detailed Safety policy of the organization prescribes the safety measures in all areas of work for all laboratories under its purview. The Company also enforces an annual health checkup for all technical roles involved with sample handling.</p> <p>The safety gears like eye wash stations, gloves, lab coats, goggles, fire sprinklers, and fire extinguishers are provided to all the staff working inside the lab. Furthermore, stringent disinfection protocols are in place within the laboratories to maintain a clean and hygienic work environment. Regular fire drills are conducted to familiarize the staff of the evacuation procedures and to clarify their responsibilities during emergencies.</p> <p>Apart from the above, the Biomedical Waste (BMW) management rules as stipulated by the Central Pollution Control Board (CPCB) guidelines are adhered to.</p>	Negative - Workplace accidents or injuries can lead to loss of revenue.
		Opportunity	By following the health and safety guidelines and maintaining a safe work place, it will lead to reduced employee absenteeism and improved productivity.	-	Positive
2	Training and development of employee	Risk	<p>Training is vital to business success. Inadequately trained employees are likely to experience poor job performance and increased levels of work-related stress.</p> <p>If there is inadequate training on the Standard Operating Procedures (SOPs) and process guidelines, the organizations runs the risk of non-accurate testing of patient samples.</p> <p>Clear and well-defined SOPs are crucial for ensuring consistency, accuracy, and efficiency in laboratory operations.</p>	<p>The benefits of training and development of employees is huge e.g. Improved engagement, increased productivity, employee retention, improved employee skills, reduced turnover. The organization's focus is on the development of its employees and has invested in many training &amp; development initiatives. These include a detailed induction training of all new joiners giving them a holistic overview of the organizations policies and practices, functional training, compliance trainings, and online modules.</p> <p>There are customized Management Development Programs (MDPs) as per the employee development needs.</p>	Negative - Insufficient or inadequate training can impact employee performance, leading to disengaged employee leading to decreased productivity, reduced commitment to organization goals. In labs it can also lead to material wastage.

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)
3	Employee	Opportunity	<p>Prioritizing employee welfare brings about a many benefits for both the workforce and the organization as a whole. It creates positive work environment, resulting in greater job satisfaction, improved morale, and heightened motivation to excel.</p> <p>The organization places a strong emphasis on the well-being of its personnel.</p> <p>It offers a comprehensive Medclaim Policy, along with a discount policy that subsidizes the costs of diagnostic tests. Additionally, recognizing the risks faced by front-line roles, the organization provides accident insurance.</p> <p>Furthermore, the Company maintains a welfare fund to support employees in case of critical injury.</p>	-	Positive - Employee welfare initiatives play a key role in attracting, retaining and nurturing talent. It leads to cost savings and ensures the continuity of operations.
4	Energy Management	Opportunity	Power Generation by Solar system is cost effective, durable and renewable.	-	Positive - Reduce Cost
5	Fire Safety	Risk	Any fire incident has the potential to disrupt laboratory operations.	The Company has exemplified its dedication to safety by implementing a comprehensive Fire Alarm system and providing Fire Extinguishers in all laboratories, ensuring uninterrupted operations. Additionally, the company conducts regular fire safety training sessions for its staff, emphasizing its commitment to a secure working environment.	Negative - Impact on Business / Revenue
6	Community development- CSR	Opportunity	As a conscientious entity, DLPL perceives Corporate Social Responsibility (CSR) not merely as an obligation, but as a valuable avenue to forge meaningful connections with the community.	-	Positive - Allocated ₹ 84.39 million for Corporate Social Responsibility (CSR) activities during FY 2023-24.

**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
<b>Policy and management processes</b>									
<b>1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>						YES			
<b>b. Has the policy been approved by the Board? (Yes/No)</b>						YES			
<b>c. Web Link of the Policies, if available</b>	<a href="https://uat-cdn.drllab.com/2023-06/Business-Responsibility-Policy.pdf">https://uat-cdn.drllab.com/2023-06/Business-Responsibility-Policy.pdf</a>								
<b>2 Whether the entity has translated the policy into procedures. (Yes / No)</b>						YES			
<b>3 Do the enlisted policies extend to your value chain partners? (Yes / No)</b>						NO			
<b>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.</b>	<p>CAP: Two (02) Reference Labs are accredited by College of American Pathologists (CAP).</p> <p>NABL: Thirty Six (36) Satellite laboratories are accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL).</p> <p>ISO27001: The ISO27001 is the world’s best-known standard for information security management systems (ISMS). It defines requirements an ISMS must meet. The ISO27001 standard provides companies of any size and from all sectors of activity with guidance for establishing, implementing, maintaining and continually improving an information security management system.</p>								
<b>5 Specific commitments, goals and targets set by the entity with defined timelines, if any.</b>	The Company is committed to adhering to the nine principles outlined in the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business, as issued by the Ministry of Corporate Affairs.								
<b>6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>	The Company remains vigilant in monitoring its adherence to the specified principle(s) and takes appropriate measures whenever necessary								
<b>Governance, leadership and oversight</b>									
<b>7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:</b>	<p>Emphasizing the significance of ESG principles, the Company unwavering commitment to environmental, social, and governance initiatives. As an integral part of its operational ethos, sustainability drives the Company’s endeavours, fostering growth, nurturing human capital, and instilling social responsibility. Notable achievements include advancements in waste management, plastic reduction, water conservation, paperless initiatives, and renewable energy adoption. Upholding ethical standards and transparency in governance, the Company endeavours to positively impact society and stakeholders. Dr. Lal PathLabs remains steadfast in its mission to provide affordable diagnostic tests, ensure accessibility, and uphold global ESG standards.</p>								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	CSR Committee is responsible for implementation and oversight of the Business Responsibility Policies. The constitution of the CSR Committee is as follows:								
	<b>Name of Member</b>		<b>DIN No.</b>		<b>Designation</b>				
	(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				
	Mr. Arun Duggal *		00024262		Lead Independent Director				
<b>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.</b>	Yes, The CSR Committee holds responsibility for making decisions related to sustainability matters.								
<b>10 Details of Review of NGRBCs by the Company:</b>									
<b>Subject for Review</b>	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee				Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)				
	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
<b>Performance against above policies and follow up action</b>	CSR Committee				Annual **				
<b>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</b>	CSR Committee				Annual **				
<b>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.</b>	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No								

(\*) During the financial year under review, there were changes in the constitution of the Committee as detailed below:

- Mr. Harneet Singh Chandhoke and Mr. Sunil Varma ceased to be Members of the Committee, consequent to completion of their second term as Non- Executive Independent Directors of the Company w.e.f. August 20, 2023 (closing of business hours).
- Mr. Arun Duggal appointed as Member of the Committee w.e.f. August 21, 2023

(\*\*) Annual review by the Committee on May 09, 2024

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
<b>The entity does not consider the Principles material to its business (Yes/No)</b>									
<b>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</b>									
<b>The entity does not have the financial or/ human and technical resources available for the task (Yes/No)</b>	Not Applicable								
<b>It is planned to be done in the next financial year (Yes/No)</b>									
<b>Any other reason (please specify)</b>									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section aims to assist entities in showcasing their integration of the Principles and Core Elements into key processes and decisions. The information requested is categorized as 'Essential' and 'Leadership.' While essential indicators are expected from all entities mandated to file this report, leadership indicators may be voluntarily disclosed by entities aspiring to elevate their commitment to social, environmental, and ethical responsibility.

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

### Essential Indicators

#### 1. 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	Three	Updates on: 1. SEBI Regulations 2. IT Risk Governance including Data Privacy and Cyber Security 3. Corporate Social Responsibility	100% 100% 100%
Key Managerial Personnel	Three	Updates on: 1. SEBI Regulations 2. IT Risk Governance including Data Privacy and Cyber Security 3. Corporate Social Responsibility	100% 100% 100%
Employees other than BOD and KMP's	Four	1. Compliance a. POSH b. COC * c. Info-security * d. Data Privacy * 2. Health & Safety * 3. Skill upgradation * 4. Human Rights *	100% 98% 99% 97% 98% 96% 58%
Workers	Four	1. Compliance a. POSH b. COC * c. Info-security * d. Data Privacy * 2. Health & Safety * 3. Skill upgradation * 4. Human Rights *	100% 95% 95% 95% 98% 92% 79%

(\*) These trainings are conducted for new joiners only. The existing employees have completed these trainings earlier.

**2. 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):

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

Type	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 has Code of Conduct (COC) in place for its Board Members, Senior Management and also for its Employees. The Code prohibits unethical behavior such as improper gifts, illegal payments or benefits etc.

The Code of Conduct (COC) for Board Members and Senior Management can be accessed at: <https://uat-cdn.drlallab.com/2023-06/Code-of-Conduct-for-Directors-and-Senior-Management.pdf>

The Code of Conduct (COC) for Employees of the Company is internally maintained.

**5. Number of Directors/ KMPs/ Employees/ Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Particulars	FY 2023-24	FY 2022-23
Director	None	None
KMP's	None	None
Employees	None	None
Worker	None	None

**6. Details of complaints with regard to conflict of interest:**

Particulars	FY 2023-24		FY 2022-23	
	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
8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

Particulars	FY 2023-24	FY 2022-23
Number of days of accounts payables	43	39

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameters	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	Purchases from trading houses as % of total purchases	12.82	14.25
	Number of trading houses where purchases are made from	164	171
	Purchases from top 10 trading houses as % of total purchases from trading houses	43.66	48.60
Concentration of Sales	Sales to dealers / distributors as % of total sales	Not Applicable as the Company does not provide its services through dealers/ distributors.	
	Number of dealers / distributors to whom sales are made		
	Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors		
Share of RPTs in	Purchases* (Purchases with related parties / Total Purchases)	1.86	0.26
	Sales (Sales to related parties / Total Sales)	0.66	0.52
	Loans & advances (Loans & advances given to related parties/ Total loans & advances)	-	-
	Investments (Investments in related parties / Total Investments made)	0.10	1.20

(\*) Purchase includes Cost of materials consumed and Lab test expenses.

Leadership Indicators

1. 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
-	-	-

Currently, the company has covered the employees and workers under the various awareness programs w.r.t. the BRSR principles.

2. 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:

Yes, The Company maintains a comprehensive Code of Conduct specifically designed for its Board Members and Senior Management. This code explicitly defines Conflict of Interest and outlines the necessary steps to prevent such conflicts. Interested parties can access the Code of Conduct on the Company's official website Link-<http://www.lalpathlabs.com/investors/investors-inside/policies-and-programs>

**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:**

Particulars	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R & D	-	-	-
Capex	11%	2%	<ul style="list-style-type: none"> <li>i. Waste water treatment plants and Autoclaves were installed at Company's Laboratories for treatment of Bio Medical Wastes.</li> <li>ii. Developed in house logistics app to optimize the routes thereby reducing the carbon footprint by the fleet.</li> <li>iii. Onboarded electric vehicles (EVs) for sample/ consumable movements in Delhi - NCR</li> <li>iv. Onboarded electric vehicle (EVs) Cab service providers as a partner for staff travel, which resulted in reducing carbon footprints.</li> </ul>

2. **a. Does the entity have procedures in place for sustainable sourcing:** Yes  
**b. If yes, what percentage of inputs were sourced sustainably ?** 30%

The Company actively pursues sustainable sourcing practices, ensuring that its social and environmental performance extends throughout its supply chain. By communicating expectations to vendors, the Company promotes localization of business operations by giving preference to local suppliers. Committed to environmentally responsible practices, the Company aims to minimize adverse effects on the community, environment, and natural resources while prioritizing public health and safety. Additionally, the Company has entered into a Power Purchase Agreement (PPA) for solar energy, contributing to the reduction of carbon footprints.

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:**

As a provider of Diagnostic Services, the Company recognizes that reusing and recycling of waste materials are not directly applicable to its industry. However, the Company has agreements with authorized vendors to manage the disposal of bio-medical wastes generated during sample collection and testing.

4. **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:**

Not Applicable as the Company is in Diagnostics Service Sector.

**Leadership Indicators**

1. **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:**

During the year under review, the Company has not conducted any Life Cycle Perspective / Assessments (LCA) 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

2. **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

3. **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 2023-24	FY 2022-23

Not Applicable

4. **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:**

Particulars	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. **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)
<b>Permanent employees</b>											
Male	1,043	1,043	100	630	60.40	NA	NA	1,043	100	-	-
Female	278	278	100	32	11.51	278	100	NA	NA	-	-
Total	1,321	1,321	100	662	50.11	278	100	1,043	100	-	-
<b>Other than permanent employees</b>											
Male	68	-	-	-	-	NA	NA	68	100	-	-
Female	75	-	-	-	-	75	100	NA	NA	-	-
Total	143	-	-	-	-	75	100	68	100	-	-

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

Category	% of workers 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)
<b>Permanent workers</b>											
Male	2,131	1,894	88.88	217	10.18	NA	NA	2,131	100	-	-
Female	647	563	87.02	13	2.01	647	100	NA	NA	-	-
Total	2,778	2,457	88.44	230	8.28	647	100	2,131	100	-	-
<b>Other than permanent workers</b>											
Male	3	-	-	-	-	NA	NA	3	100	-	-
Female	3	-	-	-	-	3	100	NA	NA	-	-
Total	6	-	-	-	-	3	100	3	100	-	-

(\*)Maternity and Paternity benefits were provided to Female and Male, respectively and therefore 100% is mentioned

### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	0.37	0.30

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

Particulars	FY 2023-24			FY 2022-23		
	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	-	11.55	Y	0.16	21.49	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. The Company is in a process of building an inclusive culture. The Organization through its equal Opportunity policy is ensuring that the PWD are also given opportunity to work. The Company is committed to build an accessible inclusive workplace and welcome the skills and talent of differently abled people. Over the year, it has identified appropriate roles to onboard more differently abled team members through their inclusive hiring practices. The Company is 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. The Organization is striving to make its facilities PWD enabled. Certain measures of installing hand grabs in restrooms, fire exit signage's, portable ramps etc. have been taken.

**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 :**

The Company is committed to promoting equality and embracing diversity through its internally available Equal Opportunity Policy. This policy reaffirms the Company's dedication to providing equal opportunities to all employees, addressing discrimination and harassment, and ensuring that those whose rights have been violated receive the necessary support and redress.

**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	82	95.24	92.31
Female	75	56.52	47.54	90.20
Total	92.41	73.97	79.68	91.71

**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:**

Category	Yes/ No (If yes, then give details of mechanism in brief)
Permanent workers	Yes
Other than Permanent workers	
Permanent Employees	
Other than Permanent Employees	

The organization has implemented a comprehensive Grievance Redressal policy that addresses various issues employees may encounter while at work. These grievances encompass a range of concerns including:

- Discrimination based on disability, gender, race, sexual orientation, religion, marital status, and social class.
- Violations of human rights,
- workplace harassment,
- Denial of applicable benefits
- Issues related to working conditions and health and safety. To facilitate ease of reporting, employee/worker can lodge their complaint/grievance at employee login portal.

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

Category	FY 2023-24			FY 2022-23		
	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)
<b>Total Permanent Employees</b>	1,321	4	0.30	1,289	4	0.31
Male	1,043	4	0.38	1,032	4	0.39
Female	278	-	-	257	-	-
<b>Total Permanent Workers</b>	2,778	92	3.31	2,759	96	3.48
Male	2,131	28	1.31	2,111	29	1.37
Female	647	64	9.89	648	67	10.34

## 8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	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)
<b>Employee</b>										
Male	1,043	473	45.35	890	85.33	1,032	654	63.37	620	60.08
Female	278	157	56.47	210	75.54	257	180	70.04	102	39.69
<b>Total</b>	1,321	630	47.69	1,100	83.27	1,289	834	64.70	722	56.01
<b>Worker</b>										
Male	2,131	1,623	76.16	1,724	80.90	2,111	1,906	90.29	1,461	69.21
Female	647	522	80.68	522	80.68	648	574	88.58	416	64.20
<b>Total</b>	2,778	2,145	77.21	2,246	80.85	2,759	2,480	89.89	1,877	68.03

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	%(D/C)
<b>Employee</b>						
Male	1,043	1,043	100	1,032	1,032	100
Female	278	278	100	257	257	100
<b>Total</b>	1,321	1,321	100	1,289	1,289	100
<b>Workers</b>						
Male	2,131	2,131	100	2,111	2,111	100
Female	647	647	100	648	648	100
<b>Total</b>	2,778	2,778	100	2,759	2,759	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 covers guidelines that apply to all units and centers within the organization. Additionally, the Company has established an occupational health and safety management system to safeguard the well-being and protection of its employees in the workplace

### b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity:

The Company has meticulously developed comprehensive policies and guidelines to address various types of hazards and effectively mitigate associated risks. These policies serve as a robust framework for identifying work-related hazards, adhering to recommended guidelines, and conducting thorough risk assessments. The Safety manual provides detailed procedures for risk assessment, ensuring that employees have clear access to protocols and procedures. To maintain compliance with these policies, the Quality department conducts regular audits to monitor and evaluate adherence levels.

**c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks:**

Yes, the Lab Safety Program incorporates specific procedures that employees must adhere to in the event of safety incidents. These procedures delineate the appropriate steps and actions necessary to effectively address such situations. To ensure comprehensive incident documentation, the Company has developed a dedicated safety incident reporting tool. Supervisors or any lab staff are responsible for recording each safety incident on this platform, facilitating systematic data capture and analysis. Utilizing this reporting tool enables the organization to track safety incidents. Ultimately, this approach fosters a culture of continuous improvement in lab safety.

**d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services:**

Yes, the Company extends mediclaim coverage to all employees except those falling under the ambit of the ESIC Act. Employees covered by ESIC receive all relevant medical benefits under that scheme. Additionally, all employees are eligible for discounted diagnostic investigations.

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

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	1 (Minor Injury)
	Workers	4 (Minor)	12 (Minor Injury)
No. of fatalities	Employees	-	-
	Workers	-	-
High Consequence work related injury or ill health (excluding fatalities)	Employees	-	-
	Workers	-	-

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

The Company has established comprehensive guidelines covering personal protection, safety equipment usage, emergency procedures, fire safety, chemical hygiene, electrical safety, and waste disposal within its laboratories. These guidelines ensure a safe and secure working environment for all employees.

- 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:**

Particulars	FY 2023-24			FY 2022-23		
	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:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)*
Health and Safety Practices	The Company has a detailed Safety Policy that is applicable to all of its units. It prescribes the protocols for health and safety practices to be followed.
Working Conditions	In case of new labs that are operationalized, the project and lab operations teams ensures that all safety aspects e.g. fire extinguishers and fire exits have been enabled in the setup.  Additionally Fire safety and Bio-Medical Waste (BMW) handling training modules are enabled for employee knowledge. <b>(100%)</b>

(\* Assessed by the entity)

#### 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 comprehensive guide for all safety-related matters within the organization.
- In the event of any safety incident, specific corrective protocols are in place and diligently followed.
- Regular training sessions are conducted for staff members to enhance safety awareness and practices.
- A risk management guide has been established for all laboratories, ensuring proactive measures to mitigate potential risks.

#### 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 maintains a welfare fund that provides benefits to employees and workers in the event of death. Additionally, The Company offer Personal Accident Insurance to employees and workers in Sales & Home Collection roles.

##### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

The Company Conduct regular audits to ensure that all statutory dues have been promptly deposited. Additionally, its holds third parties contractually responsible for ensuring timely payment of these dues.

##### 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:

Particulars	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 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	-	1 (Minor)	-	-
Workers	4 (Minor)	12 (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): No

##### 5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	None
Working Conditions	

##### 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:**

The Company's dedication to responsible and sustainable business practices includes consistent engagement with both internal and external stakeholders. This ongoing interaction serves as a critical method for assessing the Company's performance, evaluating the value it delivers to stakeholders, and prioritizing relevant sustainability issues. The process of identifying stakeholders is guided by several factors:

- i. **Alignment with Mission and Vision:** The Company ensures that its stakeholder identification process aligns with its Mission and Vision statement or policy. This strategic approach ensures that critical stakeholders necessary for achieving the Company's objectives receive appropriate attention.
- ii. **Engaging Key Decision Makers:** Recognizing their significant influence, the Company actively engages with key decision makers who shape its operations, direction, and overall outcomes. These individuals play a pivotal role in shaping the Company's sustainability practices.
- iii. **Assessing Stakeholder Power and Influence:** The Company evaluates individual stakeholders based on their power and influence within the decision-making process. This assessment informs prioritization efforts, focusing on stakeholders who can impact the Company's sustainability performance and overall outcomes.

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

<b>Stakeholders Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice, Board, Website) Other</b>	<b>Frequency of engagement (Annual/Half yearly /Quarterly others-please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Employees	No	Emails, survey	Other- Event Based	Regular Company updates / Training Needs
Customers	No	SMS, Newspaper, Website	Other- Event Based	Promotion Schemes / New Tests etc
Investors & Shareholders	No	Website, Annual meeting , Newspaper	Other- Event Based	Financial Results / other Corporate Announcements
Govt/ Regulatory Authorities	No	Emails	Other- Event Based	Representations / Perspective on change in regulations / upcoming laws
Communities	No	CSR activities	Other- Event Based	As part of the Company's Corporate Social Responsibility (CSR) obligation, addressed developmental and educational needs
Vendors	No	Digital Meetings / In person meetings	Other- Event Based	Regular business updates, performance feedback, and any updates related to changes in regulations regarding supplies or 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 Company's management regularly updates Board Members on feedback received from various stakeholders regarding environmental, social, and governance (ESG) matters during Board Meetings. This ongoing communication ensures that the Board remains well-informed about stakeholder perspectives and concerns related to ESG issues.

Initially, discussions on ESG matters take place between relevant Business Heads or Functional Heads and the respective stakeholders. These conversations are then summarized and shared with Key Managerial Personnel. Finally, the summary is escalated to the Board Members, providing them with a comprehensive overview of the key points discussed and the insights gained during stakeholder engagements

### 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:

Yes, the feedback from relevant stakeholders, is regularly discussed with the Company Management. These deliberations offer the Company Management an opportunity to comprehensively assess the feedback and contemplate any required actions.

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

Currently the Company doesn't engage with any vulnerable and marginalized stakeholder group.

**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 2023-24*			FY 2022-23		
	Total (A)	No. of employees / worker covered (B)	%(B/A)	Total (C)	No. of employees/ workers covered (D)	%(D/C)
<b>Employees</b>						
Permanent	1,321	121	9.16	1,289	871	67.57
Other than permanent	143	32	22.38	140	65	46.43
<b>Total Employees</b>	1,464	153	10.45	1,429	936	65.50
<b>Workers</b>						
Permanent	2,778	223	8.03	2,759	2,372	85.97
Other than permanent	6	2	33.33	3	2	66.67
<b>Total Workers</b>	2,784	225	8.08	2,762	2,374	85.95

(\*) From this year onwards, The Company is reporting the details of training for the new joiners only.

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

Category	FY 2023-24					FY 2022-23				
	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)
<b>Employees</b>										
Permanent	1,321	594	44.97	727	55.03	1,289	675	52.37	614	47.63
Male	1,043	553	53.02	490	46.98	1,032	636	61.63	396	38.37
Female	278	41	14.75	237	85.25	257	39	15.18	218	84.82
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	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
Permanent	2,778	1,822	65.59	956	34.41	2,759	1,909	69.19	850	30.81
Male	2,131	1,441	67.62	690	32.38	2,111	1,501	71.10	610	28.90
Female	647	381	58.89	266	41.11	648	408	62.96	240	37.04
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:

## a. Median remuneration/ wages:

Particulars	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	3,90,77,881	1	2,43,79,464
Key Managerial Personnel (other than BOD)	3	2,18,53,273	-	-
Employees (other than BOD and KMP's)	1,038	6,99,996	277	17,88,000
Workers	2,131	4,04,616	647	3,80,952

(\*) Remuneration means and includes Cost to Company (CTC).

## b. Gross wages paid to females as % of total wages paid by the entity:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	25.94	25.85

## 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 Human Rights policy framework of the Company thoroughly covers all potential violations. A detailed mechanism for addressing grievances is established to meticulously examine any reported incidents of violation and evaluate their implications for the business.

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

The implementation of a Grievance Redressal Policy by the Company delineates a structured framework for handling and resolving complaints pertaining to harassment or human rights infringements. This policy underscores the organization's dedication to fostering a secure and respectful workplace environment.

To facilitate ease of reporting, employee/ worker can lodge their complaint/ grievance at employee login portal. The Company prioritizes swift action, committing to resolving grievances within a specified timeline. This time frame underscores the Company's pledge to ensure timely and efficient resolution of issues.

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

Particulars	FY 2023-24			FY 2022-23		
	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	3	1	Out of the 3 cases reported, in 2 cases no harassment proven and 1 case was under investigation	7	-	All cases were closed
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other than Human rights related issue	-	-	-	-	-	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY 2023-24*	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	7
Complaints on POSH as a % of female employees / workers	0.30	0.72
Complaints on POSH upheld	1	0

(\* Out of the 3 cases reported, in 2 cases no harassment proven and 1 case was under investigation as on March 31, 2024.

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:**

The organization conducts regular staff training on Human Rights issues and violations, emphasizing the potential adverse consequences for complainants. All managers are fully informed and held accountable for preventing any recurrence of employee harassment. In the event that a complainant experiences specific or targeted discrimination, they have the option to raise the complaint once again with the Grievance Redressal committee for further investigation.

**9. Do human rights requirements form part of your business agreements and contracts:**

Yes, the critical human rights requirements are part of all relevant business agreements/contracts.

**10. Assessment for the year:**

Category	% 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. <b>(100%)</b>
Forced Labour/Involuntary Labour	No case reported for the period. Any such incidence raised shall be addressed by the redressal mechanism. <b>(100%)</b>
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. <b>(100%)</b>
Discrimination at workplace	No case reported for the period. Any such incidence raised shall be addressed by the redressal mechanism. <b>(100%)</b>
Wages	No case reported for the period. Additionally, compliance to minimum wage requirement is audited by the Statutory and the Internal auditors. <b>(100%)</b>
Other-please specify	-

\*Assessed by entity

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

Not Applicable, since there were no cases which were received for principle /category mentioned under Question 10 above.

**Leadership Indicators**

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

The Company has established a well-defined process for addressing human rights issues, which it currently believes is functioning effectively. However, the Company remains open to reevaluating its processes in the future if specific circumstances or case particulars warrant such a review.

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

For the financial year ending March 31, 2024, the Company did not conduct any Human Rights due-diligence.

**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:**

Yes, the Company comply with the requirements of the Rights of Persons with Disabilities Act, 2016 in Company's owned/ operated walk-in centres.

The Company's business leadership has made a dedicated commitment to prioritize diversity and inclusion. As a collective effort, they strive to drive systemic change and enhance inclusivity within the healthcare services provided to all patients. The Company offers Home Collection facilities, specifically designed for patients who are unable to visit the facilities due to health reasons or disabilities. These home collection services are available across major cities, ensuring accessibility for a wide range of patients.

**4. Details on assessment of value chain partners:**

Particulars	% 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.

**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**

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

Parameter	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A)	474	405
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>474</b>	<b>405</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	64,176	58,966
Total fuel consumption (E)	139	140
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non- renewable sources (D+E+F)</b>	<b>64,315</b>	<b>59,106</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>64,789</b>	<b>59,511</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.0000033	0.0000034
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total energy consumed / Revenue from operations adjusted for PPP)	0.000075	0.000077
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

(\* PPP: 22.88 (<https://data.worldbank.org/indicator/PA.NUS.PPP>))

**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

- 2. 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:** Not Applicable
- 3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	-	-
(ii) Groundwater	73,880	62,360
(iii) Third party water	49,130	62,676
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)</b>	<b>1,23,010</b>	<b>1,25,036</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>1,23,010</b>	<b>1,25,036</b>
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)	0.0000063	0.0000071
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total water consumption / Revenue from operations adjusted for PPP)	0.00014	0.00016
<b>Water intensity in terms of physical output</b>	-	-
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

(\* PPP: 22.88 (<https://data.worldbank.org/indicator/PA.NUS.PPP>))

**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. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	85,192	1,00,629
- With treatment - please specify level of treatment (physio chemical based ETP Treatment)	37,818	24,407
(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	-	-
<b>Total water discharged (in kilolitres)</b>	<b>1,23,010</b>	<b>1,25,036</b>

**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. 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 strengthened belief in zero liquid discharge by utilising RO waste water in toilet flush and Horticulture at its various labs.

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

Parameter	Please specify unit	FY 2023-24	FY 2022-23
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

## 7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) &amp; 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 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	370	370
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	15,153	13,922
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	-	0.00000079	0.00000081

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	0.000018	0.000018
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	-	-	-
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> - the relevant metric may be selected by the entity	-	-	-

(\*) PPP: 22.88 (<https://data.worldbank.org/indicator/PA.NUS.PPP>)

**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

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details: No

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	5.8	4
Bio-medical waste (C)	456	450
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
<b>Other Non-hazardous waste generated (H)</b> <i>Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)</i>	-	-
<b>Total (A+B+C+D+E+F+G+H)</b>	461.8	454
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	0.000000023	0.000000026
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total waste generated / Revenue from operations adjusted for PPP)	0.0000005	0.0000006
Waste intensity in terms of physical output	-	-
<b>Waste intensity (optional)</b> - the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	-
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	106	142
(ii) Landfilling	-	-
(iii) Other disposal operations Shredding after disinfection	351	307
<b>Total</b>	<b>457</b>	<b>449</b>

(\*) PPP: 22.88 (<https://data.worldbank.org/indicator/PA.NUS.PPP>)

**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

- 10. 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 undergoes segregation in compliance with the Bio-Medical Waste Management Rules 2016 before being transferred to an authorized vendor approved by the state pollution control for safe disposal. Additionally, the Company conducts regular inspections to ensure that the vendor strictly adheres to all necessary compliances.

- 11. 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.
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The Company has no operations around ecologically sensitive areas

- 12. 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.

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
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- 13. 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, the Company is compliant with all applicable laws/ regulations/ guidelines.

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
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**Leadership Indicators**

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

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

(i) **Name of the area:** Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Jharkhand, Karnataka, Maharashtra, Punjab, Puducherry, Rajasthan, Tamil Nadu and Uttar Pradesh

(ii) **Nature of operations:** Diagnostics/ Pathological Laboratories

(iii) **Water withdrawal, consumption and discharge in the following format:**

	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	15,318	14,982
(iii) Third party water	22,774	25,684
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>38,092</b>	<b>40,666</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>38,092</b>	<b>40,666</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.0000019	0.0000023
<b>Water intensity (optional)</b> - the relevant metric may be selected by the Entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	25,083	31,524
- With treatment - please specify level of treatment (Physio chemical based ETP Treatment)	13,009	9,142
(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	-	-
<b>Total water discharged (in kilolitres)</b>	<b>38,092</b>	<b>40,666</b>

**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

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

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>	-	-	-
<b>Total Scope 3 emission intensity</b> (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

**3. With respect to the ecologically sensitive areas reported at Question 11 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.

**4. 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
1	Effluent Treatment Plant installation	Effluent Treatment Plant installed in close to 146 locations for minimizing impact of water pollution.  Approx 37,818 KL of effluent treated before being discharged.	Approx 37,818 KL of effluent treated before being discharged.

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

The company has meticulously developed a comprehensive Business Continuity Plan (BCP) tailored specifically for its IT Services. The primary objective of this plan is to facilitate uninterrupted operations from an alternate location in the event of unforeseen circumstances or disruptions at the primary site.

When the Disaster Recovery (DR) Plan is activated, the company's IT systems seamlessly transition to the DR facility, strategically located in a different seismic zone. This geographical separation enhances the resilience and stability of the IT infrastructure. The BCP plan encompasses several key objectives:

1. Timely Business Recovery: The plan aims to restore business operations within the agreed-upon timeframe outlined in the policy terms. This ensures minimal disruption and enables the company to swiftly resume operations.
2. Continuous IT System Functionality: The BCP plan guarantees that IT systems continue to function seamlessly from the alternate location until the primary site is fully restored. This uninterrupted availability of IT services is essential for maintaining business continuity and mitigating the impact on critical operations.
3. Crisis Response Guidelines: The plan includes detailed guidelines on how the company should respond during crisis situations. These guidelines assist in managing and mitigating potential risks and challenges associated with disruptive events.

**6. 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:**

While the current adoption of Business Responsibility and Sustainability Reporting (BRSR) principles centers on the company, the organization is endeavoring to broaden its scope to encompass its Value Chain Partners. This strategic initiative mirrors the company's future goals to assess and address environmental impacts across its entire value chain.

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

No specific assessment has been conducted for the value chain partners regarding environmental aspects. Nonetheless, the Company acknowledges the significance of extending assessments to its value chain partners to holistically tackle environmental impacts.

**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)**
- 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

2. **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**

1. **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
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Not Applicable

2. **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 ₹)
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Not Applicable

3. **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.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Particulars	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/Small Producers	18	18
Sourced directly within India*	99.87	99.95

(\* The Company procures goods directly from the vendors registered in India, however, some of the vendors might be sourcing goods from outside India.

5. **Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

Location	FY 2023-24	FY 2022-23
Rural	1.97	1.25
Semi-Urban	3.06	2.41
Urban	56.09	56.59
Metropolitan	38.88	39.75

**Leadership Indicators**

1. **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
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Not Applicable

2. 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 ₹ Million)
1	Haryana	Nuh (Mewat)	5.92
2	Andhra Pradesh	Visakhapatnam	3.61
<b>Total</b>			<b>9.53</b>

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups: No  
 (b) From which marginalized /vulnerable groups do you procure: Not Applicable  
 (c) What percentage of total procurement (by value) does it constitute? Noy Applicable
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
-	-	-

6. 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 – Phlebotomist Training)	1,854	90
2	Skill Development Training and Livelihood in Healthcare Sector (LPL Academy for Laboratory Medicine – Phlebotomist Training)	759	90
3	Health Education in Schools	2,000	25
4	Nutritional Support to TB Patients – Project Ni-Kshay Mitra	1,924	100

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

### Essential Indicators

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

Customers can reach out to the Company through various channels, including voice calls, email, chat, and social media. When complaints are received via these channels, they are tagged in the Customer Relationship Management (CRM) system, generating a unique ID. The DLPL complaint resolution team coordinates with relevant authorities to address and close complaints to the satisfaction of the customer. On average, complaints are resolved within approximately 72 hours. In cases where resolution may take longer, direct follow-up with the concerned manager is necessary.

Additionally, for feedback purposes, the Company sends SMS notifications to customers after registration, requesting their input. This process is known as Net Promoter Score (NPS).

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

The Company offers diagnostic services and does not engage in manufacturing or selling products. Consequently, information related to environmental and social parameters, safe usage, or disposal is not applicable. The Company adheres to Bio Medical Waste Management rules and guidelines for the proper disposal of hazardous and other waste.

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

#### 3. Number of consumer complaints in respect of following:

Particulars	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	23	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	9,463	-	-	8,713	224	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other (Technician Related/ Demographic Related)	12,429	-	-	34,986	322	-

#### 4. Details of instances of product recalls on account of safety issues:

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

**5. 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:**

Yes, the Company has established policies and procedures for identifying critical assets, assessing risks, and implementing relevant controls to protect against cybersecurity events. Risks related to data security and privacy are thoroughly evaluated and documented in the internal risk register. For further details, you can access the Company's Privacy Policy at (<https://www.lalpathlabs.com/privacy-policy>).

**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:**

- Notify customers in the event of repeat, delay, or critical values related to their diagnostic reports.
- Customers receive SMS notifications once their reports are ready for collection.
- In case of any delays, the customers is provided with direct contact details for our phlebotomists, ensuring efficient coordination.
- No material issues related to cybersecurity or customer data privacy required corrective action during the review period. Additionally, no penalties were imposed by regulatory authorities.

**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches:** None
- b. Percentage of data breaches involving personally identifiable information of customers:** Not Applicable
- c. Impact, if any, of the data breaches:** Not Applicable

#### Leadership Indicators

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

Customers can access the Company's services through its website ([www.lalpathlabs.com](http://www.lalpathlabs.com)), mobile app, by calling the helpline number, or by visiting the nearest center

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

At all the centers prominently display banners promoting prudent and secure utilization of services. Additionally, for the benefit of consumers, sample collection procedure-related videos, information are regularly posted on the Company's YouTube Channel.

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

The Company communicates any discontinuation or disruption to its customers by posting notifications on its website for the public's awareness. Additionally, the Company adheres to SEBI (Listing Obligations and Disclosure Requirements) Regulations, promptly informing stock exchanges about material events that may impact its 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)**

As a provider of diagnostic services, the Company does not display product information. However, the Company conducts Net Promoter Score (NPS) surveys after each customer transaction to analyze results and enhance performance

## Annexure - 9

# 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:

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

## II. BOARD OF DIRECTORS

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

As on March 31, 2024, the Board of your Company comprised of Ten (10) Directors out of which Three (3) were Executive, Two (2) were Non-Executive and Five (5) were Non-Executive Independent Directors.

The name and category of Directors on the Board, their attendance at Board Meetings held during the Financial Year 2023-24 and at the last Annual General Meeting and the number of Directorship and Committees Chairmanship/ Membership held by them as on March 31, 2024 are given hereunder:

Name of Director	Category*	Attendance Particulars		No. of other Directorships and Committee Memberships/ Chairmanships			Name of the Listed Companies, where Company's Director is also a Director	
		No. of Board Meetings attended	Last AGM held on 12.09.2023	Other Directorships*	Committee Memberships**	Committee Chairmanships**	Name of Listed Company	Category of Directorship*
(Hony) Brig. Dr. Arvind Lal (DIN: 00576638)	Chairman & PED	5 out of 5	Yes	8	1	Nil	Nil	Nil
Dr. Vandana Lal (DIN: 00472955)	PED	5 out of 5	Yes	3	Nil	Nil	Nil	Nil
Dr. Archana Lal Erdmann (DIN: 08432506)	PGNED	5 out of 5	Yes	1	Nil	Nil	Nil	Nil
Dr. Om Prakash Manchanda (DIN: 02099404)	ED	5 out of 5	Yes	4	Nil	Nil	Kaya Limited	NEID
Mr. Rahul Sharma (DIN: 00956625)	NED	5 out of 5	Yes	1	Nil	Nil	Nil	Nil
Mr. Arun Duggal (DIN: 00024262)	NEID	5 out of 5	Yes	4	5	2	1. ITC Limited 2. ICRA Limited 3. Ask Automotive Limited	1. NEID 2. NEID 3. NEID

Name of Director	Category <sup>#</sup>	Attendance Particulars		No. of other Directorships and Committee Memberships/ Chairmanships			Name of the Listed Companies, where Company's Director is also a Director	
		No. of Board Meetings attended	Last AGM held on 12.09.2023	Other Directorships*	Committee Memberships**	Committee Chairmanships**	Name of Listed Company	Category of Directorship <sup>#</sup>
Mr. Rohit Bhasin (DIN: 02478962)	NEID	5 out of 5	Yes	12	8	2	1.Star Health and Allied Insurance Company Limited 2.Tanla Platforms Limited 3.Yatra Online Limited	1. NEID 2. NEID 3. NEID
Ms. Somya Satsangi (DIN: 07275574)	NEID	5 out of 5	Yes	2	Nil	Nil	Nil	Nil
Mr. Rajit Mehta <sup>1</sup> (DIN: 01604819)	NEID	4 out of 4	Yes	9	Nil	Nil	Max India Limited	MD
Mr. Gurinder Singh Kalra <sup>1</sup> (DIN: 10197218)	NEID	4 out of 4	Yes	Nil	Nil	Nil	Nil	Nil
Mr. Sunil Varma <sup>2</sup> (DIN: 01020611)	NEID	2 out of 2	NA	-	-	-	-	-
Mr. Anoop Mahendra Singh <sup>2</sup> (DIN: 01963056)	NEID	2 out of 2	NA	-	-	-	-	-
Dr. Saurabh Srivastava <sup>2</sup> (DIN: 00380453)	NEID	2 out of 2	NA	-	-	-	-	-
Mr. Harneet Singh Chandhoke <sup>2</sup> (DIN: 02758084)	NEID	2 out of 2	NA	-	-	-	-	-

<sup>#</sup>PED - Promoter Executive Director, PGNEID- Promoter Group Non - Executive Director, ED - Executive Director, NED - Non-Executive Director, NEID - Non Executive Independent Director, MD - Managing 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 Limited Companies including deemed Public Companies have only been considered.

<sup>1</sup>Mr. Rajit Mehta (DIN: 01604819) and Mr. Gurinder Singh Kalra (DIN: 10197218) were appointed as Additional Directors of the Company in the category of Non-Executive Independent Directors, not liable to retire by rotation for a term of three (3) consecutive years beginning from July 27, 2023. Further, the Members of the Company in their Annual General Meeting on September 12, 2023 approved their appointment as Non-Executive Independent Directors of the Company.

<sup>2</sup>Mr. Sunil Varma (DIN: 01020611), Mr. Anoop Mahendra Singh (DIN: 01963056), Dr. Saurabh Srivastava (DIN: 00380453) and Mr. Harneet Singh Chandhoke (DIN: 02758084), ceased to be Non-Executive Independent Directors of the Company upon completion of their second consecutive term w.e.f. August 20, 2023 (closing of business hours).

The Board appreciates the guidance and support provided by them during their tenure.

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 their daughter.

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

**Number of Board Meetings**

During the Financial Year 2023-24, five (5) meetings of the Board of Directors were held on May 11, 2023, July 27, 2023, November 02, 2023, February 01, 2024 and March 17, 2024. The Directors participated in the Board Meetings through Video conferencing/ physically. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty (120) days.

**The Shareholding of Non-Executive Directors**

Name of Director	Category	No. of Equity Shares held (as on March 31, 2024)
Dr. Archana Lal Erdmann	Non-Executive Director (Promoter Group)	16,93,751
Mr. Arun Duggal	Lead Independent Director	NIL
Mr. Rohit Bhasin	Independent Director	NIL
Mr. Rahul Sharma <sup>1</sup>	Non-Executive Director	30,500
Ms. Somya Satsangi	Independent Director	NIL
Mr. Rajit Mehta	Independent Director	NIL
Mr. Gurinder Singh Kalra	Independent Director	NIL

<sup>1</sup>As on March 31, 2024, Mr. Rahul Sharma holds 58,983 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 including global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are also presented 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://media.lalpathlabs.com/2024-05/Familiarization-Programme-for-Independent-Directors.pdf>

**Confirmation of Independence**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 and Schedule IV of the Companies Act, 2013.

In the opinion of the Board, all the Independent Directors fulfil the criteria of independence as specified under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 and Schedule IV of the Companies Act, 2013 and they are independent from the Management.

### Core skills/expertise/competencies of Board of Directors

In context of your Company's business, the Board of Directors have identified the Core Skills/ Expertise/ Competencies for it to function effectively and Directors (as on March 31, 2024) who possess such core Skills/ Expertise/ Competencies as detailed below:

Name of Director	Skills / Expertise / Competence					
	Communication & Relationship Skills	Commitment & Engagement	Board and Governance Skills	Specialized Industry & Environment Knowledge	Financial Accounting, Financial Reporting & management of Financial Risk	Information Technology
(Hony) Brig. Dr. Arvind Lal	Yes	Yes	Yes	Yes	Yes	-
Dr. Vandana Lal	Yes	Yes	Yes	Yes	-	Yes
Dr. Archana Lal Erdmann	Yes	Yes	-	Yes	-	Yes
Dr. Om Prakash Manchanda	Yes	Yes	Yes	Yes	Yes	-
Mr. Rahul Sharma	Yes	Yes	Yes	-	Yes	Yes
Ms. Somya Satsangi	Yes	Yes	Yes	-	Yes	Yes
Mr. Rohit Bhasin	Yes	Yes	Yes	-	Yes	-
Mr. Arun Duggal	-	Yes	Yes	Yes	Yes	-
Mr. Gurinder Singh Kalra	Yes	Yes	Yes	-	Yes	Yes
Mr. Rajit Mehta	Yes	Yes	Yes	-	-	-

### Brief Description of Skills/ Expertise/ Competencies

#### 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.

#### 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.

#### 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.

#### 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.

#### 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.

#### Information Technology

Information Technology expertise with knowledge of current and emerging technologies.

### III. AUDIT COMMITTEE

Your Company has duly constituted Audit Committee and its composition meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (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 2023-24, four (4) meetings of Audit Committee were held on May 11, 2023, July 27, 2023, November 02, 2023 and February 01, 2024.

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

Name of Member	*Category	Position	No. of meetings, the Member entitled to attend	No. of meetings, the Member attended
Mr. Rohit Bhasin*	NEID	Chairperson	4	4
Mr. Sunil Varma*	NEID	Chairperson	2	2
Mr. Anoop Mahendra Singh*	NEID	Member	2	2
Mr. Arun Duggal	NEID	Member	4	4
Dr. Saurabh Srivastava*	NEID	Member	2	2
Ms. Somya Satsangi	NEID	Member	4	4

#NEID – Non Executive Independent Director

\*During the financial year under review, there were changes in the constitution of the Committee as detailed below:

- Mr. Rohit Bhasin designated as Chairperson of the Committee w.e.f. August 21, 2023.
- Mr. Sunil Varma ceased to be Chairperson of the Committee, consequent to completion of his second term as Non- Executive Independent Director of the Company w.e.f. August 20, 2023 (closing of business hours).
- Mr. Anoop Mahendra Singh and Dr. Saurabh Srivastava ceased to be Members of the Committee, consequent to completion of their second term as Non- Executive Independent Directors of the Company w.e.f. August 20, 2023 (closing of business hours).

The 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 as considered necessary for providing inputs to the Committee.

**Terms of reference**

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

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by them;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Director's Report in terms of clause(c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
- iii. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
- iv. Significant adjustments made in the financial statements arising out of audit findings;
- v. Compliance with listing and other legal requirements relating to financial statements;
- vi. Disclosure of any related party transactions; and
- vii. Modified Opinion in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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 thereon;
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 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Financial Year 2023-24, four (4) meetings of Nomination and Remuneration Committee were held on May 10, 2023, July 27, 2023, November 02, 2023 and March 17, 2024.

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, the Member entitled to attend	No. of meetings, the Member attended
Mr. Arun Duggal*	NEID	Chairperson	4	4
Mr. Anoop Mahendra Singh*	NEID	Chairperson	2	2
Mr. Harneet Singh Chandhoke*	NEID	Member	2	2
Mr. Rahul Sharma	NED	Member	4	4
Dr. Saurabh Srivastava*	NEID	Member	2	1
Ms. Somya Satsangi*	NEID	Member	2	2
Mr. Sunil Varma*	NEID	Member	2	2

\*NEID - Non-Executive Independent Director; NED - Non-Executive Director

\*During the financial year under review, there were changes in the constitution of the Committee as detailed below:

- Mr. Arun Duggal designated as Chairperson of the Committee w.e.f. August 21, 2023.
- Mr. Anoop Mahendra Singh ceased to be Chairperson of the Committee, consequent to completion of his second term as Non-Executive Independent Director of the Company w.e.f. August 20, 2023 (closing of business hours).
- Dr. Saurabh Srivastava, Mr. Harneet Singh Chandhoke and Mr. Sunil Varma ceased to be Members of the Committee, consequent to completion of their second term as Non- Executive Independent Directors of the Company w.e.f. August 20, 2023 (closing of business hours).
- Ms. Somya Satsangi appointed as Member of the Committee w.e.f. August 21, 2023.

The 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:

1. 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;
2. Lay down the evaluation criteria for performance evaluation of Independent Directors and the Board;
3. Carry out evaluation of every Director's performance and also the performance of the Board;
4. Formulation of the criteria for determining the qualifications, positive attributes and independence of a Director;
5. 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:
  - 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 and
  - 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;
6. Devise a policy on Board diversity;
7. Perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021;

8. Framing suitable policies and procedures to ensure that there is no violation of securities laws including SEBI (Prohibition of Insider Trading), Regulations, 2015;
9. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
10. To evaluate, prepare a description of the role and capabilities required of an independent director; and
11. 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 have carried out annual evaluation of (i) its own Performance; (ii) Performance of Individual Directors; (iii) Performance of Chairman of the Board; and (iv) Performance of all its Committees for the Financial Year 2023-24.

A structured questionnaire was prepared 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 taking into account the views of Executive Directors and Non-Executive 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 are satisfactory.

## V. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the Financial Year 2023-24, two (2) meetings of Stakeholders Relationship Committee were held on May 10, 2023 and February 01, 2024.

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, the Member entitled to attend	No. of meetings, the Member attended
Mr. Arun Duggal*	NEID	Chairperson	1	1
Dr. Saurabh Srivastava*	NEID	Chairperson	1	0
Dr. Om Prakash Manchanda	ED	Member	2	2
Mr. Rahul Sharma	NED	Member	2	2
Mr. Sunil Varma*	NEID	Member	1	1

\*NEID - Non-Executive Independent Director; NED - Non-Executive Director; ED - Executive Director

\*During the financial year under review, there were changes in the constitution of the Committee as detailed below:

- Mr. Arun Duggal designated as Chairperson of the Committee w.e.f. August 21, 2023.
- Dr. Saurabh Srivastava ceased to be Chairperson of the Committee, consequent to completion of his second term as Non- Executive Independent Director of the Company w.e.f. August 20, 2023 (closing of business hours).
- Mr. Sunil Varma ceased to be Member of the Committee, consequent to completion of his second term as Non- Executive Independent Director of the Company w.e.f. August 20, 2023 (closing of business hours).

The 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 inter-alia includes the following:

1. 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;
2. 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;
3. 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;

4. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
5. 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;
6. Review of measures taken for effective exercise of voting rights by shareholders; and
7. Carrying out such other functions as may be specified by the Board from time to time.

### Compliance Officer

Mr. Vinay Gujral, Company Secretary is the Compliance Officer of the Company. His contact details are as follows:

#### Dr. Lal PathLabs Limited

12<sup>th</sup> Floor, Tower-B, SAS Tower, Medicity,  
Sector-38, Gurugram - 122001  
Ph: +91 124 3016500  
Fax: +91 124 4234468  
E-mail: [cs@lalpathlabs.com](mailto:cs@lalpathlabs.com)

The details of shareholders' complaints received and resolved during the Financial Year ended March 31, 2024 are given in the table below:

Particulars	No. of Complaints
Number of Shareholders' complaints outstanding as at April 1, 2023	3
Number of shareholders' complaints received during the Financial Year	93
Number of shareholders' complaints resolved to the satisfaction of shareholders during the Financial Year	95
Number of pending shareholders' complaints as at March 31, 2024	1*

\*Complaint has been resolved as on date

## VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the Financial Year 2023-24, two (2) meetings of Corporate Social Responsibility Committee were held on July 27, 2023 and February 01, 2024.

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

Name of Member	*Category	Position	No. of meetings, the Member entitled to attend	No. of meetings, the Member attended
(Hony) Brig. Dr. Arvind Lal	PED	Chairperson	2	2
Dr. Om Prakash Manchanda	ED	Member	2	2
Mr. Arun Duggal*	NEID	Member	1	1
Mr. Sunil Varma*	NEID	Member	1	1
Mr. Harneet Singh Chandhoke*	NEID	Member	1	1

#PED - Promoter Executive Director; NEID - Non-Executive Independent Director; ED- Executive Director

\*During the financial year under review, there were changes in the constitution of the Committee as detailed below:

- Mr. Harneet Singh Chandhoke and Mr. Sunil Varma ceased to be Members of the Committee, consequent to completion of their second term as Non- Executive Independent Directors of the Company w.e.f. August 20, 2023 (closing of business hours).
- Mr. Arun Duggal appointed as Member of the Committee w.e.f. August 21, 2023

The Company Secretary of the Company acted as the Secretary of the Committee.

### Terms of Reference

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

1. 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;
2. Recommend the amount of expenditure to be incurred on the CSR activities referred in Schedule VII;
3. Monitor the CSR Policy of the Company from time to time;
4. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of CSR Rules; and
5. Such other activities as the Board of Directors may determine from time to time.

## VII. RISK MANAGEMENT COMMITTEE

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

During the Financial Year 2023-24, two (2) meetings of Risk Management Committee were held on July 06, 2023 and December 14, 2023 and maximum time gap between two consecutive meeting did not exceed One Hundred and Eighty (180) days.

The composition of the Risk Management Committee and the attendance details of the members are given below:

Name of Member	#Category	Position	No. of meetings, the Member entitled to attend	No. of meetings, the Member attended
Ms. Somya Satsangi	NEID	Chairperson	2	2
Mr. Arun Duggal*	NEID	Member	1	1
Mr. Rohit Bhasin	NEID	Member	2	2
Mr. Rahul Sharma	NED	Member	2	2
Mr. Sunil Varma*	NEID	Member	1	0
Mr. Anoop Mahendra Singh*	NEID	Member	1	1
Mr. Bharath U*	CEO	Member	2	2
Mr. Munender Soperna	CIDO	Member	2	2

\*NEID - Non-Executive Independent Director; NED - Non-Executive Director, CEO - Chief Executive Officer, CIDO - Chief Information and Digital Officer

\*During the financial year under review, there were changes in the constitution of the Committee as detailed below:

- Mr. Anoop Mahendra Singh and Mr. Sunil Varma ceased to be Members of the Committee, consequent to completion of their second term as Non- Executive Independent Directors of the Company w.e.f. August 20, 2023 (closing of business hours).
- Mr. Arun Duggal appointed as Member of the Committee w.e.f. August 21, 2023.
- Mr. Bharath U ceased to be the Member of the Committee consequent to resignation as CEO of the Company w.e.f. May 9, 2024 (closing of business hours).

The 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:

- To formulate a detailed risk management policy which shall include:
  - 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;
  - Measures for risk mitigation including systems and processes for internal control of identified risks; and
  - Business continuity plan;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
- 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. SENIOR MANAGEMENT

Particulars of Senior Management as on March 31, 2024:

S. No.	Name	Designation	Change (Appointment/Resignation) during FY 2023-24
1	Mr. Bharath U *	Chief Executive Officer	-
2	Mr. Shankha Banerjee **	CEO Group/ Associates Companies	-
3	Mr. Ved Prakash Goel	Group Chief Financial Officer	-
4	Mr. Jai Prakash Meena	Chief Operating Officer	-
5	Mr. Munender Soperna	Chief Information & Digital Officer	-
6	Mr. Manoj Kumar Garg	Group Chief Human Resource Officer	-
7	Mr. Vinay Gujral	Company Secretary	Appointed w.e.f. May 11, 2023

\* Mr. Bharath U ceased to be Chief Executive Officer of the Company w.e.f. May 9, 2024 (Closing of business hours).

\*\* Mr. Shankha Banerjee re-designated as Chief Executive Officer of the Company w.e.f. May 21, 2024.

## IX. REMUNERATION OF DIRECTORS

The details of Remuneration of Directors for the Financial Year ended March 31, 2024 are given below:

(₹ in Million)

S. No.	Name of Director	Salary & Perquisites	Performance Linked Incentive	Commission Payable	Contribution towards Provident Fund	Sitting Fees	Severance Fee	Service Contract	Notice Period	Total
1	(Hony) Brig. Dr. Arvind Lal	29.38	-	-	0.76	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	30.14*
2	Dr. Vandana Lal	23.57	-	-	0.61	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	24.18*
3	Dr. Archana Lal Erdmann	-	-	2.00	-	0.25	-	-	-	2.25
4	Dr. Om Prakash Manchanda**	37.59	6.62	-	2.24	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	46.45*
5	Mr. Rahul Sharma***	-	-	2.00	-	0.65	-	-	-	2.65
6	Mr. Arun Duggal	-	-	2.50	-	1.35	-	-	-	3.85
7	Mr. Rohit Bhasin	-	-	2.00	-	0.60	-	-	-	2.60
8	Ms. Somya Satsangi	-	-	2.00	-	0.70	-	-	-	2.70
9	Mr. Gurinder Singh Kalra®	-	-	1.36	-	0.20	-	-	-	1.56
10	Mr. Rajit Mehta®	-	-	1.36	-	0.20	-	-	-	1.56
11	Mr. Sunil Varma#	-	-	0.61	-	0.90	-	-	-	1.51
12	Dr. Saurabh Srivastava#	-	-	0.61	-	0.30	-	-	-	0.91
13	Mr. Anoop Mahendra Singh#	-	-	0.61	-	0.40	-	-	-	1.01
14	Mr. Harneet Singh Chandhoke#	-	-	0.49	-	0.30	-	-	-	0.79

\*Does not include retiral benefits.

\*\* Does not include a non-cash (stock related) perk of ₹ 228.01 Million arising on exercise of Stock Options, vested over the previous years.

\*\*\*Does not include a non-cash (stock related) perk of ₹ 108.07 Million arising on exercise of Stock Options, vested over the previous years.

®Mr. Gurinder Singh Kalra and Mr. Rajit Mehta appointed as Non-Executive Independent Directors of the Company w.e.f. July 27, 2023.

#Mr. Sunil Varma, Dr. Saurabh Srivastava, Mr. Anoop Mahendra Singh and Mr. Harneet Singh Chandhoke, ceased to be Non-Executive Independent Directors of the Company upon completion of their second consecutive term w.e.f. August 20, 2023 (closing of business hours).

Dr. Om Prakash Manchanda was granted 60,000 stock options @ ₹ 2,174.94/- each under the Dr. Lal PathLabs Employee Stock Option Plan 2022 on July 27, 2023 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://uat-cdn.drlallab.com/2023-06/Nomination-and-Remuneration-Policy.pdf>

## X. GENERAL BODY MEETINGS

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

Financial Year	Date	Venue	Details of Special Resolution approved
2022-23	September 12, 2023 at 10.30 A.M.	Meeting held through Video Conferencing	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Gurinder Singh Kalra (DIN: 10197218) as an Independent Director of the Company</li> <li>2. Appointment of Mr. Rajit Mehta (DIN: 01604819) as an Independent Director of the Company</li> <li>3. Payment of Commission to Non-Executive Directors including Independent Directors</li> <li>4. Payment of remuneration in excess of 5% of Net Profits of the Company to Dr. Om Prakash Manchanda (DIN: 02099404), Managing Director, in the event of exercise of ESOPs</li> <li>5. Payment of remuneration in excess of 1% of Net Profits of the Company to Mr. Rahul Sharma (DIN: 00956625), Non-Executive Director, in the event of exercise of ESOPs</li> <li>6. Payment of remuneration to Mr. Rahul Sharma (DIN: 00956625), Non-Executive Director, in the event of exercise of ESOPs in excess of 50% of total remuneration payable to all Non-Executive Directors</li> <li>7. Payment of remuneration to Directors in excess of 11% of Net Profits of the Company, in the event of exercise of ESOPs</li> </ol>
2021-22	June 30, 2022 at 10:30 A.M.	Meeting held through Video Conferencing	<ol style="list-style-type: none"> <li>1. Approval of the "Dr. Lal PathLabs Employee Stock Option Plan 2022"</li> <li>2. 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"</li> <li>3. Approval of secondary acquisition of shares through Trust route for the implementation of "Dr. Lal PathLabs Employee Stock Option Plan 2022"</li> <li>4. Provision of money by the Company for subscription of its shares by the Trust under the "Dr. Lal PathLabs Employee Stock Option Plan 2022"</li> <li>5. 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</li> </ol>

Financial Year	Date	Venue	Details of Special Resolution approved
2020-21	July 29, 2021 at 10:30 A.M.	Meeting held through Video Conferencing	<ol style="list-style-type: none"> <li>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</li> <li>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</li> </ol>

## XI. POSTAL BALLOT

During the Financial Year 2023-24, your Company has not passed any resolution through postal ballot.

As on date of this report, none of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of resolution through postal ballot.

## XII. 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 financial results along with presentations made by the Company to Analysts/Investors are also posted on the website of the Company viz. [www.lalpathlabs.com](http://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 Members are disclosed to the Stock Exchanges, where the securities of the Company are listed.

## XIII. GENERAL SHAREHOLDER INFORMATION

**a) Corporate Identification Number:**  
L74899DL1995PLC065388

**b) Annual General Meeting:** The 30<sup>th</sup> Annual General Meeting of the Company is scheduled to be held as under:

Day, Date and Time	Saturday, June 29, 2024 at 10:00 AM (IST)
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated September 25, 2023 and May 5, 2020 and all other relevant circulars issued from time to time thus venue requirements are not applicable for this AGM. For other details please refer to the Notice of 30 <sup>th</sup> 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, 2023 to March 31, 2024.

**d) Final Dividend Payment:** On or before July 28, 2024

**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

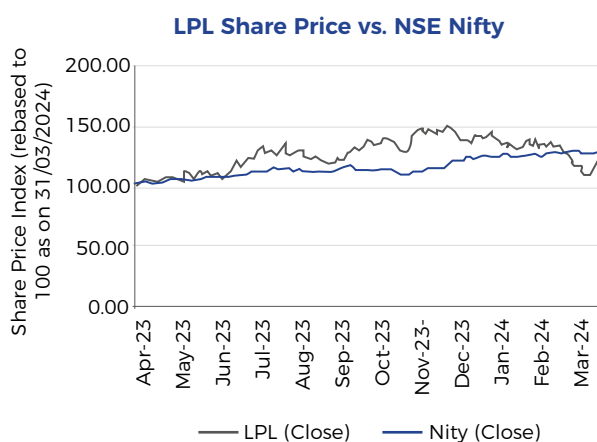
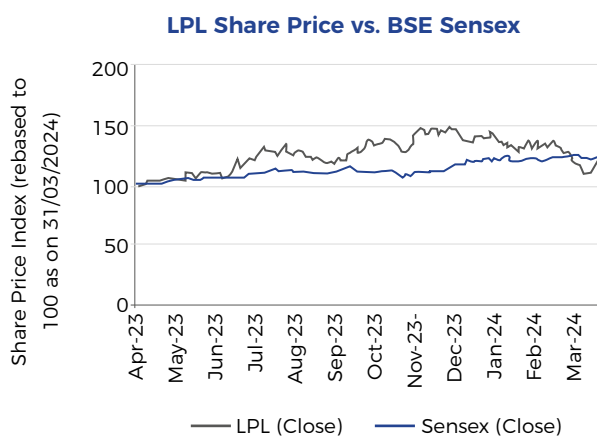
Listing fees for the Financial Year 2023-24 & 2024-25 have been paid to both the Stock Exchange.

## f) Market Price Data & Share price performance:

The monthly high & low Share price during each month of the Financial Year 2023-24 is as below:

Month	(₹ Per Share)			
	BSE		NSE	
	High	Low	High	Low
Apr-23	1,960.00	1,821.20	1,961.50	1,821.05
May-23	2,077.45	1,888.85	2,078.00	1,888.10
Jun-23	2,289.00	1,917.00	2,290.00	1,916.05
Jul-23	2,498.00	2,230.30	2,499.00	2,230.00
Aug-23	2,399.00	2,165.05	2,393.20	2,165.10
Sep-23	2,543.45	2,160.00	2,543.50	2,157.25
Oct-23	2,588.00	2,312.85	2,590.00	2,312.30
Nov-23	2,766.85	2,361.05	2,767.10	2,359.90
Dec-23	2,763.20	2,449.00	2,764.75	2,446.55
Jan-24	2,663.85	2,355.00	2,662.00	2,352.80
Feb-24	2,565.60	2,294.35	2,566.55	2,285.00
Mar-24	2,376.05	1,943.20	2,373.60	1,943.70

## 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, 1<sup>st</sup> 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](mailto: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. As on March 31, 2024, equity shares of the Company are in dematerialised form only.

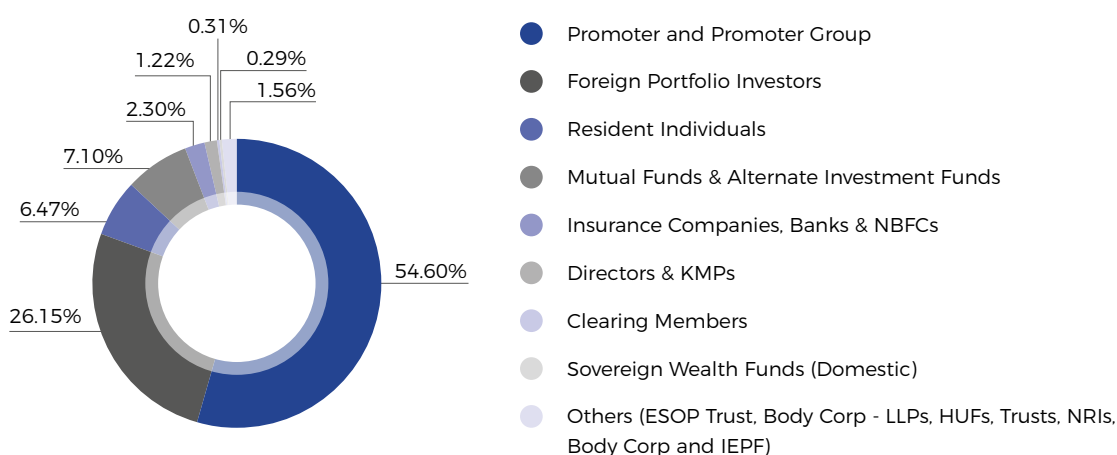
The Company obtains yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 from a Company Secretary in Practice and files a copy of the same with the Stock Exchanges.

**j) Distribution of shareholding as on March 31, 2024:****a) Distribution of Shareholding**

Slab	No. of Shareholders	% to Total No. of Shareholders	No. of Shares	% to Total No. of Shares
1 - 500	1,49,108	98.90	44,41,973	5.32
501 - 1,000	831	0.55	5,88,630	0.71
1,001 - 2,000	342	0.23	4,73,961	0.57
2,001 - 3,000	105	0.07	2,60,089	0.31
3,001 - 4,000	48	0.03	1,69,314	0.20
4,001 - 5,000	22	0.01	99,427	0.12
5,001 - 10,000	77	0.05	5,34,615	0.64
10,001 - Above	235	0.16	7,69,09,843	92.13
<b>Total</b>	<b>1,50,768</b>	<b>100</b>	<b>8,34,77,852</b>	<b>100.00</b>

**b) Categories of Equity Shareholders as on March 31, 2024**

S. No.	Category	No. of Shares	% to Total No. of Shares
1	Promoter and Promoter Group	4,55,81,135	54.60
2	Foreign Portfolio Investors	2,18,31,738	26.15
3	Resident Individuals	53,99,743	6.47
4	Mutual Funds & Alternate Investment Funds	59,27,335	7.10
5	Insurance Companies, Banks & NBFC	19,18,108	2.30
6	Directors & KMPs	10,19,554	1.22
7	Clearing Members	2,56,007	0.31
8	Sovereign Wealth Funds (Domestic)	2,42,804	0.29
	Others (ESOP Trust, Body Corp - LLPs, HUFs, Trusts, NRIs, Body Corp and IEPF)	13,01,428	1.56
	<b>TOTAL</b>	<b>8,34,77,852</b>	<b>100.00</b>

**Graphic presentation of the Shareholding pattern as on March 31, 2024****k) Dematerialisation of Shares and Liquidity:**

The shares of the Company are compulsorily traded in dematerialized form. As on March 31, 2024, equity shares of the Company are in dematerialized form only. The equity shares of the Company are actively traded at NSE & BSE.

**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**

Dr. Lal PathLabs Limited  
Block E, Sector-18, Rohini, New Delhi - 110085  
Ph: +91-11-4988-5050  
E-mail: [cs@lalpathlabs.com](mailto:cs@lalpathlabs.com)

**Corporate Office**

Dr. Lal PathLabs Limited  
12<sup>th</sup> Floor, Tower-B, SAS Tower, Medicity,  
Sector-38, Gurugram - 122001  
Ph: +91 124 3016500  
E-mail: [cs@lalpathlabs.com](mailto:cs@lalpathlabs.com)

Your Company has designated [cs@lalpathlabs.com](mailto: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) Credit Rating:**

CARE		
Name of Facility	Amount (₹ Million)	Rating
Long Term Bank Facilities	1,041.70	CARE AA; Stable

There was no revision in credit rating during the Financial Year 2023-24.

## XIV. 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. 47 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://uat-cdn.drlallab.com/2023-06/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 at <https://uat-cdn.drlallab.com/2023-06/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**

The Board of Directors of the Company have formulated a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company and can be accessed at: <https://uat-cdn.drlallab.com/2023-06/Policy-for-determining-Material-Subsidiaries.pdf>

As on March 31, 2024, there was no material subsidiary of the Company.

**f) Practicing CS Certification**

A certificate from a Company Secretary in Practice that as on March 31, 2024, 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 on a consolidated basis of the Company and its subsidiaries to the statutory auditor for all the services during the Financial Year 2023-24 is ₹ 26.21 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 ("the POSH Act") 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 POSH Act during the Financial Year 2023-24 is detailed below:

Particulars	No. of Complaint *
Complaint pending at beginning of Financial Year	0
Complaint received during Financial Year	3
Complaint resolved during Financial Year	2
Complaint pending at end of Financial Year	1

(\*) Out of the 3 cases reported, in 2 cases no harassment proven and 1 case was under investigation as on March 31, 2024.

**i) Detail of compliance with the 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**

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, 2024.

**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 11, 2023 without the presence of Non-Independent Directors and wherein all Independent Directors were present.

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. Chairman's Office**

Since your Company did not have a Non-Executive Chairman during the Financial Year 2023-24, 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.

## p) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised funds through preferential allotment or qualified institutions placement during the year.

## q) Reconciliation of Share Capital Audit

The Quarterly Audits were also carried out by the Practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The audit reports for the same were submitted to the Stock Exchange viz. BSE and NSE within timelines as prescribed under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The audit report confirms that the total issued / paid-up and listed capital is in agreement with the aggregate of the total number of shares in physical form, if any and the total number of shares in dematerialised form (held with NSDL and CDSL).

## r) Particulars of Loans and advances

During the year under review, the Company and/ or its subsidiaries have not given any Loans and advances, whether directly or indirectly to firms/ companies in which any of the Director is interested.

## s) Disclosure of agreements, if any, binding the Company

In terms of Regulation 30A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, there are no such agreements entered which will impact the management or control of the Company.

## t) Fund raising by issuance of debt securities

Pursuant to the relevant SEBI Circular(s) on framework for fund raising by issuance of debt

securities, during the year under review, your Company has not taken any term loan including raising of funds by issuance of debts securities.

## XV. 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 2023-24.

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 at: <https://uat-cdn.drlallab.com/2023-06/Code-of-Conduct-for-Directors-and-Senior-Management.pdf>

## XVI.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 Group 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**.

## XVII.COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificate on Corporate Governance issued by Company Secretary in Practice is annexed to this Report as **Annexure - D**.

## XVIII. MEMBERS SATISFACTION SURVEY

The Company invites feedback from all Members on various service areas that it continually works on.

The feedback in the form of a questionnaire is attached along with Notice of convening 30<sup>th</sup> Annual General Meeting.

Members are requested to fill up the "Members Satisfaction Survey" form and provide their valuable feedback by emailing the same at [cs@lalpathlabs.com](mailto:cs@lalpathlabs.com) through their registered e-mail ID or sending the signed copy to the Corporate Office of the Company at 12<sup>th</sup> Floor, Tower B, SAS Tower, Medicity, Sector-38, Gurugram - 122001.

**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 and 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](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and based on declarations received from respective Directors, We hereby certify that as on Financial Year ended on March 31, 2024 none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of the 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.	Mr. Arun Duggal	00024262	02/02/2023
5.	Dr. Om Prakash Manchanda	02099404	01/02/2011
6.	Mr. Rahul Sharma	00956625	22/07/2005
7.	Mr. Rohit Bhasin	02478962	08/11/2022
8.	Ms. Somya Satsangi	07275574	08/02/2019
9.	Mr. Gurinder Singh Kalra	10197218	27/07/2023
10.	Mr. Rajit Mehta	01604819	27/07/2023

Ensuring the eligibility 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 **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No: 4186/2023

**Dr. S. Chandrasekaran**

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

UDIN: F001644F000316750

Date: May 6, 2024

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, 2024

Date: May 8, 2024

Place: Gurugram

**Bharath U**

Chief Executive Officer

## 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 2023-24 and that to the best of our knowledge and belief:
  - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - II. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee:
  - I. Significant changes in the internal control over financial reporting during this year;
  - II. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Date: May 8, 2024

Place: Gurugram

**Bharath U**

Chief Executive Officer

**Ved Prakash Goel**

Group Chief Financial Officer

## Annexure - D

### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015

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

We have examined all relevant records of Dr. Lal PathLabs Limited ("the Company") for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate 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.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Chandrasekaran Associates**

Company Secretaries  
FRN: P1988DE002500  
Peer Review Certificate No: 4186/2023

**Dr. S. Chandrasekaran**

Senior Partner  
Membership No. FCS 1644  
Certificate of Practice No. 715  
UDIN: F001644F000316838

Date: May 10, 2024  
Place: Delhi

# **Financial Statements**

# Independent Auditor’s Report

## To The Members of Dr. Lal PathLabs Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Dr. Lal PathLabs Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2024, 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 ended on that date, and notes to the standalone financial statements including a summary of material 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, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, 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 (“SAs”) specified under section 143(10) of the Act. 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><b>Revenue recognition - Reliance on information technology and system for controls over pricing master file</b></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"> <li>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.</li> <li>Tested the controls around the access rights to the price masters by involving information technology specialists.</li> <li>Tested the automated controls for auto pick of the prices defined in the system based on the tests selected.</li> <li>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.</li> <li>Selected samples of the invoices and verified the billed price in respect thereof, to the underlying agreements.</li> </ul>

# Independent Auditor's Report (Contd..)

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Impairment of investment in Suburban Diagnostics (India) Private Limited ('SDIPL'): (Refer to note 6 to the standalone financial statements)</b></p> <p>The Company has investments in SDIPL amounting to ₹ 9,598.62 million as at 31 March 2024</p> <p>We considered this as key audit matter due to the significance of the investment amount involved 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"> <li>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;</li> <li>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;</li> <li>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;</li> <li>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);</li> <li>We have also assessed the adequacy of the related disclosure to be made in the standalone financial statements.</li> </ul>

## Information Other than the 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 and Sustainability 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.

## Responsibilities of Management and Those Charged with Governance 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for

# Independent Auditor's Report (Contd..)

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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 controls 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 with reference to standalone financial statements 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 financial controls 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.

# Independent Auditor's Report (Contd..)

## 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, except for not complying with the requirement of audit trail as stated in (i)(vi) below.
  - 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
  - g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements.
  - h) 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.
    - i) 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 51 to the standalone financial statements.
      - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer note 52 to the standalone financial statements.
      - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 48(h) 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, as disclosed in note 48(i) 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

# Independent Auditor's Report (Contd..)

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 20(iv) to the standalone 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. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended

31 March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled at the database level to log any direct data changes. (Refer note 44A to the financial statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March, 2024.

- 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

Place: New Delhi  
Date: 10 May, 2024

(Membership No. 087104)  
(UDIN: 24087104BKCUDL6571)

# “Annexure A” to the Independent Auditor’s Report

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

**Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to standalone financial statements of Dr. Lal PathLabs Limited (“the Company”) as at 31 March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on “the internal control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements. 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 with reference to standalone financial

statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements.

## Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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.

## “Annexure A” to the Independent Auditor’s Report (Contd..)

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements

and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March, 2024, based on the criteria for internal financial control with reference to standalone financial statements 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: 24087104BKCUDL6571)

Place: New Delhi

Date: 10 May, 2024

## “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, investment property 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, investment property 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, investment property 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) disclosed in the standalone 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/ 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 standalone financial statements (₹ Million)				
Flat No 4A, First Floor, 11 B.T. Road, Baranagar, Parganas (North), Kolkata.	0.18	0.08	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 19 August, 2015.
Flat No 4, First Floor, 11 B.T. Road, Baranagar, Parganas (North), Kolkata.	0.18	0.08	Dr. Lal PathLabs Private Limited	No	1 April, 2013	

## “Annexure B” to the Independent Auditor’s Report (Contd..)

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 standalone financial statements (₹ Million)				
Flat no. 3, Premises no. 11, Mouza Nainan, B.T. Road, Baranagar, Parganas (North), Kolkata along with garage.	0.18	0.08	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
Room No 7 & 8, 48B, B.T. Road, Baranagar, Parganas (North), Kolkata.	0.10	0.05	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
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	

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 standalone financial statements (₹ Million)				
Leasehold building situated at Sector 18, Block E, Rohini, Delhi.	130.27	75.20	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.

## “Annexure B” to the Independent Auditor’s Report (Contd..)

- (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 March 31, 2024 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. In our opinion and according to the information and explanations given to us, 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 other parties 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)
	<b>Loans</b>
A. Aggregate amount granted / provided during the year:	
- Others	22.02
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Others	11.93

- (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 or Limited Liability Partnerships 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

## “Annexure B” to the Independent Auditor’s Report (Contd..)

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 Services tax, Provident Fund, Employees’ State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the operations of the Company did not give rise to any liability of Sales Tax, Service Tax, duty of Excise and Value Added Tax during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March, 2024 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 Services tax, Provident Fund, Employees’ State Insurance, Income tax, Sales tax, Service 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, 2024.

(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) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence,

reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the standalone 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 standalone 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 any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(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

(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 standalone financial statements etc. as required by the applicable accounting standards.

## “Annexure B” to the Independent Auditor’s Report (Contd..)

(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 standalone 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 is 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: 10 May, 2024

(Membership No. 87104)  
(UDIN: 24087104BKCUDL6571)

# Standalone Balance Sheet

as at 31 March, 2024

(in ₹ million, unless otherwise stated)

Particulars	Notes	As at 31 March, 2024	As at 31 March, 2023
<b>Assets</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3a	1,665.91	1,660.58
(b) Right-of-use assets	3b	1,273.90	1,791.13
(c) Capital work-in-progress	3c	39.51	29.67
(d) Investment property	3d	337.05	-
(e) Goodwill	4	10.80	10.80
(f) Other intangible assets	5	139.09	152.25
(g) Intangible assets under development	5	16.97	19.71
(h) Financial assets			
(i) Investments	6	10,728.00	10,720.29
(ii) Loans	7	0.32	0.56
(iii) Other financial assets	8	198.73	249.48
(i) Non-current tax assets (net)	9	135.40	130.34
(j) Deferred tax assets (net)	10	386.26	325.52
(k) Other non-current assets	11	16.96	9.66
<b>Total non-current assets</b>		<b>14,948.90</b>	<b>15,099.99</b>
<b>2. Current assets</b>			
(a) Inventories	12	275.17	233.36
(b) Financial assets			
(i) Investments	13	700.27	1,413.80
(ii) Trade receivables	14	777.92	633.24
(iii) Cash and cash equivalents	15a	3,258.32	2,203.18
(iv) Bank balances other than (iii) above	15b	3,572.83	3,138.99
(v) Loans	16	11.61	12.39
(vi) Other financial assets	17	418.44	313.87
(c) Other current assets	18	190.94	152.90
<b>Total current assets</b>		<b>9,205.50</b>	<b>8,101.73</b>
<b>Total assets</b>		<b>24,154.40</b>	<b>23,201.72</b>
<b>Equity and liabilities</b>			
<b>1. Equity</b>			
(a) Equity share capital	19	834.78	833.68
(b) Other equity	20	18,161.84	16,064.96
<b>Total equity</b>		<b>18,996.62</b>	<b>16,898.64</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	-	833.34
(ia) Lease liabilities		913.36	1,148.13
<b>Total non-current liabilities</b>		<b>913.36</b>	<b>1,981.47</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	833.34	1,533.37
(ia) Lease liabilities		528.16	439.64
(ii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		59.78	60.54
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,613.35	1,341.02
<b>sub-total</b>		<b>1,673.13</b>	<b>1,401.56</b>
(iii) Other financial liabilities	24	454.81	428.59
(b) Provisions	25	306.58	232.40
(c) Current tax liabilities (net)	9	131.61	4.92
(d) Other current liabilities	26	316.79	281.13
<b>Total current liabilities</b>		<b>4,244.42</b>	<b>4,321.61</b>
<b>Total liabilities</b>		<b>5,157.78</b>	<b>6,303.08</b>
<b>Total equity and liabilities</b>		<b>24,154.40</b>	<b>23,201.72</b>
<b>See accompanying notes to the standalone financial statements</b>	<b>1-53</b>		

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants**Jitendra Agarwal**  
Partner  
Place: New Delhi  
Date: 10 May, 2024For and on behalf of the Board of Directors of  
**Dr. Lal PathLabs Limited****(Hony) Brig. Dr. Arvind Lal**  
(DIN: 00576638)  
[Executive Chairman]  
Place: New Delhi  
Date: 10 May, 2024**Dr. Om Prakash Manchanda**  
(DIN: 02099404)  
[Managing Director]  
Place: New Delhi  
Date: 10 May, 2024**Ved Prakash Goel**  
[Chief Financial Officer]  
Place: New Delhi  
Date: 10 May, 2024**Vinay Gujral**  
[Company Secretary]  
Place: New Delhi  
Date: 10 May, 2024

# Standalone Statement of Profit and Loss

for the year ended 31 March, 2024

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>1. Income</b>			
(a) Revenue from operations	27	19,667.58	17,690.30
(b) Other income	28	601.06	466.00
<b>Total income</b>		<b>20,268.64</b>	<b>18,156.30</b>
<b>2. Expenses</b>			
(a) Cost of materials consumed	29	3,907.56	3,896.36
(b) Employee benefits expense	30	3,635.89	3,155.00
(c) Finance costs	31	268.36	343.83
(d) Depreciation and amortisation expense	32	765.39	820.91
(e) Fees to collection centers/channel partners		2,947.84	2,664.54
(f) Other expenses	33	3,583.89	3,367.39
<b>Total expenses</b>		<b>15,108.93</b>	<b>14,248.03</b>
<b>3. Profit before tax</b>		<b>5,159.71</b>	<b>3,908.27</b>
<b>4. Tax expense</b>			
(a) Current tax	34	1,375.83	1,014.43
(b) Deferred tax	10	(59.82)	(29.74)
<b>Total tax expense</b>		<b>1,316.01</b>	<b>984.69</b>
<b>5. Profit for the year (A)</b>		<b>3,843.70</b>	<b>2,923.58</b>
<b>6. Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss		(3.66)	25.91
- Remeasurement of the defined benefit obligations			
- Income tax in relation to items that will not be reclassified to profit or loss	10	0.92	(6.52)
<b>Total other comprehensive income/ (loss) (B)</b>		<b>(2.74)</b>	<b>19.39</b>
<b>7. Total comprehensive income for the year (A+B)</b>		<b>3,840.96</b>	<b>2,942.97</b>
<b>8. Earnings per equity share</b>	35		
- Basic earnings per share (Face value of ₹ 10 each)		46.25	35.28
- Diluted earnings per share (Face value of ₹ 10 each)		46.18	35.17
<b>See accompanying notes to the standalone financial statements</b>	<b>1-53</b>		

In terms of our report of even date attached

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

**Jitendra Agarwal**  
Partner  
Place: New Delhi  
Date: 10 May, 2024

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

**(Hony) Brig. Dr. Arvind Lal**  
(DIN: 00576638)  
[Executive Chairman]  
Place: New Delhi  
Date: 10 May, 2024

**Ved Prakash Goel**  
[Chief Financial Officer]  
Place: New Delhi  
Date: 10 May, 2024

**Dr. Om Prakash Manchanda**  
(DIN: 02099404)  
[Managing Director]  
Place: New Delhi  
Date: 10 May, 2024

**Vinay Gujral**  
[Company Secretary]  
Place: New Delhi  
Date: 10 May, 2024

# Standalone Cash Flow Statement

for the year ended 31 March, 2024

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Cash flows from operating activities</b>			
Profit for the year		3,843.70	2,923.58
<b>Adjustments for :</b>			
Tax expense		1,316.01	984.69
Interest income		(447.32)	(274.67)
Rental income from investment property		(20.12)	-
Dividend income from a subsidiary company		(32.00)	(120.00)
Gain on sale or fair valuation of investments (at FVTPL)		(87.86)	(48.36)
Surrender value of keyman insurance policy (at FVTPL)		(9.29)	(6.96)
(Profit)/Loss on disposal/discard of property, plant and equipment (net)		(3.34)	(15.04)
Expense recognised in respect of employee share based compensation		208.43	212.46
Finance costs		268.36	343.83
Depreciation and amortisation expense		765.39	820.91
Provision for impairment of trade receivables and advances		0.83	15.09
Bad debts / advances written off (net)		3.47	2.19
Security deposits amortisation		-	7.73
Remeasurement of the defined benefit obligation		(3.66)	25.91
<b>Operating profit before working capital changes</b>		<b>5,802.60</b>	<b>4,871.36</b>
<b>Changes in working capital:</b>			
<b>Adjustment for (increase)/decrease in operating assets:</b>			
(Increase)/decrease in inventories		(41.81)	165.01
(Increase)/decrease in trade receivables		(148.98)	19.66
(Increase)/decrease in loans		1.02	(2.51)
(Increase)/decrease in other financial assets		11.25	6.97
(Increase)/decrease in other assets		(32.28)	6.94
<b>Adjustment for increase/(decrease) in operating liabilities:</b>			
Increase/(decrease) in trade payables		271.57	166.82
Increase/(decrease) in other financial liabilities		56.99	15.27
Increase/(decrease) in provisions		74.18	26.06
Increase/(decrease) in other liabilities		35.66	(9.01)
<b>Cash generated from operations</b>		<b>6,030.20</b>	<b>5,266.57</b>
Income taxes paid (net)		(1,254.21)	(991.26)
<b>Net cash generated from operating activities (a)</b>		<b>4,775.99</b>	<b>4,275.31</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment		(448.92)	(317.05)
Proceeds from disposal of property, plant and equipment		8.16	0.90
Payments for purchase of other intangible assets		(43.70)	(62.65)
Dividend received from a subsidiary company		32.00	120.00
Interest received		357.35	274.48
Rental income from investment property		20.12	-
Net cash outflow for investment in subsidiaries		(7.71)	(219.51)
Payments for purchase of investments in mutual funds		(2,843.23)	(3,075.59)
Proceeds from sale of investments in mutual funds		3,644.61	1,710.15
Bank deposits placed with the banks		(5,713.79)	(6,765.05)
Bank deposits with banks encashed		5,314.22	5,449.61
<b>Net cash flow from/(used in) investing activities (b)</b>		<b>319.11</b>	<b>(2,884.71)</b>

# Standalone Cash Flow Statement

for the year ended 31 March, 2024

(in ₹ million, unless otherwise stated)

Particulars	Notes	(in ₹ million, unless otherwise stated)	
		Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Cash flows from financing activities</b>			
Proceeds from exercise of share options		34.88	8.72
Repayment of application money received at the time of IPO		-	1.43
Repayment of borrowings		(1,533.37)	(1,087.52)
Interest paid		(93.39)	(151.87)
Repayment of lease liability		(278.42)	(285.15)
Interest paid on lease liability		(174.97)	(191.96)
Dividend paid on equity shares		(1,994.69)	(994.13)
<b>Net cash used in financing activities (c)</b>		<b>(4,039.96)</b>	<b>(2,700.48)</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>		<b>1,055.14</b>	<b>(1,309.88)</b>
Cash and cash equivalents at the beginning of the year	15a	2,203.18	3,513.06
<b>Cash and cash equivalents at the end of the year</b>	15a	<b>3,258.32</b>	<b>2,203.18</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		14.23	8.52
Balance with scheduled banks:			
- on current accounts		123.90	43.84
- on cash credit accounts		20.54	4.86
- deposits with maturity of less than 3 months		3,099.65	2,145.96
<b>Cash and cash equivalents in Cash Flow Statement</b>	15a	<b>3,258.32</b>	<b>2,203.18</b>
<b>See accompanying notes to the standalone financial statements</b>	<b>1-53</b>		

In terms of our report of even date attached

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

**Jitendra Agarwal**  
Partner  
Place: New Delhi  
Date: 10 May, 2024

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

**(Hony) Brig. Dr. Arvind Lal**  
(DIN: 00576638)  
[Executive Chairman]  
Place: New Delhi  
Date: 10 May, 2024

**Ved Prakash Goel**  
[Chief Financial Officer]  
Place: New Delhi  
Date: 10 May, 2024

**Dr. Om Prakash Manchanda**  
(DIN: 02099404)  
[Managing Director]  
Place: New Delhi  
Date: 10 May, 2024

**Vinay Gujral**  
[Company Secretary]  
Place: New Delhi  
Date: 10 May, 2024

# Standalone Statement of Changes in Equity

for the year ended 31 March, 2024

## a. Equity share capital

Particulars	(in ₹ million, unless otherwise stated)	
		Amount
<b>Balance as at 1 April, 2022</b>		<b>833.45</b>
Equity share capital issued against share options		0.23
<b>Balance as at 31 March, 2023</b>		<b>833.68</b>
<b>Balance as at 1 April, 2023</b>		<b>833.68</b>
Equity share capital issued against share options		1.10
<b>Balance as at 31 March, 2024</b>		<b>834.78</b>

## b. Other equity

Particulars	(in ₹ million, unless otherwise stated)							Total other equity
	Capital reserve	Capital redemption reserve account	Securities premium	General reserve	Share options outstanding account	Treasury shares	Retained earnings	
<b>Balance as at 1 April, 2022</b>	<b>(105.25)</b>	<b>4.45</b>	<b>927.95</b>	<b>810.01</b>	<b>574.40</b>	<b>(161.72)</b>	<b>11,837.87</b>	<b>13,887.71</b>
Profit for the year	-	-	-	-	-	-	2,923.58	<b>2,923.58</b>
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	19.39	<b>19.39</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>2,942.97</b>	<b>2,942.97</b>
Movement during the year on account of issue of equity shares	-	-	6.93	-	-	-	-	<b>6.93</b>
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(994.25)	<b>(994.25)</b>
Share options exercised during the year (Refer to note 20 and 45)	-	-	-	172.62	(206.67)	43.19	-	<b>9.14</b>
Employee share based compensation expense (Refer to note 30)	-	-	-	-	212.46	-	-	<b>212.46</b>
<b>Balance as at 31 March, 2023</b>	<b>(105.25)</b>	<b>4.45</b>	<b>934.88</b>	<b>982.63</b>	<b>580.19</b>	<b>(118.53)</b>	<b>13,786.59</b>	<b>16,064.96</b>

# Standalone Statement of Changes in Equity

for the year ended 31 March, 2024

(in ₹ million, unless otherwise stated)

Particulars	Reserves and surplus							Total other equity
	Capital reserve	Capital redemption reserve account	Securities premium	General reserve	Share options outstanding account	Treasury shares	Retained earnings	
<b>Balance as at 1 April, 2023</b>	<b>(105.25)</b>	<b>4.45</b>	<b>934.88</b>	<b>982.63</b>	<b>580.19</b>	<b>(118.53)</b>	<b>13,786.59</b>	<b>16,064.96</b>
Profit for the year	-	-	-	-	-	-	3,843.70	<b>3,843.70</b>
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	(2.74)	<b>(2.74)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,840.96</b>	<b>3,840.96</b>
Movement during the year on account of issue of equity shares	-	-	114.03	-	-	-	-	<b>114.03</b>
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(1,994.78)	<b>(1,994.78)</b>
Share options exercised during the year (Refer to note 20 and 45)	-	-	-	232.15	(278.54)	(25.37)	-	<b>(71.76)</b>
Employee share based compensation expense (Refer to note 30)	-	-	-	-	208.43	-	-	<b>208.43</b>
<b>Balance as at 31 March, 2024</b>	<b>(105.25)</b>	<b>4.45</b>	<b>1,048.91</b>	<b>1,214.78</b>	<b>510.08</b>	<b>(143.90)</b>	<b>15,632.77</b>	<b>18,161.84</b>

See accompanying notes to the standalone financial statements 1-53

In terms of our report of even date attached

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

**Jitendra Agarwal**  
Partner  
Place: New Delhi  
Date: 10 May, 2024

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

**(Hony) Brig. Dr. Arvind Lal**  
(DIN: 00576638)  
[Executive Chairman]  
Place: New Delhi  
Date: 10 May, 2024

**Dr. Om Prakash Manchanda**  
(DIN: 02099404)  
[Managing Director]  
Place: New Delhi  
Date: 10 May, 2024

**Ved Prakash Goel**  
[Chief Financial Officer]  
Place: New Delhi  
Date: 10 May, 2024

**Vinay Gujral**  
[Company Secretary]  
Place: New Delhi  
Date: 10 May, 2024

# Notes to the Standalone Financial Statements

## 1. GENERAL INFORMATION

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

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

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

- ii. A Scheme of Amalgamation between the Company ("Transferee Company") and its wholly owned subsidiary, by the name of APL Institute of Clinical Laboratory & Research Private Limited ("Transferor Company") with an appointed date of April 1, 2020 (herein after referred to as "Scheme of Amalgamation"/"Scheme") was approved by the Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal ('Hon'ble Tribunal' or 'NCLT') on May 13, 2022 and March 17, 2023 respectively. Pursuant to the Scheme becoming effective, the amalgamation has been accounted for under the 'pooling of interests' method and the assets, liabilities and reserves of the Transferor Company have been accounted for at their book value, in the books of account of the Company.

Consequent to the scheme becoming effective from 1 April 2020, the appointed date, the Company had accounted for amalgamation in accordance with Ind AS 103 "Business Combinations" and restated the amounts with effect from 1 April 2019 (the beginning of the preceding year from the appointed date), as described in note 42A

## 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 categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

### 2.3 Revenue recognition

The Company's revenue is primarily generated from business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, 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.

# Notes to the Standalone Financial Statements

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.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of discounts and schemes offered to the customers by the Company.

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 net of discounts. The price that is regularly charged for a test when registered separately is the best evidence of its standalone selling price.

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

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as "unearned revenue"). Refer to note 26.

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.

The Company has also entered into lease agreements as a lessor with respect to some of its investment properties.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease which is forming part of 'other income'.

### 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's lease asset classes primarily consist of leases for land and building. 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 Right-of-use assets are initially recognised at cost, which comprises the amount of the initial measurement of the lease liability adjusted

# Notes to the Standalone Financial Statements

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 subsequently 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 lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The interest cost on lease liability (computed using effective interest method), is expensed in the Statement of Profit and Loss.

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 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.

Lease liabilities and right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified

as financing cash flows. This does not apply to right-of-use assets that meet the definition of investment property, which has been presented in the Balance Sheet as investment property.

## 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 (INR), which is the Company's functional and presentation currency.

## 2.6 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

### 2.6.1 Defined contribution plan

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

### 2.6.2 Defined benefit plan

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

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated

# Notes to the Standalone Financial Statements

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:

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

## Long-term employee benefits

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

## 2.7 Taxation

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

### 2.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The 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.

# Notes to the Standalone Financial Statements

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

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

### 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.

# Notes to the Standalone Financial Statements

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.

## 2.8.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16, "Property, plant and equipment" requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Depreciation methods, useful lives and residual values are in accordance with the policy of property, plant and equipment.

## 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.

# Notes to the Standalone Financial Statements

## 2.9.4 Derecognition of intangible asset

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

## 2.10 Impairment of tangible and intangible assets other than goodwill

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## 2.11 Inventories

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

## 2.12 Provisions, contingent liability and contingent asset

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

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

Contingent assets are disclosed in the Standalone Financial Statements by way of notes to Standalone Financial Statements 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, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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.

# Notes to the Standalone Financial Statements

Trade receivables are initially measured (initial recognition amount) at their transaction price (in accordance with Ind AS 115) unless those contain a significant financing component determined in accordance with Ind AS 115 or when the entity applies the practical expedient in accordance with para 63 of Ind AS 115 and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## 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.

# Notes to the Standalone Financial Statements

## 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

# Notes to the Standalone Financial Statements

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 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

# Notes to the Standalone Financial Statements

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 3a).

### 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).

### Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which intangible assets 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 5).

### Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates (Refer to note 43)

## 2A Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2024.

# Notes to the Standalone Financial Statements

## Note 3a: Property, plant and equipment

(Refer to Note 2.8.6)

Particulars	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2024	As at 31 March, 2023
<b>Carrying amounts of:</b>		
Freehold land	109.57	109.57
Freehold buildings	10.46	11.46
Leasehold buildings	257.81	286.61
Plant and equipment	922.40	910.07
Computers	63.00	67.23
Furniture and fixtures	22.74	27.93
Vehicles	17.91	17.78
Leasehold improvements	262.02	229.93
	<b>1,665.91</b>	<b>1,660.58</b>
Capital work-in-progress	39.51	29.67

Particulars	(in ₹ million, unless otherwise stated)									
	Freehold land	Freehold buildings	Leasehold buildings	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total	
<b>Cost or deemed cost</b>										
Balance as at 1 April, 2022	109.57	18.66	507.14	1,745.31	361.81	89.91	44.89	446.33	3,323.62	
Additions	-	-	7.83	240.52	36.98	11.06	-	102.96	399.35	
Disposals/adjustments	-	-	(1.73)	(17.91)	(1.70)	(4.02)	(0.13)	(19.25)	(44.74)	
Balance as at 31 March, 2023	109.57	18.66	513.24	1,967.92	397.09	96.95	44.76	530.04	3,678.23	
Additions	-	0.28	-	249.82	38.82	5.51	9.05	100.10	403.58	
Disposals/adjustments	-	-	-	(68.71)	(20.40)	(4.07)	(6.75)	(5.86)	(105.79)	
Balance as at 31 March, 2024	109.57	18.94	513.24	2,149.03	415.51	98.39	47.06	624.28	3,976.02	
<b>Accumulated depreciation</b>										
Balance as at 1 April, 2022	-	5.92	194.41	839.62	283.82	59.77	19.05	250.16	1,652.75	
Elimination on disposals of assets	-	-	(0.49)	(17.47)	(1.67)	(3.88)	(0.11)	(17.46)	(41.08)	
Depreciation expense	-	1.28	32.71	235.70	47.71	13.13	8.04	67.41	405.98	
Balance as at 31 March, 2023	-	7.20	226.63	1,057.85	329.86	69.02	26.98	300.11	2,017.65	
Elimination on disposals of assets	-	-	-	(61.37)	(20.03)	(4.06)	(5.70)	(5.86)	(97.02)	
Depreciation expense	-	1.28	28.80	230.15	42.68	10.69	7.87	68.01	389.48	
Balance as at 31 March, 2024	-	8.48	255.43	1,226.63	352.51	75.65	29.15	362.26	2,310.11	
<b>Carrying amount</b>										
Balance as at 1 April, 2022	109.57	12.74	312.73	905.69	77.99	30.14	25.84	196.17	1,670.87	
Additions	-	-	7.83	240.52	36.98	11.06	-	102.96	399.35	
Disposals/adjustments	-	-	(1.24)	(0.44)	(0.03)	(0.14)	(0.02)	(1.79)	(3.66)	
Depreciation expense	-	(1.28)	(32.71)	(235.70)	(47.71)	(13.13)	(8.04)	(67.41)	(405.98)	
Balance as at 31 March, 2023	109.57	11.46	286.61	910.07	67.23	27.93	17.78	229.93	1,660.58	
Additions	-	0.28	-	249.82	38.82	5.51	9.05	100.10	403.58	
Disposals/adjustments	-	-	-	(7.34)	(0.37)	(0.01)	(1.05)	-	(8.77)	
Depreciation expense	-	(1.28)	(28.80)	(230.15)	(42.68)	(10.69)	(7.87)	(68.01)	(389.48)	
Balance as at 31 March, 2024	109.57	10.46	257.81	922.40	63.00	22.74	17.91	262.02	1,665.91	

### Notes:

- The Company had not revalued its property, plant and equipment during the year ended 31 March, 2024 and 31 March, 2023.
- Refer note 48 in respect of title deeds of immovable properties not in the name of the Company.
- Refer to note 21 (Non-current borrowings) and 22 (Current borrowings) for disclosure of assets held as security.

# Notes to the Standalone Financial Statements

## Note 3b: Right-of-use-assets

(in ₹ million, unless otherwise stated)

	Right-of-use land	Right-of-use buildings	Total
<b>Gross carrying value</b>			
<b>Balance as at 1 April, 2022</b>	<b>160.26</b>	<b>2,609.53</b>	<b>2,769.79</b>
Additions	-	398.12	398.12
Disposals	-	(110.56)	(110.56)
<b>Balance as at 31 March, 2023</b>	<b>160.26</b>	<b>2,897.09</b>	<b>3,057.35</b>
Additions	-	149.08	149.08
Transfer to investment property	-	(339.66)	(339.66)
Disposals	-	(12.95)	(12.95)
<b>Balance as at 31 March, 2024</b>	<b>160.26</b>	<b>2,693.56</b>	<b>2,853.82</b>
<b>Accumulated depreciation</b>			
<b>Balance as at 1 April, 2022</b>	<b>4.92</b>	<b>913.36</b>	<b>918.28</b>
Elimination on disposals of assets	-	-	-
Depreciation expense	1.64	346.30	347.94
<b>Balance as at 31 March, 2023</b>	<b>6.56</b>	<b>1,259.66</b>	<b>1,266.22</b>
Elimination on disposals of assets	-	-	-
Depreciation expense	1.64	312.06	313.70
<b>Balance as at 31 March, 2024</b>	<b>8.20</b>	<b>1,571.72</b>	<b>1,579.92</b>
<b>Net carrying value</b>			
<b>Balance as at 1 April, 2022</b>	<b>155.34</b>	<b>1,696.17</b>	<b>1,851.51</b>
Additions	-	398.12	398.12
Disposals	-	(110.56)	(110.56)
Depreciation expense	(1.64)	(346.30)	(347.94)
<b>Balance as at 31 March, 2023</b>	<b>153.70</b>	<b>1,637.43</b>	<b>1,791.13</b>
Additions	-	149.08	149.08
Transfer to investment property	-	(339.66)	(339.66)
Disposals	-	(12.95)	(12.95)
Depreciation expense	(1.64)	(312.06)	(313.70)
<b>Balance as at 31 March, 2024</b>	<b>152.06</b>	<b>1,121.84</b>	<b>1,273.90</b>

### Notes:

- The Company had not revalued its right-of use assets during the year ending 31 March, 2024 and 31 March, 2023
- Refer to note 48 in respect of immovable properties that have been taken on lease and the lease agreements are not duly executed in favour of the Company.

## Note 3c: Capital-Work-in Progress ('CWIP)

### (a) CWIP ageing schedule

(in ₹ million, unless otherwise stated)

	As at 31 March, 2024	As at 31 March, 2023
<b>Projects in progress</b>		
- Less than 1 year	39.51	29.67
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(A)</b>	<b>39.51</b>	<b>29.67</b>
<b>Projects temporarily suspended</b>		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>
<b>Total ( A+B )</b>	<b>39.51</b>	<b>29.67</b>

- (b) There is no capital-work-progress, whose completion is overdue or has exceeded its cost compared to its original plan.**

# Notes to the Standalone Financial Statements

## Note 3d: Investment property

(Refer to Note 2.8.6)

(in ₹ million, unless otherwise stated)

	<b>Total</b>
<b>Cost</b>	
<b>Balance as at 1 April, 2022</b>	-
Additions	-
Disposals	-
Exchange Difference	-
<b>Balance as at 31 March, 2023</b>	-
Additions	-
Disposals	-
Exchange Difference	-
Transferred from Right-of-use asset	339.66
<b>Balance as at 31 March, 2024</b>	<b>339.66</b>
<b>Accumulated depreciation</b>	
<b>Balance as at 1 April, 2022</b>	-
Elimination on disposals of assets	-
Depreciation expense	-
<b>Balance as at 31 March, 2023</b>	-
Elimination on disposals of assets	-
Depreciation expense	2.61
<b>Balance as at 31 March, 2024</b>	<b>2.61</b>
<b>Net carrying value</b>	
<b>Balance as at 1 April, 2022</b>	-
Additions	-
Disposals	-
Depreciation expense	-
<b>Balance as at 31 March, 2023</b>	-
Additions	-
Transferred from Right-of-use asset	339.66
Disposals	-
Depreciation expense	(2.61)
<b>Balance as at 31 March, 2024</b>	<b>337.05</b>

### Notes:

- All of the investment properties are held under leasehold interests.
- There is no impairment in respect of investment property.

### Disclosure of information on fair value of the Company's investment properties

- During the year ended 31 March 2024, the Company has classified Right-of-use of buildings relating to 7<sup>th</sup> and 8<sup>th</sup> Floor of SAS Tower, Gurugram into Investment property as per Ind AS 40. The fair value of the same 31 March, 2024 has been arrived at ₹ 428.77 million on the basis on valuation carried by A2ZVALUERS, independent valuer not connected with the Company, using the market value by income approach. Independent valuer is a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. In estimating the fair value of the properties, the highest and best use of the properties is their current use.
- The property rental income earned by the Company from its Investment property, all of which is leased out under operating leases, amounted to ₹ 20.12 million. Direct operating expenses arising on the investment property, all of which generated rental income in the year, amounted to Nil.

# Notes to the Standalone Financial Statements

## Note 4: Goodwill

(Refer to note 2.16)

(in ₹ million, unless otherwise stated)

	As at 31 March, 2024	As at 31 March, 2023
<b>Cost or deemed cost</b>	10.80	10.80
<b>Accumulated impairment loss</b>	-	-
	<b>10.80</b>	<b>10.80</b>

	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Cost or deemed cost</b>		
Balance at the beginning of year	10.80	10.80
Additions on account of acquisitions	-	-
	<b>10.80</b>	<b>10.80</b>

	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Accumulated impairment loss</b>		
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 12.5% per annum (as at 31 March, 2023: 12.50% 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% per annum (as at March 31, 2023: 5% 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.

## Note 5: Other intangible assets

(in ₹ million, unless otherwise stated)

	As at 31 March, 2024	As at 31 March, 2023
<b>Carrying amounts of :</b>		
Computer software	138.22	150.80
Trademarks	0.87	1.45
	<b>139.09</b>	<b>152.25</b>
<b>Intangible assets under development</b>	16.97	19.71

# Notes to the Standalone Financial Statements

## Note 5: Other intangible assets (Contd..)

(in ₹ million, unless otherwise stated)

	Computer software	Trademarks	Total
<b>Cost or deemed cost</b>			
<b>Balance as at 1 April, 2022</b>	<b>553.01</b>	<b>14.06</b>	<b>567.07</b>
Additions	42.94	-	42.94
Disposals	-	-	-
<b>Balance as at 31 March, 2023</b>	<b>595.95</b>	<b>14.06</b>	<b>610.01</b>
Additions	46.44	-	46.44
Disposals	(4.81)	-	(4.81)
<b>Balance as at 31 March, 2024</b>	<b>637.58</b>	<b>14.06</b>	<b>651.64</b>
<b>Accumulated amortisation</b>			
<b>Balance as at 1 April, 2022</b>	<b>378.74</b>	<b>12.03</b>	<b>390.77</b>
Amortisation expense	66.41	0.58	66.99
Elimination on disposals of assets	-	-	-
<b>Balance as at 31 March, 2023</b>	<b>445.15</b>	<b>12.61</b>	<b>457.76</b>
Amortisation expense	59.02	0.58	59.60
Elimination on disposals of assets	(4.81)	-	(4.81)
<b>Balance as at 31 March, 2024</b>	<b>499.36</b>	<b>13.19</b>	<b>512.55</b>
<b>Carrying amount</b>			
<b>Balance as at 1 April, 2022</b>	<b>174.27</b>	<b>2.03</b>	<b>176.30</b>
Additions	42.94	-	42.94
Amortisation expense	(66.41)	(0.58)	(66.99)
<b>Balance as at 31 March, 2023</b>	<b>150.80</b>	<b>1.45</b>	<b>152.25</b>
Additions	46.44	-	46.44
Amortisation expense	(59.02)	(0.58)	(59.60)
<b>Balance as at 31 March, 2024</b>	<b>138.22</b>	<b>0.87</b>	<b>139.09</b>

**Note:** The Company had not revalued its intangible assets during the year ending 31 March, 2024 and 31 March, 2023

**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, 2024	As at 31 March, 2023
<b>Projects in progress</b>		
- Less than 1 year	16.97	19.71
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(A)</b>	<b>16.97</b>	<b>19.71</b>
<b>Projects temporarily suspended</b>		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>16.97</b>	<b>19.71</b>

# Notes to the Standalone Financial Statements

## Financial assets (non-current)

### Note 6: Investments

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>In Shares (unquoted)</b>		
<b>In subsidiary companies</b>		
12,800 (31 March, 2023: 12,800) equity shares of ₹ 10 each fully paid up in Paliwal Diagnostics Private Limited.	129.48	129.48
8,000 (31 March, 2023: 8,000) equity shares of ₹ 10 each fully paid up in Paliwal Medicare Private Limited.	52.18	52.18
40,25,990 (31 March, 2023: 40,22,668) equity shares of ₹ 10 each fully paid up in Suburban Diagnostics (India) Private Limited (Refer to note 40)	9,598.62	9,590.91
4,00,000 (31 March, 2023: 4,00,000) equity shares of NPR 100 each fully paid up in Dr Lal PathLabs Nepal Private Limited.	25.05	25.05
2,76,811 (31 March, 2023: 2,76,811) equity shares of BDT 100 each fully paid up in Dr. Lal Path Labs Bangladesh Private Limited.	42.67	42.67
10,00,000 (31 March, 2023: 10,00,000) equity shares of ₹ 10 each fully paid up in Dr. Lal Ventures Private Limited.	10.00	10.00
7,13,07,692 (31 March, 2023: 7,13,07,692) equity shares of ₹ 10 each fully paid up in PathLabs Unifiers Private Limited	870.00	870.00
69,953 (31 March, 2023: 69,953) equity shares of KES 1000 each fully paid up in Dr. Lal PathLabs Kenya Private Limited	48.31	48.31
Less: Provision for impairment	(48.31)	(48.31)
<b>Total</b>	<b>10,728.00</b>	<b>10,720.29</b>
Aggregate carrying value of unquoted investments	<b>10,728.00</b>	<b>10,720.29</b>
Aggregate amount of impairment in value of investments	<b>48.31</b>	<b>48.31</b>

### Note 7: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Loans to employees (unsecured, considered good)	0.32	0.56
<b>Total</b>	<b>0.32</b>	<b>0.56</b>

### Note 8: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Security deposits	50.46	59.24
Surrender value of keyman insurance policy	33.82	41.64
Non-current bank balances*	114.31	148.50
Interest accrued on loans, fixed deposits and others	0.14	0.10
<b>Total</b>	<b>198.73</b>	<b>249.48</b>

\* Refer note 22 for disclosure of assets held as security.

# Notes to the Standalone Financial Statements

## Note 9: Non-current tax assets/Current tax liabilities (net)

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Tax assets</b>		
Taxes paid (net)	135.40	130.34
<b>Tax liabilities</b>		
Income tax payable (net)	(131.61)	(4.92)
<b>Total</b>	<b>3.79</b>	<b>125.42</b>

## Note 10: Deferred tax assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Deferred tax assets	398.10	345.78
Deferred tax liabilities	(11.84)	(20.26)
<b>Total</b>	<b>386.26</b>	<b>325.52</b>

(in ₹ million, unless otherwise stated)

2023-24	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax assets on:</b>				
Property, plant and equipment	182.39	21.78	-	204.17
Short-term provisions- compensated absences	22.56	2.70	-	25.26
Short-term provisions- gratuity	35.93	15.05	0.92	51.90
Provision for impairment of trade receivables, advances	40.53	(1.70)	-	38.83
Disallowed expenditure	64.37	13.57	-	77.94
<b>Deferred tax liabilities on:</b>				
Surrender value of keyman insurance policy	(10.48)	1.98	-	(8.50)
Fair valuation gains on mutual funds	(9.78)	6.44	-	(3.34)
<b>Total</b>	<b>325.52</b>	<b>59.82</b>	<b>0.92</b>	<b>386.26</b>

(in ₹ million, unless otherwise stated)

2022-23	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax assets on:</b>				
Property, plant and equipment	154.06	28.33	-	182.39
Short-term provisions- compensated absences	23.36	(0.80)	-	22.56
Short-term provisions- gratuity	28.56	13.89	(6.52)	35.93
Provision for impairment of trade receivables, advances	41.27	(0.74)	-	40.53
Disallowed expenditure	64.33	0.04	-	64.37
<b>Deferred tax liabilities on:</b>				
Surrender value of keyman insurance policy	(9.28)	(1.20)	-	(10.48)
Fair valuation gains on mutual funds	-	(9.78)	-	(9.78)
<b>Total</b>	<b>302.30</b>	<b>29.74</b>	<b>(6.52)</b>	<b>325.52</b>

# Notes to the Standalone Financial Statements

## Note 11: Other non-current assets

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Capital advances	13.26	8.53
Advances to related parties (corpus) (Refer to note 47)	0.24	0.24
Others	3.46	0.89
<b>Total</b>	<b>16.96</b>	<b>9.66</b>

## Note 12: Inventories

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Reagents, chemicals, surgicals and laboratory supplies	275.17	231.51
Stores and others	-	1.85
<b>Total</b>	<b>275.17</b>	<b>233.36</b>

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)

## Note 13: Investments

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>Investment in mutual funds (quoted) carried at fair value through profit or loss</b>		
UTI Liquid Cash Plan Direct Growth Nil (31 March, 2023: 16,699.01) units	-	61.61
Axis Liquid Fund Direct Growth 14,924 (31 March, 2023: 62,337.01) units	40.05	155.90
Axis Money Market Fund Direct Plan Growth 74,318.90 (31 March, 2023: 1,43,247.07) units	97.51	174.42
Invesco India Money Market fund Direct Plan Growth Nil (31 March, 2023: 38,009.56) units	-	101.45
Invesco India Liquid fund Direct Growth Nil (31 March, 2023: 41,784.26) units	-	129.12
Mahindra Manulife Liquid fund Direct Growth 73,784.78 (31 March, 2023: 67,441.59) units	116.01	98.78
Kotak Money Market Fund Direct Growth Nil (31 March, 2023: 13,519.05) units	-	51.76
SBI Savings Fund Direct Plan Growth Nil (31 March, 2023: 30,35,157.26) units	-	114.03
JM Liquid Fund Direct Growth 7,58,343.33 (31 March, 2023: 11,84,069.07) units	50.06	72.87
Nippon India Money Market Fund Direct Growth 18,760.45 (31 March, 2023: 72,376.83) units	71.69	256.76
HDFC Money Market Fund Direct Plan Growth Option Nil (31 March, 2023: 40,047.84) units	-	197.10
Mirae Asset Money Market Fund Direct Plan Growth Option 61,307.62 (31 March, 2023: Nil) units	71.15	-
SBI Liquid Fund Direct Plan Growth 24,003.49 (31 March, 2023: Nil) units	90.72	-
Nippon India Money Market Fund Regular Growth 13,798.76 (31 March, 2023: Nil) units	52.15	-
HDFC Liquid Fund Direct Plan Growth Option 23,387.26 (31 March, 2023: Nil) units	110.94	-
<b>Total</b>	<b>700.28</b>	<b>1,413.80</b>

# Notes to the Standalone Financial Statements

## Note 14: Trade receivables

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Trade receivables</b>		
Secured, considered good	191.54	174.45
Unsecured, considered good	586.38	458.79
Credit impaired	154.29	161.03
	<b>932.21</b>	<b>794.27</b>
Less: Allowance for doubtful debts (expected credit loss allowance)	(154.29)	(161.03)
<b>Total</b>	<b>777.92</b>	<b>633.24</b>

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, 2024	As at 31 March, 2023
0-90 days	633.77	534.18
90-180 days	163.36	116.22
180-360 days	46.63	68.76
More than 360 days	88.45	75.11
<b>Total</b>	<b>932.21</b>	<b>794.27</b>

(in ₹ million, unless otherwise stated)

Movement in the expected credit loss allowance	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Balance at beginning of the year</b>	161.03	161.03
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(6.74)	-
<b>Balance at end of the year</b>	<b>154.29</b>	<b>161.03</b>

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%

## Notes to the Standalone Financial Statements

### Trade receivables ageing schedule

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Undisputed trade receivables, considered good		
- Less than 6 months	774.56	629.43
- 6 months - 1 year	3.36	3.81
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	<b>777.92</b>	<b>633.24</b>
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	-	-
	-	-
Undisputed trade receivables, credit impaired		
- Less than 6 months	17.48	20.97
- 6 months - 1 year	53.93	64.95
- 1-2 years	66.46	64.70
- 2-3 years	-	-
- More than 3 years	-	-
	<b>137.87</b>	<b>150.62</b>
	<b>(A)</b>	<b>915.79</b>
Disputed trade receivables, considered good		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
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	-	-
	-	-
Disputed trade receivables, credit impaired		
- Less than 6 months	-	-
- 6 months - 1 year	3.45	-
- 1-2 years	2.95	0.39
- 2-3 years	10.02	10.02
- More than 3 years	-	-
	<b>(B)</b>	<b>16.42</b>
<b>Total (A+B)</b>	<b>932.21</b>	<b>794.27</b>

# Notes to the Standalone Financial Statements

## Note 15a: Cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with banks		
- in current accounts	123.90	43.84
- in cash credit accounts*	20.54	4.86
Deposit with maturity of less than 3 months **	3,099.65	2,145.96
Cash on hand	14.23	8.52
<b>Total</b>	<b>3,258.32</b>	<b>2,203.18</b>

\*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.

## Note 15b: Bank balances other than cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance in unclaimed dividend accounts	1.12	1.03
Deposit with banks held as margin money deposits against guarantees	13.78	9.46
Deposit with maturity of 3-12 months **	3,557.93	3,128.50
<b>Total</b>	<b>3,572.83</b>	<b>3,138.99</b>

\*\* Refer note 22 for disclosure of assets held as security.

## Note 16: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Loans to employees	11.61	12.39
<b>Total</b>	<b>11.61</b>	<b>12.39</b>

## Note 17: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Deposit with others	147.11	132.47
Interest accrued on deposits	271.33	181.40
<b>Total</b>	<b>418.44</b>	<b>313.87</b>

## Note 18: Other current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with government authorities	4.18	3.77
Advances to suppliers	10.45	14.80
Other advances	7.09	6.85
Other receivables from related party (Refer to note 47)	22.69	14.19
Prepaid expenses	145.67	112.43
Prepaid rent	0.86	0.86
<b>Total</b>	<b>190.94</b>	<b>152.90</b>

\*Includes ₹ 1.41 million (31<sup>st</sup> March 2023: NIL) for excess CSR spent available for set off (Refer to Note 41).

# Notes to the Standalone Financial Statements

## Note 19: Equity share capital

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>Equity share capital</b>	<b>834.78</b>	<b>833.68</b>
<b>Authorised</b>		
10,79,60,000 equity shares of ₹ 10 each (as at 31 March, 2023: 10,79,60,000 equity shares of ₹ 10 each)*	1,079.60	1,079.60
<b>Issued, subscribed and fully paid-up</b>		
8,34,77,852 equity shares of ₹ 10 each (as at 31 March, 2023: 8,33,67,877 equity shares of ₹ 10 each)	834.78	833.68

Refer notes below

\* Pursuant to the Scheme of Amalgamation ["the Scheme"] u/s 230 to 232 of the Companies Act, 2013 between the Company and its erstwhile wholly owned subsidiary company namely APL Institute of Clinical Laboratory & Research Private Limited [Transferor Company] and the approval of National Company Law Tribunal of Delhi and Ahmedabad, the authorised share capital of the transferor Company has been merged with authorised share capital of the Company. Also, refer to note 42A.

### (i) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March, 2024 and 31 March, 2023 is set out below:

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Equity share capital</b>				
At the beginning of the year	8,33,67,877	833.68	8,33,44,877	833.45
Issued during the year	1,09,975	1.10	23,000	0.23
<b>Outstanding at the end of the year</b>	<b>8,34,77,852</b>	<b>834.78</b>	<b>8,33,67,877</b>	<b>833.68</b>

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

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	2,61,15,443	31.28%	2,64,15,443	31.69%
(ii) Dr Vandana Lal	1,60,82,327	19.27%	1,60,82,327	19.29%

### (iii) Details of shares held by promoters\*:

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024		As at 31 March, 2023		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
(i) Dr Arvind Lal	2,61,15,443	31.28%	2,64,15,443	31.69%	(0.41%)
(ii) Dr Vandana Lal	1,60,82,327	19.27%	1,60,82,327	19.29%	(0.02%)
(iii) Archana Lal Erdmann	16,93,751	2.03%	18,43,751	2.03%	-
(iv) Anjaneya Lal	16,89,614	2.02%	16,89,614	2.03%	(0.01%)

\* Promoter here means promoter as defined in the 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.

# Notes to the Standalone Financial Statements

## Note 19: Equity share capital (Contd..)

### (v) Proposed dividends on equity shares\*\*

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Proposed dividend on equity shares for the year ended on 31 March 2024: ₹ 6 per equity share (31 March 2023: ₹ 6 per share)	500.87	500.21
	<b>500.87</b>	<b>500.21</b>

\*\*Such dividend proposed is in accordance with section 123 of the Companies Act 2013, as applicable.

(vi) There are no bonus shares issued by the Company and no shares have been issued for consideration other than cash and no shares have been 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 Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2010' ("ESOP 2010") at the Annual General Meeting held on 20 August, 2010 to grant a maximum of 38,08,960 options (after considering bonus shares issued during the earlier 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.
- (b) The shareholders of the Company approved 'Dr. Lal PathLabs Employees Restricted Stock Unit Plan 2016' ('RSU 2016') at the Annual General Meeting held on 28 July, 2016 to grant a maximum of 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. Refer to note 45 for details of RSUs granted, vested and issued under RSU 2016.
- (c) The shareholders of the Company approved 'Dr Lal PathLabs Employee Stock Option Plan 2022' ('ESOP 2022') at the Annual General Meeting held on 30 June, 2022 to grant a maximum of 12,50,278 options to employees of the Company and its subsidiaries. Each option granted and vested under the ESOP 2022 shall entitle the holder to acquire 1 equity share of ₹ 10 each. Refer to note 45 for details of options granted, vested and issued under ESOP 2022.

## Note 20: Other equity

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
General reserve	1,214.78	982.63
Securities premium	1,048.91	934.88
Share option outstanding account	510.08	580.19
Retained earnings	15,632.77	13,786.59
Capital redemption reserve account	4.45	4.45
Treasury shares	(143.90)	(118.53)
Capital reserve	(105.25)	(105.25)
<b>Total</b>	<b>18,161.84</b>	<b>16,064.96</b>

### (i) General reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Balance at the beginning of the year	982.63	810.01
Addition on share options exercised*	232.15	172.62
<b>Balance at the end of the year</b>	<b>1,214.78</b>	<b>982.63</b>

\*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.

# Notes to the Standalone Financial Statements

## Note 20: Other equity (Contd..)

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, 2024	Year ended 31 March, 2023
Balance at the beginning of the year	934.88	927.95
Additions during the year	114.03	6.93
<b>Balance at the end of the year</b>	<b>1,048.91</b>	<b>934.88</b>

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, 2024	Year ended 31 March, 2023
Balance at the beginning of the year	580.19	574.40
Compensation options granted during the year	208.43	212.46
Options exercised/adjusted	(278.54)	(206.67)
<b>Balance at the end of the year</b>	<b>510.08</b>	<b>580.19</b>

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, 2024	Year ended 31 March, 2023
Balance at the beginning of the year	13,786.59	11,837.87
Profit for the year	3,843.70	2,923.58
Remeasurement of defined benefit obligation, net of income tax	(2.74)	19.39
<b>Less: Appropriations</b>		
Final dividend on equity shares ₹ 6.00 per share for the year ended 31 March 2023 (Previous Year ₹ 6.00 per share for the year ended 31 March 2022)	(498.31)	(497.10)
Interim dividend on equity shares ₹ 18.00 per share (Previous year ₹ 6.00 per share)	(1,496.47)	(497.15)
<b>Balance at the end of the year</b>	<b>15,632.77</b>	<b>13,786.59</b>

The final dividend of ₹ 6 per equity share proposed in the previous year ended 31 March, 2023 which was approved by the members at the Annual General Meeting held on 31 May, 2023 and paid by the Company during the year in accordance with section 123 of the Act, as applicable.

The interim dividend of ₹ 18 per equity share declared and paid by the Company during the year and until the date of approval of the Standalone Financial Statements is in compliance with section 123 of the Act.

The Board of Directors of the Company has proposed final dividend of ₹ 6 per equity share (previous year ended 31 March, 2023 ₹ 6 per equity share) for the year ended 31 March, 2024 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.

# Notes to the Standalone Financial Statements

## Note 20: Other equity (Contd..)

### (v) Capital redemption reserve account

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Balance at the beginning of the year	4.45	4.45
Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>4.45</b>	<b>4.45</b>

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, 2024	Year ended 31 March, 2023
Balance at the beginning of the year	(118.53)	(161.72)
Change during the year	(25.37)	43.19
<b>Balance at the end of the year</b>	<b>(143.90)</b>	<b>(118.53)</b>

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, 2024 aggregated to 264,725 equity shares (31 March, 2023: 4,27,299 equity shares) of face value ₹ 10 each.

### (vii) Capital reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Balance at the beginning of the year	(105.25)	(105.25)
<b>Balance at the end of the year</b>	<b>(105.25)</b>	<b>(105.25)</b>

₹ 105.25 million forming part of capital reserve comprises:

- On approval of the Scheme of Amalgamation between the Company (Transferee Company) and its erstwhile wholly owned subsidiary, namely 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 the Transferor Company had been adjusted in Capital reserve amounting to ₹ 33.00 million as stipulated in the scheme.
- On approval of the Scheme of Amalgamation between the Company (Transferee Company) and its erstwhile wholly owned subsidiary, namely APL Institute of Clinical Laboratory & Research Private Limited (Transferor Company) by the Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal on 13 May 2022 and 17 March 2023 respectively, the difference between the carrying value of investments in the books of account of the Transferee Company and the share capital of the Transferor Company had been adjusted in Capital reserve amounting to ₹ 72.25 million as stipulated in the scheme. Refer to note 42A.

# Notes to the Standalone Financial Statements

## Financial liabilities - non current

### Note 21: Borrowings

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>Term loans from Banks</b>		
<b>Secured</b>		
HDFC Bank Limited (HDFC)	-	833.34
<b>Total</b>	<b>-</b>	<b>833.34</b>
Current maturities of long-term borrowings (included in note 22)	833.34	833.33

#### Particulars of term loans:

i) Security

Term loan from HDFC Bank Limited is secured by way of 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) was 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 7.34% 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.

### Note 22: Borrowings

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Current maturities of long term borrowings (Refer note 21)	833.34	833.33
Bank overdraft	-	700.04
<b>Total</b>	<b>833.34</b>	<b>1,533.37</b>

#### Notes

i) The Company has used the borrowings from banks 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 Company.

### Note 23: Trade payables

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Total outstanding dues of micro enterprises and small enterprises	59.78	60.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,613.35	1,341.02
<b>Total</b>	<b>1,673.13</b>	<b>1,401.56</b>

Trade payables are non- interest bearing and are normally settled within a period of 30-45 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 ₹ 59.78 million (₹ 60.54 million on 31 March, 2023) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006.

# Notes to the Standalone Financial Statements

## Trade payables ageing schedule

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Outstanding dues of micro enterprises and small enterprises		
- Less than 1 year	59.78	60.54
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	<b>59.78</b>	<b>60.54</b>
Outstanding disputed dues of micro enterprises and small enterprises		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
	<b>(A) 59.78</b>	<b>60.54</b>
Outstanding dues of other than micro enterprises and small enterprises		
- Less than 1 year	745.03	675.22
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
	<b>745.03</b>	<b>675.22</b>
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>(B) 745.03</b>	<b>675.22</b>
Unbilled dues	<b>(C) 868.32</b>	<b>665.80</b>
	<b>Total 1,673.13</b>	<b>1,401.56</b>

## 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, 2024	As at 31 March, 2023
a. Amounts payable to suppliers under MSMED (suppliers) as on last day		
Principal	59.78	60.54
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.	-	-

# Notes to the Standalone Financial Statements

## Note 24: Other financial liabilities - current

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Payable towards capital goods	23.61	54.38
Security deposits received	429.50	372.62
Other payables	1.70	1.59
<b>Total</b>	<b>454.81</b>	<b>428.59</b>

## Note 25: Provisions

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>Provision for employee benefits</b>		
- Provision for compensated absences	100.36	89.62
- Provision for gratuity (Refer to note 43)	206.22	142.78
<b>Total</b>	<b>306.58</b>	<b>232.40</b>

## Note 26: Other current liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Advances from customers	102.63	97.42
Statutory dues	106.19	96.22
Unearned revenue	96.56	84.54
Deferred revenue	11.41	2.95
<b>Total</b>	<b>316.79</b>	<b>281.13</b>

## Note 27: Revenue from operations

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Sale of services	19,666.19	17,687.91
Other operating revenues	1.39	2.39
<b>Total</b>	<b>19,667.58</b>	<b>17,690.30</b>

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 "Revenue from contract with customers" 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.

# Notes to the Standalone Financial Statements

## iii) Disclosure of contract balances

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Trade receivables (Refer to note 14)	777.92	633.24
Advances from customers (Refer to note 26)	102.63	97.42
Unearned revenue (Refer to note 26)	96.56	84.54

## iv) Movement in contract liabilities during the year:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Balance at beginning of the year	84.54	84.43
Add: Addition during the year	96.56	84.54
Less: Deletion during the year	(84.54)	(84.43)
<b>Balance at end of the year</b>	<b>96.56</b>	<b>84.54</b>

## Note 28: Other income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
a) Interest income from		
- Bank deposits (at amortised cost)	446.37	265.22
- Income-tax refund	0.95	-
- Others	-	9.45
b) Dividend income from		
- Dividend income from a subsidiary company	32.00	120.00
c) Others		
- Rental income from investment property	20.12	-
- Gain on sale or fair valuation of investments (at FVTPL)	87.86	48.36
- Surrender value of keyman insurance policy (at FVTPL)	9.29	6.96
- Profit on disposal of property, plant and equipment (net)	3.34	15.04
- Miscellaneous non operating income	1.13	0.97
<b>Total</b>	<b>601.06</b>	<b>466.00</b>

## Note 29: Cost of materials consumed

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Inventories at the beginning of the year	231.51	390.30
Add : Purchases	3,951.22	3,737.57
Less : Inventories at the end of the year	(275.17)	(231.51)
<b>Total</b>	<b>3,907.56</b>	<b>3,896.36</b>

## Note 30: Employee benefits expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Salaries, wages and bonus	3,177.10	2,706.39
Employee share based compensation (Net of reimbursement)	208.43	212.46
Contribution to provident and other funds	106.36	107.85
Gratuity expense (Refer to note 43)	60.02	55.14
Staff welfare expenses	83.98	73.16
<b>Total</b>	<b>3,635.89</b>	<b>3,155.00</b>

# Notes to the Standalone Financial Statements

## Note 31: Finance costs

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Interest on lease liability	174.97	191.96
Interest on:		
- Term loan	89.73	119.05
- overdraft facilities	3.23	16.70
Interest others	0.43	16.12
<b>Total</b>	<b>268.36</b>	<b>343.83</b>

## Note 31a: Reconciliation of liabilities arising from financing activities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	Cash flows	Non cash changes		As at 31 March, 2023
			New leases	Other *	
<b>Borrowings</b>					
Non-current borrowings	-	(833.34)	-	-	833.34
Current borrowings	833.34	(700.03)	-	-	1,533.37
<b>Lease liabilities</b>					
Non-current lease liabilities	913.36	(733.87)	149.08	350.02	1,148.13
Current lease liabilities	528.16	88.52	-	-	439.64
<b>Total liabilities from financing activities</b>	<b>2,274.86</b>	<b>(2,178.72)</b>	<b>149.08</b>	<b>350.02</b>	<b>3,954.48</b>

\* the effect of derecognition of lease liabilities.

## Note 31b : Reconciliation of liabilities arising from financing activities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	Cash flows	Non cash changes		As at 31 March, 2022
			New leases	Other *	
<b>Borrowings</b>					
Non-current borrowings	833.34	(833.33)	-	-	1,666.67
Current borrowings	1,533.37	(254.19)	-	-	1,787.56
<b>Lease liabilities</b>					
Non-current lease liabilities	1,148.13	(837.64)	778.60	(2.47)	1,209.64
Current lease liabilities	439.64	46.13	-	-	393.51
<b>Total liabilities from financing activities</b>	<b>3,954.48</b>	<b>(1,879.03)</b>	<b>778.60</b>	<b>(2.47)</b>	<b>5,057.38</b>

\* the effect of derecognition of lease liabilities.

## Note 32: Depreciation and amortisation expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Depreciation of property, plant and equipment	389.48	405.98
Depreciation of investment property	2.61	-
Depreciation of right-of-use assets	313.70	347.94
Amortisation of intangible assets	59.60	66.99
<b>Total</b>	<b>765.39</b>	<b>820.91</b>

# Notes to the Standalone Financial Statements

## Note 33: Other expenses

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Electricity and water charges	215.37	213.07
Rent	145.14	127.96
Rates and taxes	9.74	11.94
Insurance	81.93	73.60
Repairs and maintenance		
- Building	46.18	34.09
- Plant and equipment	119.87	103.82
- Others	506.87	500.95
Advertisement and sales promotion	646.13	426.91
Travelling and conveyance	239.15	374.46
Postage and courier	527.79	497.53
Communication costs	47.65	47.63
Printing and stationery	121.67	126.50
Retainership fees to technical consultants	142.53	138.11
Legal and professional charges	96.95	123.74
Laboratory test charges	164.71	140.67
Payment to auditors (Refer note below)	12.92	14.72
Donation other than to political parties	0.14	0.70
Corporate social responsibility expense (Refer note 41)	85.98	75.92
Provision for impairment of trade receivables and advances	0.83	15.09
Bad debts / advances written off (net)	3.47	2.19
Miscellaneous expenses	368.87	317.79
<b>Total</b>	<b>3,583.89</b>	<b>3,367.39</b>

### Note:

#### (i) Payments to the auditors comprise \*

##### As auditors:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Audit fees	8.85	8.42
Limited review	1.95	1.77
Tax audit fees	0.69	3.30
Other services	0.59	0.30
Reimbursement of expenses	0.84	0.93
<b>Total</b>	<b>12.92</b>	<b>14.72</b>

\*including indirect taxes

## Note 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% (2022-23: 22%) plus a surcharge and education cess. The combined Indian statutory tax rate for the fiscal year 2022-23 and for the fiscal year 2023-24 was 25.168%.

Income tax returns submitted by companies are regularly subjected to a comprehensive review and challenge by the tax authorities.

# Notes to the Standalone Financial Statements

## Note 34.1: Income tax recognised in Statement of Profit And Loss

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Current tax</b>		
In respect of the current year	1,375.83	1,015.15
In respect of the prior years	-	(0.72)
	<b>1,375.83</b>	<b>1,014.43</b>
<b>Deferred tax</b>		
In respect of the current year	(59.82)	(42.92)
In respect of the prior years	-	13.18
	<b>(59.82)</b>	<b>(29.74)</b>
<b>Total income tax expenses recognised in the current year</b>	<b>1,316.01</b>	<b>984.69</b>

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

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Profit before tax	5,159.71	3,908.27
Statutory tax rate	25.168%	25.168%
Income tax expenses calculated at 25.168%	1,298.60	983.63
Effect of expenses that are not deductible in determining taxable profit	21.19	17.44
Tax difference on account of deduction under chapter VI-A	(8.05)	(38.90)
Adjustments recognised in the current year in relation to taxes of previous years	-	12.46
Deferred tax on defined benefit obligation recognised in OCI	(0.92)	6.52
Income taxable at different rate	5.78	3.00
Others	(0.59)	0.54
<b>Income tax expenses recognised in profit or loss</b>	<b>1,316.01</b>	<b>984.69</b>

## Note 34.2: Income tax recognised in other comprehensive income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	0.92	(6.52)
	<b>0.92</b>	<b>(6.52)</b>

## Note 35: Earnings per equity share

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Profit for the year - (in ₹ million)	3,843.70	2,923.58
Number of equity shares	8,34,77,852	8,33,67,877
Weighted average number of equity shares outstanding during the year	8,34,49,289	8,33,53,145
Weighted average shares held with the "Dr. Lal PathLabs Employee Welfare Trust"	3,42,849	4,88,702
Dilutive impact of share options outstanding	1,29,813	2,53,499
Basic earnings per share of ₹ 10 each	46.25	35.28
Diluted earnings per share of ₹ 10 each	46.18	35.17
Face value per share - (in ₹)	10	10

# Notes to the Standalone Financial Statements

## Note 35: Earnings per equity share (Contd..)

### Note 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)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Weighted average number of shares for calculating basic earnings per share	8,31,06,440	8,28,64,443
Add : share options outstanding	1,29,813	2,53,499
Weighted average number of shares for calculating dilutive earnings per share	8,32,36,253	8,31,17,942

## Note 36: Capital and other commitments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	101.42	43.72
<b>Other commitments*</b>	-	-

\* 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.

## Note 37: Contingent liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Claims against the Company not acknowledged as debts*		
i) Income tax (Refer note below)	30.50	
ii) Others	70.38	136.36

\* 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.

### Note:

During the year, the Income tax department has issued orders under section 147 read with 144B of the Income Tax Act, 1961 for disallowing unexplained expenditure of ₹ 39.01 million and ₹ 2.87 million, under section 69C of the Act, for the assessment years 2016-17 and 2019-20 respectively along with notice of demand under section 156 dated 16 March 2024 for ₹ 26.30 million and dated 18 March 2024 for ₹ 4.20 million for the assessment years 2016-17 and 2019-20 respectively. Subsequent to the year end the Company has filed an appeal with the "Joint Commissioner (Appeals) or the Commissioner (Appeals)" dated 12 April 2024, within the stipulated time and has deposited an amount of ₹ 30.50 million in respect thereof.

The management believes that the Company has strong chances of success in the 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 and hence these are included as contingent liabilities as at 31 March 2024.

# Notes to the Standalone Financial Statements

## Note 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	Year ended
	31 March, 2024	31 March, 2023
India	19,408.65	17,470.08
Outside India	258.93	220.22
<b>Total</b>	<b>19,667.58</b>	<b>17,690.30</b>

- 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	As at
	31 March, 2024	31 March, 2023
India	3,631.89	3,803.01
Outside India	-	-
<b>Total</b>	<b>3,631.89</b>	<b>3,803.01</b>

- 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, 2024 and 31 March, 2023.

## Note 39

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 National Company Law Tribunal and other statutory approvals

## Note 40

The Company had 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 ₹ 9,250.00 million plus certain performance linked payments capped at ₹ 2,250.00 million and subject to certain adjustments. The Company had 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 had 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.

Further, during the year ended 31 March 2023, out of the balance consideration, the Company has paid ₹ 102.22 million and made further investment in its wholly owned subsidiary through acquisition of 42,875 equity shares of ₹ 10 each at a premium. During the current year, the Company has made further investment ₹ 7.71 million through acquisition of 3,232 equity shares of ₹ 10 each at a premium.

# Notes to the Standalone Financial Statements

## Note 41

In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹ 87.39 Million (Previous year ₹ 75.92 Million) for CSR activities.

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
(a) Amount required to be spent by the Company during year	82.98	77.46
(b) Amount approved by the board to be spent during the year	84.39	78.92
(c) Amount of expenditure incurred	87.39	75.92
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above*	87.39	75.92
(d) Shortfall/(Excess) at the end of the year		
(i) Ongoing projects (Refer note (a) below)	-	3.00
(ii) Other than ongoing project (Refer note (b) below)	(1.41)	(1.46)
(e) Total of previous years shortfall	3.00	-
(f) Reason for shortfall	-	Refer note (c) below
(g) Details of related party transactions		
- Donations made to Lal PathLab Foundation	87.39	75.92
(h) Liability against contractual obligations for CSR		-

\*The Company has contributed ₹ 87.39 Million (Previous year ₹ 75.92 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. 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

Balance as on 1 April 2023		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2024	
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	3.00	Nil	Nil	3.00	Nil	Nil

Balance as on 1 April 2022		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2023 (Refer note (a) and (c) below)	
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	10.00	7.00	Nil	3.00	Nil

### Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance as on 1 April 2023	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 2024 (Refer note (b) below)
Nil	Nil	82.98	84.39	(1.41)

Balance as on 1 April 2022	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 2023 (Refer note (b) below)
Nil	Nil	67.46	68.92	(1.46)

# Notes to the Standalone Financial Statements

## Note 41 (Contd..)

### Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at 1 April 2023	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2024
Nil	85.98	87.39	(1.41)

Balance excess spent as at 1 April 2022	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2023
Nil	Nil	Nil	Nil

#### Notes :

- (a) Total unspent amount for an ongoing project for the year ended 31 March 2023 is ₹ 3.00 million, which has been transferred to 'separate CSR unspent account' on 28 April 2023, within a period of 30 days from the end of the financial year in compliance with the provisions of section 135(6) of the Act.
- (b) The Company has spent an excess amount of ₹ 1.41 million (31 March, 2023 : ₹ 1.46 million) with respect to other than ongoing projects as approved by the Board of Directors in excess of the minimum requirement as per section 135 (5) of the Company Act, 2013. The Company intends to carry forward the excess amount spent during the current year of ₹ 1.41 million (did not intend to carry forward the excess amount of ₹ 1.46 million spent during the year ended 31 March 2023) with respect to other than ongoing projects to the next year.
- (c) The shortfall for the year ended 31 March 2023 with respect to ongoing project of Indian Institute of Management, Ahmedabad (IIMA) relates to certain procedural delays as communicated by IIMA.

## Note 42A

The Board of Directors in their meeting, held on 3 February, 2020, approved the "Scheme of Amalgamation" of APL Institute of Clinical Laboratory & Research Private Limited (Transferor Company), a wholly owned subsidiary, with the Company (Transferee 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 envisages transfer of all properties, rights, assets, interests and claims of the Transferor Company to the Transferee Company. Pursuant to the scheme coming into effect, all the equity shares held by the Transferee Company in Transferor Company stand automatically cancelled.

The Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal ("Hon'ble Tribunal" or "NCLT") sanctioned the Scheme of Amalgamation on May 13, 2022 and March 17, 2023 respectively. The Transferor Company was engaged in business of running laboratories for carrying out pathology investigation of patients in various disciplines of medical sciences.

The amalgamation has been accounted for under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The difference between the carrying value of investments in the books of the Transferee Company and the amount of the share capital of Transferor Company has been adjusted in Capital Reserve as per the scheme. The financial statements for the year ended 31 March 2021 had accordingly been restated to give impact of amalgamation with effect from 1 April 2019 (appointed date 1 April 2020) in accordance with the 'pooling of interests' method stated in Appendix C of Ind AS 103 'Business Combinations'. Accordingly, the financial statements for the year ended 31 March, 2022 have also been restated to take the impact of the amalgamation

# Notes to the Standalone Financial Statements

## Note 42A (Contd..)

Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars	As at 01 April, 2019
<b>Assets</b>	
Current assets	10.21
Non-current assets	6.94
<b>Total Assets</b>	<b>17.15</b>
Current liabilities	4.53
Non-Current Liabilities	0.53
<b>Net Assets acquired on amalgamation</b>	<b>12.09</b>
Other Equity	11.99
<b>Share Capital (B)</b>	<b>0.10</b>
Investment in books of transferee Company (A)	72.35
<b>Transfer to Capital Reserve (A-B)</b>	<b>72.25</b>

## Note 42B: Research and Development

Details of expenditure incurred on approved in-house Research and Development facilities:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Capital expenditure	2.11	4.35
Revenue expenditure	36.68	31.65
<b>Total</b>	<b>38.79</b>	<b>36.00</b>

## Note 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 ₹ 102.65 million (for the year ended 31 March, 2023: ₹ 101.68 million) represents contributions payable to provident fund by the Company at rates specified in the rules of the plans. As at 31 March, 2024, contributions of ₹ 18.45 million (as at 31 March, 2023: ₹ 17.13 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.

# Notes to the Standalone Financial Statements

## Note 43: Employee benefit plans (Contd..)

**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:

(in ₹ million, unless otherwise stated)

Date of Valuation	Refer note below	As at 31 March, 2024	As at 31 March, 2023
Discount rate (per annum)	1	7.15%	7.30%
Rate of salary increase (per annum)	2	9%-10%	10.00%
Rate of return (per annum)	3	6.35%	6.35%
Retirement age		60 years	60 years
Attrition rate		1-15.00%	3.93-20.00%
Mortality table		Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

#### Notes:

- The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.
- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

# Notes to the Standalone Financial Statements

## Note 43: Employee benefit plans (Contd..)

**43.5 Amounts recognised in the Standalone Statement of Profit and Loss and other comprehensive income are as follows:**

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Service cost :</b>		
Current service cost	49.57	47.94
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	10.45	7.20
<b>Components of defined benefit costs recognised in employee benefit expenses</b>	<b>60.02</b>	<b>55.14</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets (excluding amounts included in net interest expense)	0.84	0.32
Actuarial (gains)/losses arising from changes in demographic assumptions	10.07	(9.21)
Actuarial (gains)/losses arising from changes in financial assumptions	(13.61)	(23.73)
Actuarial (gains)/losses arising from experience adjustments	6.36	6.71
<b>Component of remeasurement of defined benefit obligations</b>	<b>3.66</b>	<b>(25.91)</b>
<b>Total</b>	<b>63.68</b>	<b>29.23</b>

**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, 2024	Year ended 31 March, 2023
Opening defined benefit obligation	361.71	341.89
Current service cost	49.57	47.94
Interest cost	26.46	21.70
<b>Remeasurement (gains)/losses:</b>		
Actuarial gains and losses arising from changes in demographic assumptions	10.07	(9.21)
Actuarial gains and losses arising from changes in financial assumptions	(13.61)	(23.73)
Actuarial gains and losses arising from experience adjustments	6.36	6.71
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(17.63)	(23.59)
<b>Closing defined benefit obligation</b>	<b>422.93</b>	<b>361.71</b>

**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, 2024	As at 31 March, 2023
Present value of funded defined benefit obligation	422.93	361.71
Fair value of plan assets	216.71	218.93
<b>Net liability arising from defined benefit obligation</b>	<b>206.22</b>	<b>142.78</b>

# Notes to the Standalone Financial Statements

## Note 43: Employee benefit plans (Contd..)

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

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening fair value of plan assets	218.93	228.38
Interest income	16.02	14.49
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.84)	(0.32)
Actuarial gain/ (loss) on plan assets	-	-
Contributions from the employer	-	-
Benefits paid	(17.40)	(23.62)
<b>Closing fair value of plan assets</b>	<b>216.71</b>	<b>218.93</b>

Expected contribution in respect of gratuity for the next year is ₹ 206.22 million (For the year ended 31 March, 2023 ₹ 142.78 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, 2024	As at 31 March, 2023
Insurer managed funds	216.71	218.93

### 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, 2024	As at 31 March, 2023
<b>Discount rate</b>		
- Impact due to increase of 100 basis points	(26.35)	(18.42)
- Impact due to decrease of 100 basis points	29.81	20.45
<b>Salary increase</b>		
- Impact due to increase of 100 basis points	25.86	17.99
- Impact due to decrease of 100 basis points	(24.22)	(17.03)
<b>Withdrawal rate</b>		
- Impact due to 25% increase	(8.47)	(9.04)
- Impact due to 25% decrease	11.87	13.44

# Notes to the Standalone Financial Statements

44 Effective 1 April, 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 contain 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 1 April, 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 ₹ 598.53 (31 March, 2023: ₹ 546.42 million) out of which rent charges is amounting to ₹ 145.14 million (31 March, 2023: ₹ 69.31 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	As at
	31 March, 2024	31 March, 2023
Short term lease	145.14	69.31
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	Year ended
	31 March, 2024	31 March, 2023
Balance as at beginning of the year	1,587.77	1,603.15
Additions	149.08	398.12
Finance cost accrued during the period	174.97	191.96
Payment/adjustment of lease liabilities	(453.39)	(477.11)
Derecognition of lease liability	(16.91)	(128.35)
<b>Balance as at end of the year</b>	<b>1,441.52</b>	<b>1,587.77</b>
<b>Current</b>	<b>528.16</b>	<b>439.64</b>
<b>Non-current</b>	<b>913.36</b>	<b>1,148.13</b>

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Less than one year	528.16	439.64
One to five years	1,179.88	1,275.76
More than five years	700.43	606.53
<b>Total</b>	<b>2,408.47</b>	<b>2,321.93</b>

# Notes to the Standalone Financial Statements

## 44 (Contd..)

### 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
<b>As at 1 April, 2022</b>	<b>155.34</b>	<b>1,696.17</b>
Additions	-	398.12
Deletions	-	(110.56)
Depreciation expense	(1.64)	(346.30)
<b>As at 31 March, 2023</b>	<b>153.70</b>	<b>1,637.43</b>
Additions	-	149.08
Deletions	-	(12.95)
Transfer to investment property	-	(339.66)
Depreciation expense	(1.64)	(312.06)
<b>As at 31 March, 2024</b>	<b>152.06</b>	<b>1,121.84</b>

**44A** The Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility as per the requirements of proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail was not enabled throughout the year at the database level to log any direct data changes. However, the Company has established and maintained internal financial controls over financial reporting and such internal financial controls were operating effectively throughout the year.

## Note 45 Share based payments

### Note 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 38,08,960 options to specified categories of employees of the Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. The Company had granted 37,30,340 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	1,62,180	Refer Note 1 below	311.30	490.42

Note 1: All options vest after 48-60 months from date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date on which the Company's shares were listed on a recognised stock exchange in India or a period of ten 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, 2024 and 31 March, 2023.

# Notes to the Standalone Financial Statements

## Note 45.1 Employee Share Option Plan-2010 (Contd..)

### 45.1.3 Movements in share options during the year

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

	2023-24		2022-23	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	1,18,983	311.30	1,41,983	311.30
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	60,000	-	23,000	-
Expired during the year	-	-	-	-
Balance at end of year	58,983	311.30	1,18,983	311.30

### 45.1.4 Share options exercised during the year

60,000 shares 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, 2023: ₹ 311.30) and a weighted average remaining contractual life of years 3.13 years (as at 31 March, 2023: 4.13 years)

## Note 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 2,25,000 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 2,25,716 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 2,19,132 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 2,13,841 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 1,31,594 and 11,793 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2022-23, options of ₹ 10 each granted to eligible employees is 21,200 and 27,533 options were forfeited on non satisfaction of vesting conditions.

Further, for the performance year 2023-24, options of ₹ 10 each granted to eligible employees is 20,200 and 10,962 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.

# Notes to the Standalone Financial Statements

## Note 45.2 Restricted Share Option Plan (Contd..)

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	2,03,400	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	2,14,716	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	2,10,132	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	2,13,841	13 August, 2019	Refer Note 1 below	10.00	1,045.81
Series 10	1,12,200	31 July, 2020	Refer Note 1 below	10.00	1,811.83
Series 11	1,14,844	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
Series 15	21,200	29 July, 2022	Refer Note 1 below	10.00	2,084.30
Series 16	20,200	27 July, 2023	Refer Note 1 below	10.00	2,353.05

**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	Series 15	Series 16
Grant date share price	3,508.85	3,710.00	2,144.50	2,416.60
Exercise price (in ₹)	10	10	10	10
Expected volatility	33.72%	33.72%	34.30%-38.60%	34.10%-38.00%
Option life	6-9 Years	6-9 Years	6-9 Years	6-9 Years
Dividend yield	0.56%	0.56%	0.50%	0.50%
Risk-free interest rate	6.07%-6.35%	6.07%-6.35%	7.00%-7.40%	7.20%

# Notes to the Standalone Financial Statements

## Note 45.2 Restricted Share Option Plan (Contd..)

### 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	2023-24		2022-23	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	3,74,143	10.00	5,36,141	10.00
Granted during the year	20,200	10.00	21,200	10.00
Forfeited during the year	10,962	10.00	27,533	10.00
Exercised during the year	2,05,219	10.00	1,55,665	10.00
Expired during the year	-	-	-	-
Balance at end of year	1,78,162	10.00	3,74,143	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	125	Various dates	2,416.98
Series 2	-	-	-
Series 3	-	-	-
Series 4	-	-	-
Series 5	3,214	Various dates	2,198.90
Series 6	300	Various dates	2,331.98
Series 7	51,365	Various dates	2,274.01
Series 8	3,150	Various dates	1,963.38
Series 9	92,483	Various dates	2,244.65
Series 10	26,241	Various dates	2,218.54
Series 11	24,702	Various dates	2,040.42
Series 12	188	Various dates	2,204.78
Series 13	376	Various dates	2,156.17
Series 14	1,375	Various dates	2,301.54
Series 15	1,700	Various dates	2,305.76
<b>Total</b>	<b>2,05,219</b>		

\*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, 2023: ₹ 10) and a weighted average remaining contractual life of 4.74 years (as at 31 March, 2023: 5.08 years)

## Note 45.3 'Dr Lal PathLabs Employee Stock Option Plan 2022

### 45.3.1 Details of employee share based plan of the Company

The shareholders of the Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2022' ("ESOP 2022") at the Annual General Meeting held on 30 June, 2022 to grant a maximum of 12,50,278 options to specified categories of employees of the Company. Each option granted and vested under the ESOP 2022 shall entitle the holder to acquire 1 equity share of ₹ 10 each. The Company had granted 2,11,400 options till the year ended 31 March, 2023.

# Notes to the Standalone Financial Statements

## Note 45.3 'Dr Lal PathLabs Employee Stock Option Plan 2022 (Contd..)

The following ESOP 2022 tranches were in existence during the current year:

Grant date	Number	Expiry date	Exercise price (in ₹)	Fair Value at grant date (in ₹)
29 July, 2022	2,11,400	Refer Note 1 below	1930.05	975.55
27 July, 2023	2,37,500	Refer Note 1 below	2174.94	1105.63

Note 1: All options vest before one year and not later than four years from date of grant of such options 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.

### 45.3.2 Fair value of share options granted in the year

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Option Series	Series 1	Series 2
Grant date share price	2,144.50	2,416.60
Exercise price (in ₹)	1930.05	2174.94
Expected volatility	34.30%-38.60%	34.10%-38.00%
Option life	6-9 Years	6-9 Years
Dividend yield	0.50%	0.50%
Risk-free interest rate	7.00%-7.40%	7.20%

### 45.3.3 Movements in share options during the year

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

Particulars	2023-24		2022-23	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	2,01,300	1,930.05	-	-
Granted during the year	2,37,500	2,174.94	2,11,400	1,930.05
Forfeited during the year	55,450	-	10,100	-
Exercised during the year	7,330	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	3,76,020	1930.05 & 2174.94	2,01,300	1,930.05

### 45.3.4 Share options exercised during the year

Option series	Number exercised	Exercise date	Share price* at exercise date
Series 1	7,330	Various dates	2256.36

\*weighted average share price during the period

### 45.3.5 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 ₹ 1,930.05 (as at 31 March, 2023: ₹ 1930.05) and a weighted average remaining contractual life of years 6.37 years (as at 31 March, 2023: 6.83 years)

# Notes to the Standalone Financial Statements

## Note 46 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 a positive gearing ratio. The gearing ratios is as follows:

	(in ₹ million, unless otherwise stated)	
	31 March, 2024	31 March, 2023
Net debt *	(983.46)	1,751.30
Total equity	18,996.62	16,898.64
<b>Net debt to equity ratio</b>	<b>(5%)</b>	<b>10%</b>

\* Net debt represents borrowings and lease liabilities less cash and cash equivalents computed as follows:

	(in ₹ million, unless otherwise stated)	
	31 March, 2024	31 March, 2023
Term loan from banks (including current maturities)	833.34	1,666.67
Bank overdraft	-	700.04
Less: Cash and cash equivalents	(3,258.32)	(2,203.18)
<b>Debt</b>	<b>(2,424.98)</b>	<b>163.53</b>
<b>Lease liabilities</b>		
Lease liabilities-Current	528.16	439.64
Lease liabilities-Non Current	913.36	1,148.13
Net debt(including lease liabilities)	(983.46)	1,751.30

### (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, 2024

	(in ₹ million, unless otherwise stated)				
Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	700.27	-	-	700.27	700.27
Trade receivables	-	-	777.92	777.92	777.92
Cash and cash equivalents	-	-	3,258.32	3,258.32	3,258.32
Bank balances other than cash and cash equivalents above	-	-	3,572.83	3,572.83	3,572.83
Loans	-	-	11.93	11.93	11.93
Other financial assets	33.82	-	583.35	617.17	617.17
<b>Total</b>	<b>734.09</b>	<b>-</b>	<b>8,204.35</b>	<b>8,938.44</b>	<b>8,938.44</b>

# Notes to the Standalone Financial Statements

## Note 46 Financial instruments (Contd..)

(in ₹ million, unless otherwise stated)

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Borrowings			833.34	833.34	833.34
Lease liabilities			1,441.52	1,441.52	1,441.52
Trade payables	-	-	1,673.13	1,673.13	1,673.13
Other financial liabilities	-	-	454.81	454.81	454.81
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,402.80</b>	<b>4,402.80</b>	<b>4,402.80</b>

### As at 31 March, 2023

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	1,413.80	-	-	1,413.80	1,413.80
Trade receivables	-	-	633.24	633.24	633.24
Cash and cash equivalents	-	-	2,203.18	2,203.18	2,203.18
Bank balances other than cash and cash equivalents above	-	-	3,138.99	3,138.99	3,138.99
Loans	-	-	12.95	12.95	12.95
Other financial assets	41.64	-	521.71	563.35	563.35
<b>Total</b>	<b>1,455.44</b>	<b>-</b>	<b>6,510.07</b>	<b>7,965.51</b>	<b>7,965.51</b>

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Borrowings			2,366.71	2,366.71	2,366.71
Lease liabilities			1,587.77	1,587.77	1,587.77
Trade payables	-	-	1,401.56	1,401.56	1,401.56
Other financial liabilities	-	-	428.59	428.59	428.59
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,784.63</b>	<b>5,784.63</b>	<b>5,784.63</b>

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.

Financial assets	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 March, 2024	As at 31 March, 2023		
<b>Current investments:</b>				
Investment in mutual funds*	700.27	1,413.80	Level II	NAV declared by respective Asset Management Companies.
Surrender value of keyman insurance policy	33.82	41.64	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.

# Notes to the Standalone Financial Statements

## Note 46 Financial instruments (Contd..)

### 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 polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company's risk management process is in line with the corporate policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

### Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximisation.

### Financial risk

The Company's Board 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, 2024				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>Non-current</b>					
Lease liabilities		528.16	1,179.88	700.43	2,408.47

# Notes to the Standalone Financial Statements

## Note 46 Financial instruments (Contd..)

(in ₹ million, unless otherwise stated)

	As at 31 March, 2024				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>Current</b>					
Borrowings	833.34	-	-	-	833.34
Lease liabilities	528.16	-	-	-	528.16
Trade payables	1,673.13	-	-	-	1,673.13
Other current financial liabilities	454.81	-	-	-	454.81
<b>Total</b>	<b>3,489.44</b>	<b>528.16</b>	<b>1,179.88</b>	<b>700.43</b>	<b>5,897.91</b>

(in ₹ million, unless otherwise stated)

	As at 31 March, 2023				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>Non-current</b>					
Borrowings	-	1,666.67	-	-	1,666.67
Lease liabilities	-	763.08	512.68	606.53	1,882.29
<b>Current</b>					
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
<b>Total</b>	<b>3,974.91</b>	<b>2,429.75</b>	<b>512.68</b>	<b>606.53</b>	<b>7,523.87</b>

As at 31 March, 2024, the Company had access to funding facilities of ₹ 890.03 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	890.30	-	890.30
<b>Total</b>	<b>890.30</b>	<b>-</b>	<b>890.30</b>

As at 31 March, 2023, the Company had access to funding facilities of ₹ 1,267.60 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	1,267.60	700.04	567.56
<b>Total</b>	<b>1,267.60</b>	<b>700.04</b>	<b>567.56</b>

### (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, 2024 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non-current</b>				
Loans	-	-	0.32	0.32
Other financial assets	-	114.31	84.42	198.73
	-	<b>114.31</b>	<b>84.74</b>	<b>199.05</b>

# Notes to the Standalone Financial Statements

## Note 46 Financial instruments (Contd..)

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Current</b>				
Investments	700.27	-	-	700.27
Trade receivables	-	-	777.92	777.92
Cash and cash equivalents	-	3,099.65	158.67	3,258.32
Bank balances other than cash and cash equivalents above	-	3,571.71	1.12	3,572.83
Loans	-	-	11.61	11.61
Other financial assets	-	-	418.44	418.44
<b>Total</b>	<b>700.27</b>	<b>6,671.36</b>	<b>1,367.76</b>	<b>8,739.39</b>
	<b>700.27</b>	<b>6,785.67</b>	<b>1,452.50</b>	<b>8,938.44</b>

Range of interest rate applicable 5.50% - 8.50% p.a.

The exposure of the Company's financial liabilities as at 31 March, 2024 to interest rate risk is as follows:  
(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non-current</b>				
Borrowings	-	-	-	-
Lease liabilities	-	-	913.36	913.36
	-	-	<b>913.36</b>	<b>913.36</b>
<b>Current</b>				
Borrowings	833.34	-	-	833.34
Lease liabilities	-	-	528.16	528.16
Trade payables	-	-	1,673.13	1,673.13
Other financial liabilities	-	-	454.81	454.81
<b>Total</b>	<b>833.34</b>	<b>-</b>	<b>2,656.10</b>	<b>3,489.44</b>
	<b>833.34</b>	<b>-</b>	<b>3,569.46</b>	<b>4,402.80</b>

Range of interest rate applicable 5.45% - 6.00% p.a.

The exposure of the Company's financial assets as at 31 March, 2023 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non-current</b>				
Loans	-	-	0.56	0.56
Other financial assets	-	148.50	100.98	249.48
	-	<b>148.50</b>	<b>101.54</b>	<b>250.04</b>
<b>Current</b>				
Investments	1,413.80	-	-	1,413.80
Trade receivables	-	-	633.24	633.24
Cash and cash equivalents	-	2,145.96	57.22	2,203.18
Bank balances other than cash and cash equivalents above	-	3,137.96	1.03	3,138.99
Loans	-	-	12.39	12.39
Other financial assets	-	-	313.87	313.87
<b>Total</b>	<b>1,413.80</b>	<b>5,283.92</b>	<b>1,017.75</b>	<b>7,715.47</b>
	<b>1,413.80</b>	<b>5,432.42</b>	<b>1,119.29</b>	<b>7,965.51</b>

Range of interest rate applicable 5.50% - 8.50% p.a.

# Notes to the Standalone Financial Statements

## Note 46 Financial instruments (Contd..)

The exposure of the Company's financial liabilities as at 31 March, 2023 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non-current</b>				
Borrowings	833.34	-	-	833.34
Lease liabilities	-	-	1,148.13	1,148.13
	<b>833.34</b>	<b>-</b>	<b>1,148.13</b>	<b>1,981.47</b>
<b>Current</b>				
Borrowings	833.33	700.04	-	1,533.37
Lease liabilities	-	-	439.64	439.64
Trade payables	-	-	1,401.56	1,401.56
Other financial liabilities	-	-	428.59	428.59
	<b>833.33</b>	<b>700.04</b>	<b>2,269.79</b>	<b>3,803.16</b>
<b>Total</b>	<b>1,666.67</b>	<b>700.04</b>	<b>3,417.92</b>	<b>5,784.63</b>

Range of interest rate applicable 5.45% - 6.00% p.a.

### 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, 2024	Year ended 31 March, 2023
Impact on profit or loss for the year for increase in interest rate	16.08	10.07
Impact on profit or loss for the year for decrease in interest rate	(16.08)	(10.07)

### (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, 2024 and 31 March, 2023 based on expected probability of default.

# Notes to the Standalone Financial Statements

## Note 46 Financial instruments (Contd..)

### (iv) Details of Derivative Instruments and unhedged foreign currency exposures:

#### A. Details of Derivative Instruments

The Company has not entered into foreign exchange forward contracts where the counter parties is Bank.

#### B. Details of unhedged foreign currency exposures

Particulars	Year ended 31 March, 2024		Year ended 31 March, 2023	
	Amount (FC)	₹ Million	Amount (FC)	₹ Million
Trade Payables	Nil	Nil	Nil	Nil
Trade Receivables	2,71,929	22.58	1,86,322	15.36
	(USD)		(USD)	
	1,02,720	2.28	98,429 (SAR)	2.16
	(SAR)			
	52,206 (QAR)	1.19	67,288 (QAR)	1.53
	375 (KWD)	0.10	279 (KWD)	0.07

### (v) 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, 2024 would increase/decrease by ₹ 35.01 million (for the year ended 31 March, 2023 would increase/ decrease by ₹ 70.69) as a result of the changes in net asset value of investment in mutual funds.

## Note 47. 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 Nepal Private Limited
- 4 Dr. Lal Path Labs Bangladesh Private Limited
- 5 PathLabs Unifiers Private Limited
- 6 Dr. Lal Ventures Private Limited
- 7 Dr. Lal Pathlabs Kenya Private Limited
- 8 Suburban Diagnostics India Private Limited

##### Subsidiaries held indirectly

- 1 Centrapath Labs Private Limited
- 2 APRL PathLabs Private Limited
- 3 Chanre Laboratory Private Limited

#### b. Entities in which key managerial personnel can exercise significant influence

- 1 Lal PathLabs Foundation (formerly Dr. Lal PathLabs Welfare Trust)
- 2 ALVL Foundation

## Notes to the Standalone Financial Statements

### c. Key managerial personnel

- 1 (Hony) Brig. Dr. Arvind Lal - Executive Chairman
- 2 Dr. Vandana Lal - Director
- 3 Dr. Om Prakash Manchanda - Managing Director
- 4 Mr. Ved Prakash Goel - Chief Financial Officer
- 5 Mr. Rajat Kalra - Company Secretary (Upto 31 March 2023)
- 6 Mr. Bharath U - Chief Executive Officer (Upto 9 May, 2024)
- 7 Mr. Harneet Singh Chandhoke- Independent Director (Upto 20 August 2023)
- 8 Mr. Saurabh Srivastava - Independent Director (Upto 20 August 2023)
- 9 Mr. Sunil Varma - Independent Director (Upto 20 August 2023)
- 10 Mr. Anoop Singh - Independent Director (Upto 20 August 2023)
- 11 Mrs. Somya Satsangi - Independent Director
- 12 Mr. Rahul Sharma - Director
- 13 Dr. Archana Lal Erdmann - Director
- 14 Mr. Rohit Bhasin - Independent Director (w.e.f 8 November,2022)
- 15 Mr. Arun Duggal - Independent Director (w.e.f 2 February 2023)
- 16 Mr. Vinay Gujral - Company Secretary (w.e.f 11 May 2023)
- 17 Mr. Gurinder Singh Kalra (w.e.f 27 July 2023)
- 18 Mr. Rajit Mehta (w.e.f 27 July 2023)

### d. Close Member of key management personnel

- 1 Mr. Anjaneya Lal  
[Son of (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal]

### e. Other related parties

- 1 Lal Pathlabs Foundation (formerly Dr. Lal PathLabs Welfare Trust)  
(Trust to manage and administer corporate social responsibilities of the Group under the Companies Act, 2013)
- 2 Dr. Lal PathLabs Limited Group Gratuity Trust ( formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)  
(Trust to manage and administer gratuity liability of the Company)

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

(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
<b>A. Transactions during the year</b>						
<b>i. Sale of services</b>						
Paliwal Diagnostics Private Limited	8.57 (7.12)	- (-)	- (-)	- (-)	- (-)	8.57 (7.12)
Dr. Lal PathLabs Nepal Private Limited	46.65 (39.44)	- (-)	- (-)	- (-)	- (-)	46.65 (39.44)
Dr. Lal Path Labs Bangladesh Private Limited	32.54 (23.99)	- (-)	- (-)	- (-)	- (-)	32.54 (23.99)
ALVL Foundation	- (-)	0.04 (-)	- (-)	- (-)	- (-)	0.04 (-)

# Notes to the Standalone Financial Statements

## Note 47. Related Party Disclosures (Contd..)

(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
Pathlabs Unifiers Private Limited	4.22 (4.56)	- (-)	- (-)	- (-)	- (-)	4.22 (4.56)
APRL PathLabs Private Limited	4.45 (3.54)	- (-)	- (-)	- (-)	- (-)	4.45 (3.54)
Centrapath Labs Private Limited	2.39 (1.64)	- (-)	- (-)	- (-)	- (-)	2.39 (1.64)
Dr. Lal Ventures Private Limited	2.00 (4.51)	- (-)	- (-)	- (-)	- (-)	2.00 (4.51)
Chanre Laboratory Private Limited	2.22 (0.90)	- (-)	- (-)	- (-)	- (-)	2.22 (0.90)
Suburban Diagnostics India Private Limited	26.31 (5.93)	- (-)	- (-)	- (-)	- (-)	26.31 (5.93)
<b>Total</b>	<b>129.35</b> <b>(91.63)</b>	<b>0.04</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>129.39</b> <b>(91.63)</b>
<b>ii. Laboratory test charges</b>						
Paliwal Diagnostics Private Limited	0.04	-	-	-	-	0.04
APRL PathLabs Private Limited	(2.79) 14.09	(-) -	(-) -	(-) -	(-) -	(2.79) 14.09
Centrapath Labs Private Limited	30.58 (0.01)	- (-)	- (-)	- (-)	- (-)	30.58 (0.01)
Suburban Diagnostics India Private Limited	30.97 (-)	- (-)	- (-)	- (-)	- (-)	30.97 (-)
<b>Total</b>	<b>75.68</b> <b>(10.55)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>75.68</b> <b>(10.55)</b>
<b>iii. Compensation of Key Managerial Personnel and their relatives</b>						
The remuneration of key managerial personnel during the year was as follows:						
- Short term employee benefits	- (-)	- (-)	154.19 (147.48)	3.27 (2.93)	- (-)	157.46 (150.41)
- Post employment benefits*	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
- Share based payments to employees**	- (-)	- (-)	295.22 (171.11)	- (-)	- (-)	295.22 (171.11)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>449.41</b> <b>(318.59)</b>	<b>3.27</b> <b>(2.93)</b>	<b>-</b> <b>(-)</b>	<b>452.68</b> <b>(321.52)</b>
- Sitting fees	- (-)	- (-)	5.60 (4.85)	0.25 (0.20)	- (-)	5.85 (5.05)
- Commision to Directors	- (-)	- (-)	13.54 (9.73)	2.00 (1.27)	- (-)	15.54 (11.00)
<b>iv. Contribution to Fund</b>						
Lal PathLabs Foundation (formerly Dr. Lal PathLabs Welfare Trust)	- (-)	- (-)	- (-)	- (-)	84.39 (75.92)	84.39 (75.92)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>84.39</b> <b>(75.92)</b>	<b>84.39</b> <b>(75.92)</b>

# Notes to the Standalone Financial Statements

## Note 47. Related Party Disclosures (Contd..)

(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
<b>v. Rent</b>						
Dr. Vandana Lal	-	-	0.78	-	-	0.78
	(-)	(-)	(0.78)	(-)	(-)	(0.78)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.78</b>	<b>-</b>	<b>-</b>	<b>0.78</b>
	<b>(-)</b>	<b>(-)</b>	<b>(0.78)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.78)</b>
<b>vi. Dividend paid</b>						
(Hony) Brig. Dr. Arvind Lal	-	-	630.37	-	-	630.37
	(-)	(-)	(316.99)	(-)	(-)	(316.99)
Dr. Vandana Lal	-	-	385.98	-	-	385.98
	(-)	(-)	(192.99)	(-)	(-)	(192.99)
Dr. Om Prakash Manchanda	-	-	24.78	-	-	24.78
	(-)	(-)	(16.51)	(-)	(-)	(16.51)
Mr. Bharath U	-	-	0.34	-	-	0.34
	(-)	(-)	(0.30)	(-)	(-)	(0.30)
Mr. Ved Prakash Goel	-	-	0.23	-	-	0.23
	(-)	(-)	(0.27)	(-)	(-)	(0.27)
Dr. Archana Lal Erdmann	-	-	-	40.65	-	40.65
	(-)	(-)	(-)	(20.49)	(-)	(20.49)
Mr. Anjaneya Lal	-	-	-	40.55	-	40.55
(Son of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(-)	(-)	(20.28)	(-)	(20.28)
Mr. Rajat Kalra	-	-	-	-	-	-
	(-)	(-)	(0.11)	(-)	(-)	(0.11)
Mr. Rahul Sharma	-	-	0.68	-	-	0.68
	(-)	(-)	(0.08)	(-)	(-)	(0.08)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,042.38</b>	<b>81.20</b>	<b>-</b>	<b>1,123.58</b>
	<b>(-)</b>	<b>(-)</b>	<b>(527.25)</b>	<b>(40.77)</b>	<b>(-)</b>	<b>(568.02)</b>
<b>vii. Dividend received</b>						
Paliwal Diagnostics Private Limited	32.00	-	-	-	-	32.00
	(120.00)	(-)	(-)	(-)	(-)	(120.00)
<b>Total</b>	<b>32.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.00</b>
	<b>(120.00)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(120.00)</b>
<b>viii. Share options exercised***</b>						
Dr. Om Prakash Manchanda	-	-	1.04	-	-	1.04
	(-)	(-)	(0.66)	(-)	(-)	(0.66)
Mr. Bharath U	-	-	12.37	-	-	12.37
	(-)	(-)	(0.12)	(-)	(-)	(0.12)
Mr. Ved Prakash Goel	-	-	-	-	-	-
	(-)	(-)	(0.03)	(-)	(-)	(0.03)
Mr. Rajat Kalra	-	-	-	-	-	-
	(-)	(-)	(0.02)	(-)	(-)	(0.02)
	<b>-</b>	<b>-</b>	<b>13.41</b>	<b>-</b>	<b>-</b>	<b>13.41</b>
	<b>(-)</b>	<b>(-)</b>	<b>(0.83)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.83)</b>
<b>ix. Issue of equity shares****</b>						
Mr. Rahul Sharma****	-	-	18.68	-	-	18.68
	(-)	(-)	(7.16)	(-)	(-)	(7.16)
	<b>-</b>	<b>-</b>	<b>18.68</b>	<b>-</b>	<b>-</b>	<b>18.68</b>
	<b>(-)</b>	<b>(-)</b>	<b>(7.16)</b>	<b>(-)</b>	<b>(-)</b>	<b>(7.16)</b>

# Notes to the Standalone Financial Statements

## Note 47. Related Party Disclosures (Contd..)

(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
<b>B. Outstanding balances at the year end</b>							
<b>i. Other non-current/current assets</b>							
Other advances*****							
Lal PathLabs Foundation	31 March, 2024	-	-	-	-	0.10	0.10
(formerly Dr. Lal PathLabs Welfare Trust)	31 March, 2023	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Dr. Lal PathLabs Limited Group Gratuity Trust	31 March, 2024	-	-	-	-	0.14	0.14
(formerly Dr. Lal PathLabs Private Limited Group Gratuity Trust)	31 March, 2023	(-)	(-)	(-)	(-)	(0.14)	(0.14)
<b>Total</b>	<b>31 March, 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.24</b>	<b>0.24</b>
	<b>31 March, 2023</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.24)</b>	<b>(0.24)</b>
<b>ii. Trade receivables</b>							
Dr. Lal PathLabs Nepal Private Limited	31 March, 2024	64.76	-	-	-	-	64.76
	31 March, 2023	(33.85)	(-)	(-)	(-)	(-)	(33.85)
Dr. Lal PathLabs Bangladesh Private Limited	31 March, 2024	91.68	-	-	-	-	91.68
	31 March, 2023	(56.09)	(-)	(-)	(-)	(-)	(56.09)
<b>Total</b>	<b>31 March, 2024</b>	<b>156.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156.44</b>
	<b>31 March, 2023</b>	<b>(89.94)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(89.94)</b>

\*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 Dr. Lal PathLabs Employees Restricted Stock Unit Plan 2016 and Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2022

\*\*\* Shares directly issued to the employees by the EWT Trust @ ₹ 10.00 under RSU 2016 and ₹. 1.930.05 under ESOP 2022 (Previous year @ ₹ 10) per equity share of ₹ 10/- each.

\*\*\*\* Shares directly issued to the employees by the Company @ ₹ 311.30 per equity share of ₹ 10/- each under ESOP 2010 scheme. This does not include the employee share compensation perk of ₹ 108.07 Million (31 March, 2023: ₹ 42.29 million)

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

## Notes to the Standalone Financial Statements

### 48. 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 standalone 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	0.08	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	0.08	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
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	0.08	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.	0.10	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	

# Notes to the Standalone Financial Statements

## 48. Additional disclosures with respect to amendments to Schedule III (Contd..)

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
Right-of-use-assets - Building	Leasehold building situated at Sector 18, Block E, Rohini, Delhi.	130.27	75.20	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, 2024.
- 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.
- l. During the year no scheme of arrangements has been approved by the Competent Authority in terms of section 230 to 237 of the companies Act, 2013. The Company had disclosed that the effect of scheme of arrangements and the same had 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.

## Notes to the Standalone Financial Statements

### Note 49. Disclosure of Ratios

Particulars	Numerator	Denominator	Year ended 31 March, 2024	Year ended 31 March, 2023	Change in Ratios	Remarks
Current ratio (in times)	Current assets	Current liabilities	2.17	1.87	16%	
Debt-Equity ratio (in times)	Total debt (Non-current and current including lease liabilities)	Shareholder's equity (Total equity)	0.12	0.23	(49%)	Refer note (a) 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	7.05	5.23	35%	Refer note (b) below
Return on equity ratio (in %)	Net profit after taxes	Average shareholder's equity	21.42%	18.49%	16%	
Inventory turnover ratio (in times)	Cost of materials consumed	Average total inventory	15.37	12.34	25%	
Trade receivables turnover ratio (in times)	Net sales	Average net trade receivables	27.87	27.14	3%	
Trade payables turnover ratio (in times)	Purchases	Average accounts payable	7.21	7.41	(3%)	
Net capital turnover ratio (in times)	Net sales	Working capital = current assets - current liabilities	3.96	4.68	(15%)	
Net profit ratio (in %)	Net profit after taxes	Total Income	19.54%	16.53%	18%	
Return on capital employed (in %)	Earning before interest and taxes	Capital employed= tangible net worth + total debt + deferred tax liability	25.69%	20.54%	25%	
Return on investment (in %)	Income generated from investments	Time weighted average investments	4.99%	4.10%	22%	

(a) Decrease is due to decrease in total debts due to repayment of the borrowings during the year and increase in shareholder's equity during the year as compared to the previous year.

(b) Increase is due to increase in the net profit after taxes and decrease in the debt service due to repayment of borrowings.

# Notes to the Standalone Financial Statements

**50** 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, 2024	As at 31 March, 2023
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

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

**52** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**53** The Standalone Financial Statements were approved by the Board of Directors and authorised for issue on 10 May 2024.

**(Hony.) Brig. Dr. Arvind Lal**

(DIN: 00576638)  
[Executive Chairman]  
Place: New Delhi  
Date: 10 May, 2024

**Dr. Om Prakash Manchanda**

(DIN: 02099404)  
[Managing Director]  
Place: New Delhi  
Date: 10 May, 2024

**Ved Prakash Goel**

[Chief Financial Officer]  
Place: New Delhi  
Date: 10 May, 2024

**Vinay Gujral**

[Company Secretary]  
Place: New Delhi  
Date: 10 May, 2024

# 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 2024, 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 ended on that date, and notes to the consolidated financial statements including a summary of material 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 (‘Ind AS’) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, 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 (“SAs”) specified under section 143 (10) of the Act. 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><b>Revenue recognition - Reliance on information technology and system for controls over pricing master file</b></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"> <li>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.</li> <li>Tested the controls around the access rights to the price masters by involving information technology specialists.</li> <li>Tested the automated controls for auto pick of the prices defined in the system based on the tests selected.</li> </ul>

# Independent Auditor's Report (Contd..)

Sr. No.	Key Audit Matter	Auditor's Response
2.	<p><b>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)</b></p> <p>As detailed in Note 4 and 5.2 to the consolidated financial statements the Company has recognised goodwill arising on consolidation amounting to ₹ 4,685.81 million and other intangible assets comprising of customer relationships, brand and noncompete agreement aggregating to ₹ 2,552.21 million on account of consolidation of the wholly owned subsidiary Suburban Diagnostics (India) Private Limited.</p> <p>We considered this as key audit matter because the Company's assessment of the recoverable value using value-in-use approach 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>	<ul style="list-style-type: none"> <li>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.</li> <li>Selected samples of the invoices and verified the billed price in respect thereof, to the underlying agreements</li> </ul> <p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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;</li> <li>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);</li> <li>We have also assessed the adequacy of the related disclosure to be made in the consolidated financial statements.</li> </ul>

## 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 and Sustainability 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.

## Responsibilities of Management and Those Charged with Governance 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

# Independent Auditor's Report (Contd..)

other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 Management and 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 intend 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 controls 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 with reference to consolidated financial statements 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

# Independent Auditor's Report (Contd..)

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 financial controls 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 three subsidiaries, whose financial statements reflect total assets of ₹ 223.68 million as at 31 March, 2024, total revenues of ₹ 169.49 million and net cash outflows amounting to ₹ 33.80 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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

## 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 maintained by the Group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors, except for complying with the requirement of audit trail as stated in (i) (vi) below.
  - 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, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2024 from being

# Independent Auditor's Report (Contd..)

appointed as a director in terms of Section 164 (2) of the Act.

- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements of those companies.
- h) 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.
- i) 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 52 to the consolidated financial statements.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India - Refer note 53 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, as disclosed in note 49(g) 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, as disclosed in note 49(h) 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 subsidiaries which are companies incorporated in India whose financial statements have been audited under

# Independent Auditor's Report (Contd..)

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 which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

As stated in note 20(iv) 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.

No dividend has been proposed, declared or paid by any of the other subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable.

- vi) Based on our examination which included test checks, the Parent Company and its seven subsidiary companies incorporated in India whose financial statements have been audited under the Act, used accounting software for maintaining its books of account for the year ended 31 March, 2024 which has a feature of recording audit trail (edit log) facility as per the requirements of proviso to Rule 3(1) of

the Companies (Accounts) Rules, 2014 and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled throughout the year at the database level to log any direct data changes.

Further, one subsidiary company incorporated in India whose financial statements have been audited under the Act, has used accounting software for maintaining its books of account for the financial year ended 31 March, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. (Refer note 51 to the financial statements)

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March, 2024.

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 included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks 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: 10 May, 2024

(Membership No. 87104)  
(UDIN:24087104BKCUDM9377)

## “Annexure A” to the Independent Auditor’s Report

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

**Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended 31 March, 2024, we have audited the internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to

consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies incorporated in India.

### **Meaning of Internal Financial Controls with reference to consolidated financial statements**

A company’s internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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.

## “Annexure A” to the Independent Auditor’s Report (Contd..)

### Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to

consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March, 2024, based on the criteria for internal financial control with reference to consolidated financial statements 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.

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

**Jitendra Agarwal**

Partner

(Membership No. 87104)

(UDIN: 24087104BKCUDM9377)

Place: New Delhi

Date: 10 May, 2024

# Consolidated Balance Sheet

as at 31 March, 2024

(in ₹ million, unless otherwise stated)

Particulars	Notes	As at 31 March, 2024	As at 31 March, 2023
<b>Assets</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3a	1,994.15	2,004.07
(b) Right-of-use assets	3b	1,436.12	2,005.95
(c) Capital work-in-progress	3c	39.51	29.67
(d) Investment Property	3d	337.05	-
(e) Goodwill	4	5,481.85	5,478.41
(f) Other intangible assets	5	3,026.13	3,562.19
(g) Intangible assets under development	5	16.97	19.71
(h) Financial assets			
(i) Loans	6	0.32	0.56
(ii) Other financial assets	7	316.52	400.99
(i) Non-current tax assets (net)	8	173.98	205.42
(j) Deferred tax assets (net)	9	448.59	404.24
(k) Other non-current assets	10	21.47	13.56
<b>Total non-current assets</b>		<b>13,292.66</b>	<b>14,124.77</b>
<b>2. Current assets</b>			
(a) Inventories	11	373.07	338.06
(b) Financial assets			
(i) Investments	12	1,137.75	1,499.44
(ii) Trade receivables	13	774.02	708.24
(iii) Cash and cash equivalents	14	3,609.33	2,637.31
(iv) Bank balances other than (iii) above	15	4,693.77	4,016.81
(v) Loans	16	12.77	13.64
(vi) Other financial assets	17	470.31	357.14
(c) Other current assets	18	195.95	160.21
<b>Total current assets</b>		<b>11,266.97</b>	<b>9,730.85</b>
<b>Total assets</b>		<b>24,559.63</b>	<b>23,855.62</b>
<b>Equity and liabilities</b>			
<b>1. Equity</b>			
(a) Equity share capital	19	834.78	833.68
(b) Other equity	20	17,658.05	15,829.30
Equity attributable to owners of the Company		<b>18,492.83</b>	<b>16,662.98</b>
Non-controlling interests	21	360.81	332.47
<b>Total equity</b>		<b>18,853.64</b>	<b>16,995.45</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	-	833.34
(ii) Lease liabilities	41	1,030.19	1,299.89
(b) Deferred tax liabilities (net)	9	23.92	29.41
<b>Total non-current liabilities</b>		<b>1,054.11</b>	<b>2,162.64</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	833.34	1,533.37
(ii) Lease liabilities	41	605.77	528.35
(iii) Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		67.54	65.65
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,798.13	1,495.35
<b>sub-total</b>		<b>1,865.67</b>	<b>1,561.00</b>
(iv) Other financial liabilities	25	486.67	462.46
(b) Provisions	26	378.71	291.35
(c) Current tax liabilities (net)	8	132.86	4.97
(d) Other current liabilities	27	348.86	316.03
<b>Total current liabilities</b>		<b>4,651.88</b>	<b>4,697.53</b>
<b>Total liabilities</b>		<b>5,705.99</b>	<b>6,860.17</b>
<b>Total equity and liabilities</b>		<b>24,559.63</b>	<b>23,855.62</b>
<b>See accompanying notes to the consolidated financial statements</b>		<b>1-55</b>	

In terms of our report of even date attached

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

**Jitendra Agarwal**  
Partner  
Place: New Delhi  
Date: 10 May, 2024

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

**(Hony) Brig. Dr. Arvind Lal**  
(DIN: 00576638)  
[Executive Chairman]  
Place: New Delhi  
Date: 10 May, 2024

**Ved Prakash Goel**  
[Chief Financial Officer]  
Place: New Delhi  
Date: 10 May, 2024

**Dr. Om Prakash Manchanda**  
(DIN: 02099404)  
[Managing Director]  
Place: New Delhi  
Date: 10 May, 2024

**Vinay Gujral**  
[Company Secretary]  
Place: New Delhi  
Date: 10 May, 2024

# Consolidated Statement of Profit and Loss

for the year ended 31 March, 2024

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>1. Income</b>			
(a) Revenue from operations	28	22,266.41	20,168.82
(b) Other income	29	691.65	417.19
<b>Total income</b>		<b>22,958.06</b>	<b>20,586.01</b>
<b>2. Expenses</b>			
(a) Cost of materials consumed	30	4,514.17	4,471.52
(b) Employee benefits expense	31	4,245.69	3,765.22
(c) Finance costs	32	293.59	375.33
(d) Depreciation and amortisation expense	33	1,435.97	1,501.93
(e) Fees to collection centers/channel partners		3,130.12	2,820.34
(f) Other expenses	34	4,284.01	4,213.40
<b>Total expenses</b>		<b>17,903.55</b>	<b>17,147.74</b>
<b>3. Profit before tax</b>		<b>5,054.51</b>	<b>3,438.27</b>
<b>4. Tax expense</b>			
(a) Current tax	35	1,480.25	1,078.91
(b) Deferred tax	9	(48.67)	(51.41)
<b>Total tax expense</b>		<b>1,431.58</b>	<b>1,027.50</b>
<b>5. Profit for the year (A)</b>		<b>3,622.93</b>	<b>2,410.77</b>
<b>6. Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit obligations		(4.58)	26.12
- Income tax in relation to items that will not be reclassified to profit or loss		1.17	(6.57)
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(1.96)	(3.84)
- Income tax in relation to the items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income/ (loss) (B)</b>		<b>(5.37)</b>	<b>15.71</b>
<b>7. Total comprehensive income for the year (A+B)</b>		<b>3,617.56</b>	<b>2,426.48</b>
<b>Profit for the year attributable to:</b>			
- Owners of the Company		3,577.35	2,388.48
- Non-controlling interests		45.58	22.29
		<b>3,622.93</b>	<b>2,410.77</b>
Other comprehensive income/ (loss) for the year attributable to:			
- Owners of the Company		(5.13)	15.85
- Non-controlling interests		(0.24)	(0.14)
		<b>(5.37)</b>	<b>15.71</b>
<b>Total comprehensive income for the year attributable to:</b>			
- Owners of the Company		3,572.22	2,404.33
- Non-controlling interests		45.34	22.15
		<b>3,617.56</b>	<b>2,426.48</b>
<b>8. Earnings per equity share</b>	36		
- Basic earnings per share (Face value of ₹ 10 each)		43.05	28.82
- Diluted earnings per share (Face value of ₹ 10 each)		42.98	28.74
<b>See accompanying notes to the consolidated financial statements</b>	<b>1-55</b>		

In terms of our report of even date attached

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

**Jitendra Agarwal**  
Partner  
Place: New Delhi  
Date: 10 May, 2024

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

**(Hony) Brig. Dr. Arvind Lal**  
(DIN: 00576638)  
[Executive Chairman]  
Place: New Delhi  
Date: 10 May, 2024

**Ved Prakash Goel**  
[Chief Financial Officer]  
Place: New Delhi  
Date: 10 May, 2024

**Dr. Om Prakash Manchanda**  
(DIN: 02099404)  
[Managing Director]  
Place: New Delhi  
Date: 10 May, 2024

**Vinay Gujral**  
[Company Secretary]  
Place: New Delhi  
Date: 10 May, 2024

# Consolidated Cash Flow Statement

for the year ended 31 March, 2024

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Cash flows from operating activities</b>			
Profit for the year		3,622.93	2,410.77
<b>Adjustments for :</b>			
Tax expense		1,431.58	1,027.50
Interest income		(554.30)	(331.78)
Gain on sale or fair valuation of investments		(103.97)	(64.21)
Surrender value of keyman insurance policy		(9.29)	(6.96)
Rental income from investment property		(20.12)	-
Sundry balances written back		-	(5.12)
(Profit)/Loss on disposal/discard of property, plant and equipment		2.18	(8.07)
Expense recognised in respect of employee share based compensation		217.06	228.11
Finance cost		293.59	375.33
Depreciation and amortisation expense		1,435.97	1,501.93
Provision for impairment of trade receivables and advances		-	75.89
Provision for impairment of trade receivables and advances written back		(2.73)	-
Bad debts and advances written off (net)		9.91	36.47
Security deposits amortisation		-	7.72
Remeasurement of the defined benefit obligation		(4.58)	26.12
Exchange differences on translation of foreign operations		(1.96)	(3.84)
<b>Operating profit before working capital changes</b>		<b>6,316.27</b>	<b>5,269.86</b>
<b>Changes in working capital:</b>			
<b>Adjustment for (increase)/decrease in operating assets:</b>			
(Increase)/decrease in inventories		(35.01)	187.35
(Increase)/decrease in trade receivables		(72.96)	33.35
(Increase)/decrease in loans		1.11	(2.45)
(Increase)/decrease in other financial assets		17.37	10.56
(Increase)/decrease in other assets		(38.93)	22.13
<b>Adjustment for increase/(decrease) in operating liabilities:</b>			
Increase/(decrease) in trade payables		304.67	92.27
Increase/(decrease) in other financial liabilities		60.95	21.00
Increase/(decrease) in provisions		87.36	20.88
Increase/(decrease) in other liabilities		32.83	(30.34)
<b>Cash generated from operations</b>		<b>6,673.66</b>	<b>5,624.61</b>
Income taxes paid (Net)		(1,320.32)	(1,064.34)
<b>Net cash generated from operating activities (a)</b>		<b>5,353.34</b>	<b>4,560.27</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment		(511.67)	(365.15)
Proceeds from disposal of property, plant and equipment		8.76	5.03
Payments for purchase of other intangible assets		(62.67)	(80.51)
Rental income from investment property		20.12	-
Interest received		453.36	306.26
Payments for business purchase on slump sale basis*		-	(13.78)
Net cash outflow for investment in subsidiaries		(3.54)	(164.41)
Payments for purchase of investments in mutual funds		(3,420.38)	(3,497.59)
Proceeds from sale of investments in mutual funds		3,886.04	2,716.95
Bank deposits placed with the banks		(6,397.40)	(7,849.38)
Bank deposits with banks encashed		5,784.69	6,069.50
<b>Net cash used in investing activities (b)</b>		<b>(242.69)</b>	<b>(2,873.08)</b>

# Consolidated Cash Flow Statement

for the year ended 31 March, 2024

(in ₹ million, unless otherwise stated)

Particulars	Notes	(in ₹ million, unless otherwise stated)	
		Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Cash flows from financing activities</b>			
Proceeds from exercise of share options		34.88	8.72
Repayment of application money received at the time of IPO		-	(1.43)
Repayment of borrowings		(1,533.37)	(1,089.79)
Proceeds from borrowings		-	-
Interest paid		(93.51)	(154.09)
Repayment of lease liability		(334.86)	(341.97)
Interest paid on lease liability		(200.08)	(223.14)
Dividend paid on equity shares		(2,011.69)	(1,030.13)
<b>Net cash used in financing activities (c)</b>		<b>(4,138.63)</b>	<b>(2,831.83)</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>		<b>972.02</b>	<b>(1,144.64)</b>
Cash and cash equivalents at the beginning of the year	14	2,637.31	3,781.95
<b>Cash and cash equivalents at the end of the year</b>	14	<b>3,609.33</b>	<b>2,637.31</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		18.29	11.75
Balance with scheduled banks:			
- on current accounts		209.95	118.62
- on cash credit accounts		20.54	4.86
- deposits with maturity of less than 3 months		3,360.55	2,502.08
<b>Cash and cash equivalents in Cash Flow Statement</b>	14	<b>3,609.33</b>	<b>2,637.31</b>
*Value of assets and liabilities acquired on business purchase through slump sale have been included in movement of respective assets and liabilities			
<b>See accompanying notes to the consolidated financial statements</b>	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: 10 May, 2024

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

**(Hony) Brig. Dr. Arvind Lal**  
(DIN: 00576638)  
[Executive Chairman]  
Place: New Delhi  
Date: 10 May, 2024

**Ved Prakash Goel**  
[Chief Financial Officer]  
Place: New Delhi  
Date: 10 May, 2024

**Dr. Om Prakash Manchanda**  
(DIN: 02099404)  
[Managing Director]  
Place: New Delhi  
Date: 10 May, 2024

**Vinay Gujral**  
[Company Secretary]  
Place: New Delhi  
Date: 10 May, 2024

# Consolidated Statement of Changes in Equity

for the year ended 31 March, 2024

## a. Equity share capital

Particulars	(in ₹ million, unless otherwise stated)	
		Amount
<b>Balance as at 1 April, 2022</b>		<b>833.45</b>
Changes in equity share capital during the period		0.23
<b>Balance as at 31 March, 2023</b>		<b>833.68</b>
<b>Balance as at 1 April, 2023</b>		<b>833.68</b>
Changes in equity share capital during the period		1.10
<b>Balance as at 31 March, 2024</b>		<b>834.78</b>

## b. Other equity

Particulars	Reserves and surplus							Other comprehensive income	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				
<b>Balance as at 1 April, 2022</b>	<b>(105.25)</b>	<b>4.45</b>	<b>927.95</b>	<b>838.25</b>	<b>582.86</b>	<b>(161.72)</b>	<b>12,096.85</b>	<b>(0.76)</b>	<b>14,182.63</b>	<b>354.60</b>	<b>14,537.23</b>
Profit for the year	-	-	-	-	-	-	2,388.48	-	2,388.48	22.29	2,410.77
Other comprehensive income/(loss) for the year, net of income tax	-	-	-	-	-	-	19.69	(3.84)	15.85	(0.14)	15.71
<b>Total comprehensive income for the year</b>	<b>(105.25)</b>	<b>4.45</b>	<b>927.95</b>	<b>838.25</b>	<b>582.86</b>	<b>(161.72)</b>	<b>14,505.02</b>	<b>(4.60)</b>	<b>16,586.96</b>	<b>376.75</b>	<b>16,963.71</b>
Movement during the period on account of issue of equity shares	-	-	6.93	-	-	-	-	-	6.93	-	6.93
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(994.25)	-	(994.25)	(36.00)	(1,030.25)
Share options exercised during the year (Refer to notes 20 and 50)	-	-	-	186.69	(220.75)	43.19	-	-	9.13	-	9.13
Employee share based compensation expense (Refer to note 31)	-	-	-	-	220.53	-	-	-	220.53	-	220.53
Non-controlling interests arising on the acquisition of subsidiary APRL PathLabs Private Limited (Refer to note 21)	-	-	-	-	-	-	-	-	-	(8.28)	(8.28)
Transfer to capital redemption reserve	-	5.00	-	-	-	-	(5.00)	-	-	-	-
<b>Balance as at 31 March, 2023</b>	<b>(105.25)</b>	<b>9.45</b>	<b>934.88</b>	<b>1,024.94</b>	<b>582.64</b>	<b>(118.53)</b>	<b>13,505.77</b>	<b>(4.60)</b>	<b>15,829.30</b>	<b>332.47</b>	<b>16,161.77</b>

# Consolidated Statement of Changes in Equity

for the year ended 31 March, 2024

## b. Other equity (Contd..)

(in ₹ million, unless otherwise stated)

Particulars	Reserves and surplus						Other comprehensive income	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				
<b>Balance as at 1 April, 2023</b>	<b>(105.25)</b>	<b>9.45</b>	<b>934.88</b>	<b>1,024.94</b>	<b>582.64</b>	<b>(118.53)</b>	<b>13,505.77</b>	<b>15,829.30</b>	<b>332.47</b>	<b>16,161.77</b>
Profit for the year	-	-	-	-	-	-	3,577.35	3,577.35	45.58	3,622.93
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	(3.17)	(4.66)	(0.24)	(4.90)
<b>Total comprehensive income for the year</b>	<b>(105.25)</b>	<b>9.45</b>	<b>934.88</b>	<b>1,024.94</b>	<b>582.64</b>	<b>(118.53)</b>	<b>17,079.95</b>	<b>19,401.99</b>	<b>377.81</b>	<b>19,779.80</b>
Movement during the period on account of issue of equity shares	-	-	114.03	-	-	-	-	114.03	-	114.03
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(1,994.78)	(1,994.78)	(17.00)	(2,011.78)
Share options exercised during the year (Refer to notes 20 and 50)	-	-	-	233.32	(279.71)	(25.37)	-	(71.76)	-	(71.76)
Employee share based compensation expense (Refer to note 31)	-	-	-	-	208.57	-	-	208.57	-	208.57
Transfer to capital redemption reserve	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March, 2024</b>	<b>(105.25)</b>	<b>9.45</b>	<b>1,048.91</b>	<b>1,258.26</b>	<b>511.50</b>	<b>(143.90)</b>	<b>15,085.17</b>	<b>17,658.05</b>	<b>360.81</b>	<b>18,018.86</b>

### See accompanying notes to the consolidated 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: 10 May, 2024

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

**(Hony) Brig. Dr. Arvind Lal**  
(DIN: 00576638)  
[Executive Chairman]  
Place: New Delhi  
Date: 10 May, 2024

**Dr. Om Prakash Manchanda**  
(DIN: 02099404)  
[Managing Director]  
Place: New Delhi  
Date: 10 May, 2024

**Ved Prakash Goel**  
[Chief Financial Officer]  
Place: New Delhi  
Date: 10 May, 2024

**Vinay Gujral**  
[Company Secretary]  
Place: New Delhi  
Date: 10 May, 2024

# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION

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

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

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

- ii. A Scheme of Amalgamation between the Company ("Transferee Company") and its wholly owned subsidiary, by the name of APL Institute of Clinical Laboratory & Research Private Limited ("Transferor Company") with an appointed date of April 1, 2020 (herein after referred to as "Scheme of Amalgamation"/"Scheme") was approved by the Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal ('Hon'ble Tribunal' or 'NCLT') on May 13, 2022 and March 17, 2023 respectively. Pursuant to the Scheme becoming effective, the amalgamation has been accounted for under the 'pooling of interests' method and the assets, liabilities and reserves of the Transferor Company have been accounted for at their book value, in the books of account of the Company.

Consequent to the scheme becoming effective from 1 April 2020, the appointed date, the Company has accounted for amalgamation in accordance with Ind AS 103 "Business Combinations" and restated the amounts with effect from 1 April 2019 (the beginning of the preceding year from the appointed date), as described in note 45.

## 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, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, and other pathological and radiological investigations for customers through various arrangements.

# Notes to the Consolidated Financial Statements

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.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of discounts and schemes offered to the customers by the Company.

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 net of discounts. 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 27.

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 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.

The Group has also entered into lease agreements as a lessor with respect to some of its investment properties.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease which is forming part of 'other income'.

When a contract includes both lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration under the contract to each component

### 2.4.2 The Group as a lessee

The Company's lease asset classes primarily consist of leases for land and building. 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

# Notes to the Consolidated Financial Statements

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 subsequently 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 lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The interest cost on lease liability (computed using effective interest method), is expensed in the Statement of Profit and Loss.

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.

Lease liabilities and right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. This does not apply to right-of-use assets that meet the definition of

investment property, which has been presented in the Balance Sheet as investment property.

## 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.

# Notes to the Consolidated Financial Statements

## 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

# Notes to the Consolidated Financial Statements

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

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost represents direct expenses incurred on acquisition or construction of the assets and the

share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

### 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.

# Notes to the Consolidated Financial Statements

## 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/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 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.

## 2.8.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16, "Property, plant and equipment" requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Depreciation methods, useful lives and residual values are in accordance with the policy of property, plant and equipment.

## 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

# Notes to the Consolidated Financial Statements

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, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

# Notes to the Consolidated Financial Statements

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

Contingent liabilities are disclosed in the Consolidated Financial Statements by way of notes to financial statements, 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, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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.

Trade receivables are initially measured (initial recognition amount) at their transaction price (in accordance with Ind AS 115) unless those contain a significant financing component determined in accordance with Ind AS 115 or when the entity applies the practical expedient in accordance with para 63 of Ind AS 115 and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## 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

# Notes to the Consolidated Financial Statements

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.

# Notes to the Consolidated Financial Statements

## 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 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 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.

# Notes to the Consolidated Financial Statements

## 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 50.

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.

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

## 2.21 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 Group.

## 2.23 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 3a).

### Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates (Refer to note 40).

# Notes to the Consolidated Financial Statements

## 2.24 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	Dr Lal PathLabs Nepal Private Limited
4	Dr Lal Path Labs Bangladesh Pvt Ltd
5	Suburban Diagnostics (India) Private Limited
6	Dr. Lal Ventures Private Limited
7	PathLabs Unifiers Private Limited
8	Centrapath Labs Private Limited
9	APRL Pathlabs Private Limited
10	Dr. Lal PathLabs Kenya Private Limited
11	Chanre Laboratory Private Limited

## 2A Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2024.

# Notes to the Consolidated Financial Statements

## Note 3a: Property, plant and equipment

(Refer to Note 2.8)

	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2024	As at 31 March, 2023
<b>Carrying amounts of:</b>		
Freehold land	109.57	109.57
Freehold buildings	1.72	2.31
Leasehold buildings	287.16	316.85
Plant and equipment	1,134.01	1,120.96
Computers	75.75	83.14
Furniture and fixtures	70.83	87.97
Vehicles	19.93	20.15
Leasehold improvements	295.18	263.12
	<b>1,994.15</b>	<b>2,004.07</b>
Capital work-in-progress	39.51	29.67

	(in ₹ million, unless otherwise stated)									
	Freehold land	Freehold buildings	Leasehold buildings	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total	
<b>Cost or deemed cost</b>										
<b>Balance as at 1 April, 2022</b>	109.57	44.81	503.53	2,112.87	411.65	181.76	50.95	494.38	3,909.52	
Additions	-	-	7.83	274.78	39.60	22.25	-	107.61	452.07	
Disposals	-	(1.67)	(0.06)	(58.11)	(2.08)	(4.19)	(0.15)	(19.88)	(66.14)	
Foreign currency translation reserve	-	-	-	(5.39)	(0.09)	(0.07)	-	(0.80)	(4.35)	
<b>Balance as at 31 March, 2023</b>	109.57	43.14	511.30	2,346.15	448.08	199.75	50.80	581.31	4,291.10	
Additions	-	0.28	-	291.97	44.63	9.11	9.55	104.83	460.37	
Disposals	-	(0.01)	-	(74.48)	(20.70)	(10.40)	(6.89)	(6.14)	(118.62)	
Foreign currency translation reserve	-	-	-	(0.20)	(0.01)	(0.01)	-	(0.07)	(0.29)	
<b>Balance as at 31 March, 2024</b>	109.57	43.41	511.30	2,563.44	473.00	198.45	53.46	679.93	4,632.56	
<b>Accumulated depreciation</b>										
<b>Balance as at 1 April, 2022</b>	-	39.37	161.93	974.41	309.55	90.38	21.91	264.27	1,861.82	
Depreciation expense	-	1.89	32.58	279.57	58.52	25.40	8.87	72.06	478.89	
Elimination on disposals of assets	-	(0.43)	(0.06)	(26.66)	(2.05)	(3.96)	(0.13)	(18.09)	(51.38)	
Foreign currency translation reserve	-	-	-	(2.13)	(0.08)	(0.04)	-	(0.05)	(2.30)	
<b>Balance as at 31 March, 2023</b>	-	40.83	194.45	1,225.19	365.94	111.78	30.65	318.19	2,287.03	
Depreciation expense	-	0.86	29.70	269.48	51.64	22.43	8.72	72.47	455.30	
Elimination on disposals of assets	-	-	(0.01)	(65.08)	(20.32)	(6.59)	(5.84)	(5.89)	(103.73)	
Foreign currency translation reserve	-	-	-	(0.16)	(0.01)	-	-	(0.02)	(0.19)	
<b>Balance as at 31 March, 2024</b>	-	41.69	224.14	1,429.43	397.25	127.62	33.53	384.75	2,638.41	
<b>Carrying amount</b>										
<b>Balance as at 1 April, 2022</b>	109.57	5.44	341.60	1,138.46	102.10	91.38	29.04	230.11	2,047.70	
Additions	-	-	7.83	274.78	39.60	22.25	-	107.61	452.07	
Disposals	-	(1.24)	-	(11.45)	(0.03)	(0.23)	(0.02)	(1.79)	(14.76)	
Depreciation expense	-	(1.89)	(32.58)	(279.57)	(58.52)	(25.40)	(8.87)	(72.06)	(478.89)	
Foreign currency translation reserve	-	-	-	(1.26)	(0.01)	(0.03)	-	(0.75)	(2.05)	
<b>Balance as at 31 March, 2023</b>	109.57	2.31	316.85	1,120.96	83.14	87.97	20.15	263.12	2,004.07	
Additions	-	0.28	-	291.97	44.63	9.11	9.55	104.83	460.37	
Disposals	-	(0.01)	0.01	(9.40)	(5.81)	(1.05)	(0.25)	(14.89)	(14.89)	
Depreciation expense	-	(0.86)	(29.70)	(269.48)	(51.64)	(22.43)	(8.72)	(72.47)	(455.30)	
Foreign currency translation reserve	-	-	-	(0.04)	-	(0.01)	-	(0.05)	(0.10)	
<b>Balance as at 31 March, 2024</b>	109.57	1.72	287.16	1,134.01	75.75	70.83	19.93	295.18	1,994.15	

**Note:** The Group had not revalued its property, plant and equipment during the year ended 31 March, 2024 and 31 March, 2023

# Notes to the Consolidated Financial Statements

## Note 3b: Right-of-use assets

(in ₹ million, unless otherwise stated)

	Right-of-use land	Right-of-use buildings	Total
<b>Gross carrying value</b>			
<b>Balance as at 1 April, 2022</b>	<b>160.26</b>	<b>2,991.29</b>	<b>3,151.55</b>
Additions	-	429.53	429.53
Disposals	-	(110.71)	(110.71)
<b>Balance as at 31 March, 2023</b>	<b>160.26</b>	<b>3,310.11</b>	<b>3,470.37</b>
Additions	-	159.96	159.96
Transfer to investment property	-	(339.66)	(339.66)
Disposals	-	(13.54)	(13.54)
<b>Balance as at 31 March, 2024</b>	<b>160.26</b>	<b>3,116.87</b>	<b>3,277.13</b>
<b>Accumulated depreciation</b>			
<b>Balance as at 1 April, 2022</b>	<b>4.92</b>	<b>1,040.60</b>	<b>1,045.52</b>
Depreciation expense	1.64	417.26	418.90
Elimination on disposals of assets	-	-	-
<b>Balance as at 31 March, 2023</b>	<b>6.56</b>	<b>1,457.86</b>	<b>1,464.42</b>
Depreciation expense	1.64	374.95	376.59
Elimination on disposals of assets	-	-	-
<b>Balance as at 31 March, 2024</b>	<b>8.20</b>	<b>1,832.81</b>	<b>1,841.01</b>
<b>Net carrying value</b>			
<b>Balance as at 1 April, 2022</b>	<b>155.34</b>	<b>1,950.69</b>	<b>2,106.03</b>
Additions	-	429.53	429.53
Disposals	-	(110.71)	(110.71)
Depreciation expense	(1.64)	(417.26)	(418.90)
<b>Balance as at 31 March, 2023</b>	<b>153.70</b>	<b>1,852.25</b>	<b>2,005.95</b>
Additions	-	159.96	159.96
Transfer to investment property	-	(339.66)	(339.66)
Disposals	-	(13.54)	(13.54)
Depreciation expense	(1.64)	(374.95)	(376.59)
<b>Balance as at 31 March, 2024</b>	<b>152.06</b>	<b>1,284.06</b>	<b>1,436.12</b>

**Note:** The Group had not revalued its right-of use sssets during the year ending 31 March, 2024 and 31 March, 2023

## Note 3c: Capital-Work-in Progress ('CWIP)

### (a) CWIP ageing schedule

(in ₹ million, unless otherwise stated)

	As at 31 March, 2024	As at 31 March, 2023
<b>Projects in progress</b>		
- Less than 1 year	39.51	29.67
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(A)</b>	<b>39.51</b>	<b>29.67</b>
<b>Projects temporarily suspended</b>		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>39.51</b>	<b>29.67</b>

**(b)** There is no capital-work-progress, whose completion is overdue or has exceeded its cost compared to its original plan.

# Notes to the Consolidated Financial Statements

## Note 3d: Investment property

(Refer to Note 2.8.6)

(in ₹ million, unless otherwise stated)

	<b>Total</b>
<b>Cost</b>	
<b>Balance as at 1 April, 2022</b>	-
Additions	-
Disposals	-
Exchange Difference	-
<b>Balance as at 31 March, 2023</b>	-
Additions	-
Disposals	-
Exchange Difference	-
Transferred from Right-of-use asset	339.66
<b>Balance as at 31 March, 2024</b>	<b>339.66</b>
<b>Accumulated depreciation</b>	
<b>Balance as at 1 April, 2022</b>	-
Elimination on disposals of assets	-
Depreciation expense	-
<b>Balance as at 31 March, 2023</b>	-
Elimination on disposals of assets	-
Depreciation expense	2.61
<b>Balance as at 31 March, 2024</b>	<b>2.61</b>
<b>Net carrying value</b>	
<b>Balance as at 1 April, 2022</b>	-
Additions	-
Disposals	-
Depreciation expense	-
<b>Balance as at 31 March, 2023</b>	-
Additions	-
Transferred from Right-of-use asset	339.66
Disposals	-
Depreciation expense	(2.61)
<b>Balance as at 31 March, 2024</b>	<b>337.05</b>

### Notes:

- All of the investment properties are held under leasehold interests.
- There is no impairment in respect of investment property.

### Disclosure of information on fair value of the Group's investment properties

- During the year ended 31 March 2024, the Group has classified Right-of-use of buildings relating to 7<sup>th</sup> and 8<sup>th</sup> Floor of SAS Tower, Gurugram into Investment property as per Ind AS 40. The fair value of the same 31 March, 2024 has been arrived at ₹ 428.77 million on the basis of valuation carried by A2Z Valuers, independent valuer not connected with the Group, using the market value by income approach. Independent valuer is a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. In estimating the fair value of the properties, the highest and best use of the properties is their current use.
- The property rental income earned by the Group from its Investment property, all of which is leased out under operating leases, amounted to ₹ 20.12 million. Direct operating expenses arising on the investment property, all of which generated rental income in the year, amounted to Nil.

# Notes to the Consolidated Financial Statements

## Note 4: Goodwill

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Cost or deemed cost	5,481.86	5,478.41
Accumulated impairment loss	-	-
	<b>5,481.86</b>	<b>5,478.41</b>

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Cost or deemed cost		
Balance at the beginning of year	5,478.41	5,434.35
Additions on account of acquisitions/ business combinations*	3.54	48.69
Adjustments	-	(3.28)
Foreign currency translation reserve	(0.09)	(1.35)
<b>Balance at the end of the year**</b>	<b>5,481.86</b>	<b>5,478.41</b>

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

### \*Notes

#### (i) 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 ₹ 9,667.10 million.

Further, during the year ended 31 March 2023, out of the balance consideration, the Parent Company has acquired 42,875 equity shares of ₹ 10 each at a premium in SDIPL, its wholly owned subsidiary and paid ₹ 102.22 million thereby resulting in additional goodwill of ₹ 48.69 million. During the year ended 31 March 2024, the Parent Company has further acquired 3,232 equity shares of ₹ 10 each at a premium and paid ₹ 7.71 million thereby resulting in additional goodwill of ₹ 3.54 million.

(in ₹ million, unless otherwise stated)

Name of indian subsidiaries	As at	As at
	31 March, 2024	31 March, 2023
Suburban Diagnostics (India) Private Limited	3.54	48.69
<b>Total</b>	<b>3.54</b>	<b>48.69</b>

\*\* Includes goodwill amounting to ₹ 4,685.81 as at 31 March 2024 (As at 31 March 2023: ₹ 4,682.27 million) on account of consolidation of the wholly owned subsidiary 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 10-12.50% per annum (as at 31 March, 2023: 10-12.50% per annum).

# Notes to the Consolidated Financial Statements

## Note 4: Goodwill (Contd..)

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, 2023: 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.

## Note 5: Other intangible assets

(in ₹ million, unless otherwise stated)

	As at 31 March, 2024	As at 31 March, 2023
<b>Carrying amounts of :</b>		
Computer software	185.47	188.31
Customer relationships	1,651.83	1,758.17
Non-compete agreements	24.32	34.26
Brand	1,010.43	1,408.50
Trademarks	154.08	172.95
	<b>3,026.13</b>	<b>3,562.19</b>
Intangible assets under developments	16.97	19.71

(in ₹ million, unless otherwise stated)

	Computer software	Customer relationships (Refer note below)	Non- compete agreements (Refer note below)	Brand (Refer note below)	Trademarks (Refer note below)	Total
<b>Cost or deemed cost</b>						
<b>Balance as at 1 April, 2022</b>	<b>583.80</b>	<b>1,932.38</b>	<b>52.27</b>	<b>1,957.70</b>	<b>240.76</b>	<b>4,766.91</b>
Additions	66.32	-	-	-	-	66.32
Disposals	(0.89)	-	-	-	-	(0.89)
Foreign currency translation reserve	-	-	-	-	-	-
<b>Balance as at 31 March, 2023</b>	<b>649.23</b>	<b>1,932.38</b>	<b>52.27</b>	<b>1,957.70</b>	<b>240.76</b>	<b>4,832.34</b>
Additions	65.41	-	-	-	-	65.41
Disposals	(4.89)	-	-	-	-	(4.89)
Foreign currency translation reserve	-	-	-	-	-	-
<b>Balance as at 31 March, 2024</b>	<b>709.75</b>	<b>1,932.38</b>	<b>52.27</b>	<b>1,957.70</b>	<b>240.76</b>	<b>4,892.86</b>
<b>Accumulated amortisation</b>						
<b>Balance as at 1 April, 2022</b>	<b>389.55</b>	<b>68.12</b>	<b>8.03</b>	<b>152.26</b>	<b>48.94</b>	<b>666.90</b>
Amortisation expense	72.26	106.09	9.98	396.94	18.87	604.14
Elimination on disposals of assets	(0.89)	-	-	-	-	(0.89)
Foreign currency translation reserve	-	-	-	-	-	-
<b>Balance as at 31 March, 2023</b>	<b>460.92</b>	<b>174.21</b>	<b>18.01</b>	<b>549.20</b>	<b>67.81</b>	<b>1,270.15</b>
Amortisation expense	68.25	106.34	9.94	398.07	18.87	601.47
Eliminated on disposals of assets	(4.89)	-	-	-	-	(4.89)
Foreign currency translation reserve	-	-	-	-	-	-
<b>Balance as at 31 March, 2024</b>	<b>524.28</b>	<b>280.55</b>	<b>27.95</b>	<b>947.27</b>	<b>86.68</b>	<b>1,866.73</b>

# Notes to the Consolidated Financial Statements

## Note 5: Other intangible assets (Contd..)

(in ₹ million, unless otherwise stated)

	Computer software	Customer relationships (Refer note below)	Non-compete agreements (Refer note below)	Brand (Refer note below)	Trademarks (Refer note below)	Total
<b>Carrying amount</b>						
<b>Balance as at 1 April, 2022</b>	<b>194.25</b>	<b>1,864.26</b>	<b>44.24</b>	<b>1,805.44</b>	<b>191.82</b>	<b>4,100.01</b>
Additions	66.32	-	-	-	-	66.32
Disposals	-	-	-	-	-	-
Amortisation expense	(72.26)	(106.09)	(9.98)	(396.94)	(18.87)	(604.14)
<b>Balance as at 31 March, 2023</b>	<b>188.31</b>	<b>1,758.17</b>	<b>34.26</b>	<b>1,408.50</b>	<b>172.95</b>	<b>3,562.19</b>
Additions	65.41	-	-	-	-	65.41
Disposals	-	-	-	-	-	-
Amortisation expense	(68.25)	(106.34)	(9.94)	(398.07)	(18.87)	(601.47)
<b>Balance as at 31 March, 2024</b>	<b>185.47</b>	<b>1,651.83</b>	<b>24.32</b>	<b>1,010.43</b>	<b>154.08</b>	<b>3,026.13</b>

### Notes:

**5.1.** The Group had not revalued its intangible assets during the year ending 31 March, 2024 and 31 March, 2023

**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 (India) Private Limited	Suburban Diagnostics (India) Private Limited	9,667.10	1,732.00	1,957.70	37.40
	<b>Total (ii)</b>	<b>9,667.10</b>	<b>1,732.00</b>	<b>1,957.70</b>	<b>37.40</b>

(in ₹ million, unless otherwise stated)

Particulars	Customer relationships	Brands	Non-compete agreements	Total
Carrying value as at 31 March 2024	1,522.48	1,010.43	19.30	2,552.21
Carrying value as at 31 March 2023	1,610.52	1,408.50	26.91	3,045.93

### 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, 2024	As at 31 March, 2023
<b>Projects in progress</b>		
- Less than 1 year	16.97	19.71
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	<b>(A) 16.97</b>	<b>19.71</b>

# Notes to the Consolidated Financial Statements

## Note 5: Other intangible assets (Contd..)

(in ₹ million, unless otherwise stated)

Intangible assets under development	As at 31 March, 2024	As at 31 March, 2023
<b>Projects temporarily suspended</b>		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>(B)</b>	-	-
<b>Total (A+B)</b>	<b>16.97</b>	<b>19.71</b>

(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)

### Note 6: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Loans to employees (unsecured, considered good)	0.32	0.56
<b>Total</b>	<b>0.32</b>	<b>0.56</b>

### Note 7: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Security deposits	123.88	136.41
Surrender value of keyman insurance policy	33.82	41.64
Non-current bank balances	158.68	222.84
Interest accrued on loans, fixed deposits and others	0.14	0.10
<b>Total</b>	<b>316.52</b>	<b>400.99</b>

### Note 8: Non-current tax assets/ Current tax liabilities (net)

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Tax assets</b>		
Taxes paid (net)	173.98	205.42
<b>Tax liabilities</b>		
Income tax payable (net)	(132.86)	(4.97)
<b>Total</b>	<b>41.12</b>	<b>200.45</b>

### Note 9: Deferred tax balances

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Deferred tax assets	448.59	404.24
Deferred tax liabilities	(23.92)	(29.41)
<b>Total</b>	<b>424.67</b>	<b>374.83</b>

# Notes to the Consolidated Financial Statements

## Note 9: Deferred tax balances (Contd..)

(in ₹ million, unless otherwise stated)

2023-24	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets on:</b>				
Property, plant and equipment	167.06	20.32	-	187.38
Short-term provisions- compensated absences	25.62	3.64	-	29.26
Short-term provisions- gratuity	47.71	16.97	1.17	65.85
Provision for impairment of trade receivables and advances	86.92	(7.68)	-	79.24
Disallowed expenditure	67.57	15.00	-	82.57
Others	9.36	(5.07)	-	4.29
<b>Deferred tax liabilities on:</b>				
Property, plant and equipment	(7.93)	(0.03)	-	(7.96)
Surrender value of keyman insurance policy	(10.49)	1.95	-	(8.54)
Fair valuation gains on mutual funds	(10.99)	3.57	-	(7.42)
<b>Total</b>	<b>374.83</b>	<b>48.67</b>	<b>1.17</b>	<b>424.67</b>

(in ₹ million, unless otherwise stated)

2022-23	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets on:</b>				
Property, plant and equipment	165.34	1.72	-	167.06
Short-term provisions- compensated absences	28.33	(2.71)	-	25.62
Short-term provisions- gratuity	40.26	14.02	(6.57)	47.71
Provision for impairment of trade receivables and advances	71.82	15.10	-	86.92
Disallowed expenditure	67.46	0.11	-	67.57
Others	7.10	2.26	-	9.36
<b>Deferred tax liabilities on:</b>				
Property, plant and equipment	(31.89)	23.96	-	(7.93)
Surrender value of keyman insurance policy	(9.29)	(1.20)	-	(10.49)
Fair valuation gains on mutual funds	(9.14)	(1.85)	-	(10.99)
<b>Total</b>	<b>329.99</b>	<b>51.41</b>	<b>(6.57)</b>	<b>374.83</b>

## Note 10: Other non-current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Capital advances	14.20	9.48
Advances to related parties (corpus) (Refer to note 46)	0.24	0.24
Others	7.03	3.84
<b>Total</b>	<b>21.47</b>	<b>13.56</b>

## Financial assets (current)

### Note 11: Inventories

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Reagents, chemicals, surgicals and laboratory supplies	372.78	335.89
Stores and others	0.29	2.17
<b>Total</b>	<b>373.07</b>	<b>338.06</b>

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.

# Notes to the Consolidated Financial Statements

## Note 12: Investments

(in ₹ million, unless otherwise stated)

Particulars	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2024	As at 31 March, 2023
Investment in mutual funds (quoted) carried at fair value through profit or loss		
Nippon India Money Market Fund - Direct Growth Plan Growth Option 7,74,654.38 (31 March, 2023: 75,070.67) units	133.45	268.78
JM Liquid Fund Direct Growth 7,58,343.33 (31 March, 2023: 11,84,069.07) units	50.06	72.87
SBI Savings Fund Direct Plan Growth Nil (31 March, 2023: 30,35,157.26) units	-	114.03
Kotak Money Market Fund Direct Growth 29,609.38 (31 March, 2023: 13,519.05) units	122.06	51.76
UTI Liquid Cash Plan Direct Growth Nil (31 March, 2023: 16,699.01) units	-	61.61
HDFC Liquid Fund Direct Plan Growth Option 35,924.96 (31 March, 2023: Nil) units	170.41	-
Axis Money Market Fund Direct Plan Growth 1,63,967.48 (31 March, 2023: 1,69,028.6) units	215.12	205.81
Invesco India Money Market fund Direct Plan Growth Nil (31 March, 2023: 38,009.56) units	-	101.45
Invesco India Liquid fund Direct Growth nil (31 March, 2023: 41,784.26) units	-	129.12
Mahindra Manulife Liquid fund Direct Growth 73,784.78 (31 March, 2023: 67,441.59) units	116.01	98.78
SBI Liquid Fund Direct Growth Fund 15,77,928.87 (31 March, 2023: Nil) units	153.55	-
HDFC Money Market Fund Direct Plan Growth Option 3,192.53 (31 March, 2023: 40,047.84) units	16.92	197.10
ICICI Prudential Money Market Fund Direct Plan Growth 1,30,219.07 (31 March, 2023: 1,30,219.07 ) units	44.87	42.23
Mirae Asset Money Market Fund Direct Plan Growth Option 61,307.62 (31 March, 2023: Nil) units	71.15	-
AXIS Liquid Fund Growth 14,924 (31 March, 2023: 62,337.01) units	40.05	155.90
Nippon India Liquid Fund - Direct Growth Plan Growth Option 6,94,133 (as at 31 March, 2023: Nil) units	4.10	-
<b>Total</b>	<b>1,137.75</b>	<b>1,499.44</b>

## Note 13: Trade receivables

(in ₹ million, unless otherwise stated)

Particulars	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2024	As at 31 March, 2023
<b>Trade receivables</b>		
Secured, considered good	191.54	174.45
Unsecured, considered good	582.48	533.79
Credit impaired	314.88	345.32
<b>Subtotal</b>	<b>1,088.90</b>	<b>1,053.56</b>
Less: Allowance for doubtful debts (expected credit loss allowance)	(314.88)	(345.32)
<b>Total</b>	<b>774.02</b>	<b>708.24</b>

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.

# Notes to the Consolidated Financial Statements

## Note 13: Trade receivables (Contd..)

(in ₹ million, unless otherwise stated)

Age of receivables	As at 31 March, 2024	As at 31 March, 2023
0-90 days	767.39	671.06
90-180 days	23.88	57.80
180-360 days	78.51	103.71
More than 360 days	219.12	220.99
<b>Total</b>	<b>1,088.90</b>	<b>1,053.56</b>

(in ₹ million, unless otherwise stated)

Movement in the expected credit loss allowance	Year ended 31 March, 2024	Year ended 31 March, 2023
Balance at beginning of the year	345.32	284.66
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(30.44)	60.66
<b>Balance at end of the year</b>	<b>314.88</b>	<b>345.32</b>

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, 2024	As at 31 March, 2023
(i) Undisputed trade receivables - considered good		
- Less than 6 months	770.51	703.24
- 6 months - 1 year	3.51	3.92
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	<b>774.02</b>	<b>707.16</b>
(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	20.46	24.54
- 6 months - 1 year	71.49	97.01
- 1-2 years	92.71	109.65
- 2-3 years	33.41	69.08
- More than 3 years	53.80	8.81
	<b>271.87</b>	<b>309.09</b>

# Notes to the Consolidated Financial Statements

## Note 13: Trade receivables (Contd..)

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
(iv) Disputed trade receivables - considered good		
- Less than 6 months	-	1.08
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	<b>1.08</b>
(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	0.29	-
- 6 months - 1 year	3.51	2.78
- 1-2 years	7.35	9.24
- 2-3 years	19.34	18.04
- More than 3 years	12.52	6.17
	<b>43.01</b>	<b>36.23</b>
	<b>1,088.90</b>	<b>1,053.56</b>

## Note 14: Cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Balances with banks		
- in current accounts	209.95	118.62
- in cash credit accounts*	20.54	4.86
Deposit with maturity of less than 3 months**	3,360.55	2,502.08
Cash on hand	18.29	11.75
<b>Total</b>	<b>3,609.33</b>	<b>2,637.31</b>

\*secured by first charge on the current assets of the Parent Company, both Present and Future.

\*\*Refer note 22 for disclosure of assets held as security.

## Note 15: Bank balances other than cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Balance in unclaimed dividend accounts	1.12	1.03
Deposit with banks held as margin money deposits against guarantees	13.78	9.46
Deposit with maturity of 3-12 months *	4,678.87	4,006.32
<b>Total</b>	<b>4,693.77</b>	<b>4,016.81</b>

\*Refer note 22 for disclosure of assets held as security.

## Note 16: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Loans to employees	12.77	13.64
<b>Total</b>	<b>12.77</b>	<b>13.64</b>

# Notes to the Consolidated Financial Statements

## Note 17: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Deposit with others	155.58	141.24
Interest accrued on deposits	314.73	215.90
<b>Total</b>	<b>470.31</b>	<b>357.14</b>

## Note 18: Other current assets

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Balances with government authorities	5.37	3.77
Advances to suppliers	14.52	17.26
Other advances	11.86	11.26
Prepaid expenses*	163.34	127.06
Prepaid rent	0.86	0.86
<b>Total</b>	<b>195.95</b>	<b>160.21</b>

\*Includes ₹ 1.41 million (31 March, 2023: Nil) for excess CSR spent available for set off (Refer to note 44)

## Note 19: Equity share capital

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>Equity share capital</b>	834.78	833.68
<b>Authorised</b>		
10,79,60,000 equity shares of ₹ 10 each (as at 31 March, 2023: 10,79,60,000, equity shares of ₹ 10 each)*	1,079.60	1,079.60
<b>Issued, subscribed and fully paid-up</b>		
8,34,77,852 equity shares of ₹ 10 each (as at 31 March, 2023: 8,33,67,877 equity shares of ₹ 10 each)	834.78	833.68

Refer notes below

\* Pursuant to the Scheme of Amalgamation ["the Scheme"] u/s 230 to 232 of the Companies Act, 2013 among the Parent Company and its erstwhile wholly owned subsidiary Company namely APL Institute of Clinical Laboratory & Research Private Limited [Transferor Company] and the approval of National Company Law Tribunal of Delhi and Ahmedabad, the authorised share capital of the transferor Company has been merged with authorised share capital of the Parent Company. Refer Note 45

### (i) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March, 2024 and 31 March, 2023 is set out below:

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Equity share capital</b>				
At the beginning of the year	8,33,67,877	833.68	8,33,44,877	833.45
Issued during the year	1,09,975	1.10	23,000	0.23
<b>Outstanding at the end of the year</b>	<b>8,34,77,852</b>	<b>834.78</b>	<b>8,33,67,877</b>	<b>833.68</b>

# Notes to the Consolidated Financial Statements

## Note 19: Equity share capital (Contd..)

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

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	2,64,15,443	31.28%	2,64,15,443	31.69%
(ii) Dr Vandana Lal	1,60,82,327	19.27%	1,60,82,327	19.29%

### (iii) Details of shares held by promoters\*:

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024		As at 31 March, 2023		% Change
	Number of shares	% Holding	Number of shares	% Holding	
(i) Dr Arvind Lal	2,61,15,443	31.28%	2,64,15,443	31.69%	(0.41%)
(ii) Dr Vandana Lal	1,60,82,327	19.27%	1,60,82,327	19.29%	(0.02%)
(iii) Archana Lal Erdmann	16,93,751	2.03%	16,93,751	2.03%	-
(iv) Anjaneya Lal	16,89,614	2.02%	16,89,614	2.03%	(0.01%)

\* Promoter here means promoter as defined in the Companies Act, 2013

### (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\*\*

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Proposed dividend on equity shares by Parent company for the year ended on 31 March 2024: ₹ 6 (31 March 2023: ₹ 6 per share)	500.87	500.21
	<b>500.87</b>	<b>500.21</b>

\*\*Such dividend proposed is in accordance with section 123 of the Companies Act 2013, as applicable.

(vi) There are no bonus shares issued by the Parent Company and no shares have been issued for consideration other than cash and no shares have been 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 38,08,960 (after considering bonus shares issued during the earlier 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 50 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 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. Refer note 50 for details of RSUs granted, vested and issued under RSU 2016.

# Notes to the Consolidated Financial Statements

## Note 19: Equity share capital (Contd..)

- (c) The shareholders of the Parent Company approved 'Dr. Lal PathLabs Employees Stock Option Plan 2022' ('RSU 2016') at the Annual General Meeting held on 30 June, 2022 to grant a maximum of 12,50,278 options to employees of the Parent Company and its subsidiaries. Each option granted and vested under ESOP 2022 shall entitle the holder to acquire 1 equity share of ₹ 10 each. Refer note 50 for details of option granted, vested and issued under ESOP 2022.

## Note 20: Other equity

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
General reserve	1,258.26	1,024.94
Securities premium	1,048.91	934.88
Share options outstanding account	511.50	582.64
Retained earnings	15,085.17	13,505.77
Capital redemption reserve account	9.45	9.45
Treasury shares	(143.90)	(118.53)
Foreign currency translation reserve	(6.09)	(4.60)
Capital reserve	(105.25)	(105.25)
<b>Total</b>	<b>17,658.05</b>	<b>15,829.30</b>

### (i) General reserve

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Balance at the beginning of the year	1,024.94	838.25
Addition on share options exercised*	233.32	186.69
<b>Balance at the end of the year</b>	<b>1,258.26</b>	<b>1,024.94</b>

\*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 Parent 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	As at	As at
	31 March, 2024	31 March, 2023
Balance at the beginning of the year	934.88	927.95
Additions during the year	114.03	6.93
<b>Balance at the end of the year</b>	<b>1,048.91</b>	<b>934.88</b>

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	As at	As at
	31 March, 2024	31 March, 2023
Balance at the beginning of the year	582.64	582.86
Compensation options granted during the year	208.57	220.53
Options exercised	(279.71)	(220.75)
<b>Balance at the end of the year</b>	<b>511.50</b>	<b>582.64</b>

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 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 50.

# Notes to the Consolidated Financial Statements

## Note 20: Other equity (Contd..)

### (iv) Retained earnings

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of the year	13,505.77	12,096.85
Profit for the year	3,577.35	2,388.48
Remeasurement of defined benefit obligation, net of income tax	(3.17)	19.69
<b>Less: Appropriations</b>		
Final dividend on equity shares ₹ 6.00 per share for the year ended 31 March 2023 (Previous year ₹ 6.00 per share for the year ended 31 March 2022)	(498.31)	(497.10)
Interim dividend on equity shares ₹ 18.00 per share (Previous year ₹ 6.00 per share)	(1,496.47)	(497.15)
Transfer to capital redemption reserve	-	(5.00)
<b>Balance at the end of the year</b>	<b>15,085.17</b>	<b>13,505.77</b>

The final dividend proposed in the previous year, declared and paid by the Parent and 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 approval of the Consolidated Financial Statements is in compliance with section 123 of the Act.

The Board of Directors of the Parent has proposed final dividend of ₹ 6 per share for the year ended 31 March 2024 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.

The final dividend proposed in the previous year, declared and paid by the Paliwal Dagnostics Private Limited, a subsidiary, during the year is in accordance with section 123 of the Act, as applicable. The interim dividend declared and paid by Centrapath Private Limited, a subsidiary, during the year and until the date of approval of the Consolidated Financial Statements is in compliance with section 123 of the Act.

The Board of Directors of Centrapath Private Limited and Paliwal Diagnostics Private Limited, the subsidiaries which are companies incorporated in India, have proposed final dividend for the year which is subject to the approval of the members of such subsidiaries at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

No dividend has been proposed, declared or paid by any of the other subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable.

### (v) Capital redemption reserve account

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of the year	9.45	4.45
Additions during the year	-	5.00
<b>Balance at the end of the year</b>	<b>9.45</b>	<b>9.45</b>

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	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of the year	(118.53)	(161.72)
Change during the year	(25.37)	43.19
<b>Balance at the end of the year</b>	<b>(143.90)</b>	<b>(118.53)</b>

# Notes to the Consolidated Financial Statements

## Note 20: Other equity (Contd..)

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 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, 2024 aggregated to 2,64,725 equity shares (31 March, 2023: 4,27,299 equity shares) of face value ₹ 10 each.

### (vii) Foreign currency translation reserve

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Balance at the beginning of the year	(4.60)	(0.76)
Change during the year	(1.49)	(3.84)
<b>Balance at the end of the year</b>	<b>(6.09)</b>	<b>(4.60)</b>

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	As at	As at
	31 March, 2024	31 March, 2023
Balance at the beginning of the year	(105.25)	(105.25)
<b>Balance at the end of the year</b>	<b>(105.25)</b>	<b>(105.25)</b>

₹ 105.25 million forming part of capital reserve comprises:

- 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 had been adjusted in Capital reserve amounting to ₹ 33.00 million as stipulated in the scheme.
- On approval of the Scheme of Amalgamation between the Parent Company (Transferee Company) and its erstwhile wholly owned subsidiary, namely APL Institute of Clinical Laboratory & Research Private Limited (Transferor Company) by the Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal on 13 May 2022 and 17 March 2023 respectively, the difference between the carrying value of investments in the books of account of the Transferee Company and the share capital of the Transferor Company had been adjusted in Capital reserve amounting to ₹ 72.25 million as stipulated in the scheme.

## Note 21: Non-controlling interests

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Balance at beginning of the year	332.47	354.60
Share of profit for the year	45.34	22.15
Dividend	(17.00)	(36.00)
Non-controlling interests on further acquisition of APRL PathLabs Private Limited	-	(8.28)
<b>Balance at the end of the year</b>	<b>360.81</b>	<b>332.47</b>

# Notes to the Consolidated Financial Statements

## Note 21: Non-controlling interests (Contd..)

### 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, 2024	31 March, 2023	31 March, 2024	31 March, 2023
Paliwal Diagnostics Private Limited	India	20.00%	20.00%	23.44	17.48
Paliwal Medicare Private Limited	India	20.00%	20.00%	1.38	1.07
Centrapath Labs Private Limited	India	30.00%	30.00%	14.91	4.78
APRL PathLabs Private Limited	India	20.00%	20.00%	1.44	0.62
Chanre Laboratory Private Limited	India	30.00%	30.00%	3.67	0.01
Dr. Lal Path Labs Bangladesh Pvt. Ltd.	Bangladesh	28.17%	28.17%	0.50	(1.81)
			<b>Total</b>	<b>45.34</b>	<b>22.15</b>

(in ₹ million, unless otherwise stated)

Name of subsidiary	Accumulated non-controlling interests	
	31 March, 2024	31 March, 2023
Paliwal Diagnostics Private Limited	75.00	59.56
Paliwal Medicare Private Limited	17.13	15.75
Centrapath Labs Private Limited	178.99	173.08
APRL PathLabs Private Limited	18.07	16.63
Chanre Laboratory Private Limited	63.85	60.18
Dr. Lal Path Labs Bangladesh Pvt. Ltd.	7.77	7.27
<b>Total</b>	<b>360.81</b>	<b>332.47</b>

### Paliwal Diagnostics Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Non-current assets	80.86	76.68
Current assets	362.21	279.55
Non-current liabilities	9.49	0.08
Current liabilities	58.59	58.38
Equity attributable to owners of the Company	299.99	238.21
Non-controlling interests	75.00	59.56

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Income	448.36	387.77
Expenses	331.81	299.71
<b>Profit/ (loss) for the year</b>	<b>116.55</b>	<b>88.06</b>
Profit/ (loss) attributable to owners of the Company	93.24	70.46
Profit/ (loss) attributable to the non-controlling interests	23.31	17.60
<b>Profit/ (loss) for the year</b>	<b>116.55</b>	<b>88.06</b>
Other comprehensive income attributable to owners of the Company	0.54	(0.46)
Other comprehensive income attributable to the non-controlling interests	0.13	(0.12)
<b>Other comprehensive income for the year</b>	<b>0.67</b>	<b>(0.58)</b>
Total comprehensive income attributable to owners of the Company	93.78	70.00
Total comprehensive income attributable to the non-controlling interests	23.44	17.48
<b>Total comprehensive income for the year</b>	<b>117.22</b>	<b>87.48</b>

# Notes to the Consolidated Financial Statements

## Note 21: Non-controlling interests (Contd..)

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Dividends paid to non-controlling interests	8.00	30.00
Net cash inflow/ (outflow) from operating activities	108.04	99.78
Net cash inflow/ (outflow) from investing activities	(70.15)	(17.41)
Net cash inflow/ (outflow) from financing activities	(41.65)	(154.06)
<b>Net cash inflow/ (outflow)</b>	<b>(3.76)</b>	<b>(71.69)</b>

### Paliwal Medicare Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current assets	12.79	36.39
Current assets	77.09	46.63
Non-current liabilities	-	-
Current liabilities	4.21	4.25
Equity attributable to owners of the Company	68.54	63.02
Non-controlling interests	17.13	15.75

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Income	52.37	48.83
Expenses	45.47	43.47
<b>Profit/ (loss) for the year</b>	<b>6.90</b>	<b>5.36</b>
Profit/ (loss) attributable to owners of the Company	5.52	4.29
Profit/ (loss) attributable to the non-controlling interests	1.38	1.07
<b>Profit/ (loss) for the year</b>	<b>6.90</b>	<b>5.36</b>
Other comprehensive income/(loss) attributable to owners of the Company	-	-
Other comprehensive income attributable to the non-controlling interests	-	-
<b>Other comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>
Total comprehensive income attributable to owners of the Company	5.52	4.29
Total comprehensive income attributable to the non-controlling interests	1.38	1.07
<b>Total comprehensive income for the year</b>	<b>6.90</b>	<b>5.36</b>
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	3.17	7.91
Net cash inflow/ (outflow) from investing activities	25.02	(7.21)
Net cash inflow/ (outflow) from financing activities	-	-
<b>Net cash inflow/ (outflow)</b>	<b>28.19</b>	<b>0.70</b>

### Centrapath Labs Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current assets	409.32	423.96
Current assets	252.79	221.80
Non-current liabilities	18.59	18.69
Current liabilities	46.89	50.15
Equity attributable to owners of the Company	417.64	403.84
Non-controlling interests	178.99	173.08

# Notes to the Consolidated Financial Statements

## Note 21: Non-controlling interests (Contd..)

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Income	227.43	178.80
Expenses	176.89	162.83
<b>Profit/ (loss) for the year</b>	<b>50.54</b>	<b>15.97</b>
Profit/ (loss) attributable to owners of the Company	35.38	11.18
Profit/ (loss) attributable to the non-controlling interests	15.16	4.79
<b>Profit/ (loss) for the year</b>	<b>50.54</b>	<b>15.97</b>
Other comprehensive income/(loss) attributable to owners of the Company	(0.58)	(0.01)
Other comprehensive income attributable to the non-controlling interests	(0.25)	(0.01)
<b>Other comprehensive income/(loss) for the year</b>	<b>(0.83)</b>	<b>(0.02)</b>
Total comprehensive income attributable to owners of the Company	34.80	11.17
Total comprehensive income attributable to the non-controlling interests	14.91	4.78
<b>Total comprehensive income for the year</b>	<b>49.71</b>	<b>15.95</b>
Dividends paid to non-controlling interests	9.00	6.00
Net cash inflow/ (outflow) from operating activities	70.29	57.37
Net cash inflow/ (outflow) from investing activities	(25.85)	(35.36)
Net cash inflow/ (outflow) from financing activities	(35.60)	(25.12)
<b>Net cash inflow/ (outflow)</b>	<b>8.84</b>	<b>(3.11)</b>

## APRL Pathlabs Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Non-current assets	45.80	71.94
Current assets	54.45	20.56
Non-current liabilities	-	-
Current liabilities	8.95	8.37
Equity attributable to owners of the Company	73.23	67.50
Non-controlling interests	18.07	16.63

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Income	92.14	86.20
Expenses	84.66	83.03
<b>Profit/ (loss) for the year</b>	<b>7.48</b>	<b>3.17</b>
Profit/ (loss) attributable to owners of the Company	5.98	2.54
Profit/ (loss) attributable to the non-controlling interests	1.50	0.63
<b>Profit/ (loss) for the year</b>	<b>7.48</b>	<b>3.17</b>
Other comprehensive income/(loss) attributable to owners of the Company	(0.25)	(0.03)
Other comprehensive income attributable to the non-controlling interests	(0.06)	(0.01)
<b>Other comprehensive income/(loss) for the year</b>	<b>(0.31)</b>	<b>(0.04)</b>
Total comprehensive income attributable to owners of the Company	5.73	2.51
Total comprehensive income attributable to the non-controlling interests	1.44	0.62
<b>Total comprehensive income for the year</b>	<b>7.17</b>	<b>3.13</b>
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	10.96	9.41
Net cash inflow/ (outflow) from investing activities	8.89	1.70
Net cash inflow/ (outflow) from financing activities	-	(5.00)
<b>Net cash inflow/ (outflow)</b>	<b>19.85</b>	<b>6.11</b>

# Notes to the Consolidated Financial Statements

## Note 21: Non-controlling interests (Contd..)

### Chanre Laboratory Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current assets	134.22	166.89
Current assets	111.60	61.40
Non-current liabilities	9.78	11.06
Current liabilities	23.22	16.64
Equity attributable to owners of the Company	148.97	140.41
Non-controlling interests	63.85	60.18

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Income	128.32	122.41
Expenses	115.88	122.39
<b>Profit/ (loss) for the year</b>	<b>12.44</b>	<b>0.02</b>
Profit/ (loss) attributable to owners of the Company	8.71	0.01
Profit/ (loss) attributable to the non-controlling interests	3.73	0.01
<b>Profit/ (loss) for the year</b>	<b>12.44</b>	<b>0.02</b>
Other comprehensive income/(loss) attributable to owners of the Company	(0.15)	(0.01)
Other comprehensive income attributable to the non-controlling interests	(0.06)	-
<b>Other comprehensive income/(loss) for the year</b>	<b>(0.21)</b>	<b>(0.01)</b>
Total comprehensive income attributable to owners of the Company	8.56	0.00
Total comprehensive income attributable to the non-controlling interests	3.67	0.01
<b>Total comprehensive income for the year</b>	<b>12.23</b>	<b>0.01</b>
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	45.70	23.82
Net cash inflow/ (outflow) from investing activities	(50.58)	(17.15)
Net cash inflow/ (outflow) from financing activities	(2.47)	(2.40)
<b>Net cash inflow/ (outflow)</b>	<b>(7.35)</b>	<b>4.27</b>

### Dr. Lal Path Labs Bangladesh Pvt. Ltd.

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current assets	24.84	26.01
Current assets	97.86	64.47
Non-current liabilities	-	-
Current liabilities	101.00	68.32
Equity attributable to owners of the Company	13.93	14.02
Non-controlling interests	7.77	7.27

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Income	72.99	60.31
Expenses	71.46	66.78
<b>Profit/ (loss) for the year</b>	<b>1.53</b>	<b>(6.47)</b>
Profit/ (loss) attributable to owners of the Company	1.03	(4.65)
Profit/ (loss) attributable to the non-controlling interests	0.50	(1.82)
<b>Profit/ (loss) for the year</b>	<b>1.53</b>	<b>(6.47)</b>
Other comprehensive income attributable to owners of the Company	(1.99)	(3.67)
Other comprehensive income attributable to the non-controlling interests	-	-
<b>Other comprehensive income for the year</b>	<b>(1.99)</b>	<b>(3.67)</b>

# Notes to the Consolidated Financial Statements

## Note 21: Non-controlling interests (Contd..)

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Total comprehensive income attributable to owners of the Company	(0.96)	(8.32)
Total comprehensive income attributable to the non-controlling interests	0.50	(1.81)
<b>Total comprehensive income for the year</b>	<b>(0.46)</b>	<b>(10.13)</b>
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	34.84	20.15
Net cash inflow/ (outflow) from investing activities	(60.88)	(1.25)
Net cash inflow/ (outflow) from financing activities	(4.03)	(7.66)
<b>Net cash inflow/ (outflow)</b>	<b>(30.07)</b>	<b>11.24</b>

## Note 22: Financial liabilities: Borrowings - non-current

### (Unsecured)

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>Term loans from Banks</b>		
<b>Secured</b>		
HDFC Bank Limited (HDFC)	-	833.34
<b>Total</b>	<b>-</b>	<b>833.34</b>
Current maturities of long-term borrowings (included in note 23)	833.34	833.33

### Note:

#### Particulars of Term Loans:

##### i) Security

Term loan from HDFC Bank Limited is secured by way of 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 and 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 7.34% p.a with quarterly reset.

iii) The Group has used the borrowings from banks 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.

## Note 23: Borrowings

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Current maturities of long term borrowings (Refer to note 22)	833.34	833.33
Bank overdraft	-	700.04
	<b>833.34</b>	<b>1,533.37</b>

### Notes

- The Group 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 Parent Company.

# Notes to the Consolidated Financial Statements

## Note 24: Trade payables

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Total outstanding dues of micro enterprises and small enterprises	67.54	65.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,798.13	1,495.35
<b>Total</b>	<b>1,865.67</b>	<b>1,561.00</b>

Trade payables are non-interest bearing and are normally settled within a period of 45 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 ₹ 67.54 million (₹ 65.65 million on 31 March, 2023) 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, 2024	As at 31 March, 2023
(i) MSMED		
- Less than 1 year	67.54	65.65
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>Subtotal A</b>	<b>67.54</b>	<b>65.65</b>
(ii) Others		
- Less than 1 year	926.62	820.98
- 1-2 years	-	1.17
- 2-3 years	-	1.26
- More than 3 years	-	-
<b>Subtotal B</b>	<b>926.62</b>	<b>823.41</b>
(iii) Disputed dues - MSMED		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>Subtotal C</b>	<b>-</b>	<b>-</b>
(iv) Disputed dues - Others		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
<b>Subtotal D</b>	<b>-</b>	<b>-</b>
(v) Unbilled dues		
<b>Subtotal E</b>	<b>871.51</b>	<b>671.94</b>
<b>Grand Total F= (A+B+C+D+E)</b>	<b>1,865.67</b>	<b>1,561.00</b>

### 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, 2024	As at 31 March, 2023
a. Amounts payable to suppliers under MSMED (suppliers) as on last day		
Principal	67.54	65.65
Interest due thereon	-	-
b. Payments made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest due thereon	-	-

# Notes to the Consolidated Financial Statements

## Note 24: Trade payables (Contd..)

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
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.	-	-

## Note 25: Other financial liabilities - current

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Payable towards capital goods	23.76	60.50
Security deposits received	461.21	400.37
Other payables	1.70	1.59
<b>Total</b>	<b>486.67</b>	<b>462.46</b>

## Note 26: Provisions

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Provision for employee benefits		
- Provision for compensated absences	118.05	103.11
- Provision for gratuity (Refer to note 40)	260.66	188.24
<b>Total</b>	<b>378.71</b>	<b>291.35</b>

## Note 27: Other current liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Advances from customers	108.24	104.78
Statutory dues	124.03	114.06
Unearned revenue	105.18	94.24
Deferred revenue	11.41	2.95
<b>Total</b>	<b>348.86</b>	<b>316.03</b>

## Note 28: Revenue from operations

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Sale of services	22,265.02	20,166.43
Other operating revenues	1.39	2.39
<b>Total</b>	<b>22,266.41</b>	<b>20,168.82</b>

Revenue disaggregation as per geography has been included in segment information (Refer to note 39).

- (i) The Group generates its entire revenue from contracts with customers for the services at a point in time. The Group is engaged mainly in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations.

# Notes to the Consolidated Financial Statements

## Note 28: Revenue from operations (Contd..)

### ii) Transaction price allocated to the remaining performance obligations

The Group has applied practical expedient in Ind AS 115, "Revenue from contract with customers" 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, 2024	Year ended 31 March, 2023
Trade receivables (Refer note 13)	774.02	708.24
Advances from customers (Refer note 27)	108.24	104.78
Unearned revenue (Refer note 27)	105.18	94.24

### iv) Movement in contract liabilities during the year:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Balance at beginning of the year	94.24	94.92
Add: Addition during the year	105.18	94.24
Less: Deletion during the year	(94.24)	(94.92)
<b>Balance at end of the year</b>	<b>105.18</b>	<b>94.24</b>

## Note 29: Other income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
a) Interest income from		
- Bank deposits (at amortised cost)	549.42	319.01
- Income-tax refund	2.81	1.19
- Others	2.07	11.58
b) Others		
- Rental income from investment property	20.12	-
- Gain on sale or fair valuation of investments (at FVTPL)	103.97	64.21
- Surrender value of keyman insurance policy (at FVTPL)	9.29	6.96
- Sundry balances written back	-	5.12
- Profit on disposal of property, plant and equipment (net)	-	8.07
- Provision for impairment of trade receivables and advances written back	2.73	-
- Miscellaneous non operating income	1.24	1.05
<b>Total</b>	<b>691.65</b>	<b>417.19</b>

## Note 30: Cost of materials consumed

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Inventories at the beginning of the year	335.89	517.24
Add : Purchases	4,551.06	4,290.17
Less : Inventories at the end of the year	(372.78)	(335.89)
<b>Total</b>	<b>4,514.17</b>	<b>4,471.52</b>

# Notes to the Consolidated Financial Statements

## Note 31: Employee benefits expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Salaries, wages and bonus	3,725.62	3,249.81
Employee share based compensation	217.06	228.11
Contribution to provident and other funds	139.21	133.99
Gratuity expense	73.40	67.55
Staff welfare expenses	90.40	85.76
<b>Total</b>	<b>4,245.69</b>	<b>3,765.22</b>

## Note 32: Finance costs

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Interest on lease liability	200.20	223.14
Interest on:		
- Term loan	89.73	119.08
- overdraft facilities	3.23	16.70
Interest others	0.43	16.12
Interest on business purchase	-	0.26
Unwinding of discount on liability component of preference share capital	-	0.03
<b>Total</b>	<b>293.59</b>	<b>375.33</b>

## Note 32a : Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March, 2024	Cash flows	Non cash changes		As at 31 March, 2023
			New leases	Other *	
<b>Borrowings</b>					
Non-current borrowings	-	(833.34)	-	-	833.34
Current borrowings	833.34	(700.03)	-	-	1,533.37
<b>Lease liabilities</b>					
Non-current lease liabilities	1,030.19	(334.86)	65.16	-	1,299.89
Current lease liabilities	605.77	-	77.42	-	528.35
<b>Total liabilities from financing activities</b>	<b>2,469.30</b>	<b>(1,868.23)</b>	<b>142.58</b>	<b>-</b>	<b>4,194.95</b>

\* the effect of derecognition of lease liabilities.

Particulars	As at 31 March, 2023	Cash flows	Non cash changes		As at 31 March, 2022
			New leases	Other *	
<b>Borrowings</b>					
Non-current borrowings	833.34	(834.63)	-	-	1,667.97
Current borrowings	1,533.37	(255.16)	-	-	1,788.53
<b>Lease liabilities</b>					
Non-current lease liabilities	1,299.89	(341.97)	253.27	-	1,388.59
Current lease liabilities	528.35	-	47.79	-	480.56
<b>Total liabilities from financing activities</b>	<b>4,194.95</b>	<b>(1,431.76)</b>	<b>301.06</b>	<b>-</b>	<b>5,325.65</b>

\* the effect of derecognition of lease liabilities.

# Notes to the Consolidated Financial Statements

## Note 33: Depreciation and amortisation expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Depreciation of property, plant and equipment	455.30	478.89
Depreciation of right-of-use assets	376.60	418.90
Depreciation of investment property	2.61	-
Amortisation of intangible assets	601.46	604.14
<b>Total</b>	<b>1,435.97</b>	<b>1,501.93</b>

## Note 34: Other expenses

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Electricity and water charges	261.76	259.06
Rent	271.69	248.96
Rates and taxes	14.82	18.11
Insurance	88.29	79.12
Repairs and maintenance		
- Building	46.18	34.09
- Plant and equipment	126.27	108.79
- Others	543.80	539.96
Advertisement and sales promotion	733.49	507.80
Travelling and conveyance	269.27	403.89
Postage and courier	559.17	520.09
Communication costs	82.62	81.79
Printing and stationery	145.71	149.22
Retainership fees to technical consultants	208.09	200.00
Legal and professional charges	258.34	293.65
Laboratory test charges	98.06	152.29
Payment to auditors (Refer note below)	26.21	27.77
Donation other than to political parties	0.19	0.75
Corporate social responsibility expense (Refer to note 44)	98.56	85.04
Loss on disposal / discard of property, plant and equipment (net)	2.18	-
Provision for impairment of trade receivables and advances	-	75.89
Bad debts / advances written off (net)	9.91	36.47
Miscellaneous expenses	439.40	390.66
<b>Total</b>	<b>4,284.01</b>	<b>4,213.40</b>

### Note

#### (i) Payment to the auditors comprise \*

##### As auditors:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Audit fees	20.34	19.31
Limited review	1.95	1.77
Tax audit fee	1.94	4.43
Others	0.59	0.89
Reimbursement of expenses	1.39	1.37
<b>Total</b>	<b>26.21</b>	<b>27.77</b>

\* including indirect taxes, amount paid for audit of subsidiary companies and ₹ 0.31 million (31 March, 2023: ₹ 0.52 million) paid to other auditor of subsidiary companies

# Notes to the Consolidated Financial Statements

## Note 35: Income tax

### Overview 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 2023-24 and 2022-23 is 25.168 %.

Income tax returns submitted by companies are regularly subjected to a comprehensive review and challenge by the tax authorities.

### Note 35.1: Income tax recognised in Statement of Profit and Loss

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Current tax</b>		
In respect of the current year	1,480.17	1,079.63
In respect of the prior years	0.08	(0.72)
	<b>1,480.25</b>	<b>1,078.91</b>
<b>Deferred tax</b>		
In respect of the current year	(48.67)	(64.57)
In respect of the prior years	-	13.16
	<b>(48.67)</b>	<b>(51.41)</b>
<b>Total income tax expenses recognised in the current year</b>	<b>1,431.58</b>	<b>1,027.50</b>

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

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Profit before tax	<b>5,054.51</b>	<b>3,438.27</b>
Statutory tax rate	25.168%	25.168%
Income tax expenses calculated at 25.168%	1,272.12	865.34
Effect of expenses that are not deductible in determining taxable profit	23.66	18.60
Tax difference on account of deduction under Chapter VI-A	(8.05)	(38.90)
Non taxable income	138.05	161.73
Adjustments recognised in relation to current year in relation to previous years	0.08	12.44
Deferred tax on defined benefit obligation recognised in OCI	(1.17)	6.57
Income taxable at different rate	5.78	3.00
Others	1.11	(1.28)
<b>Income tax expenses recognised in Statement of Profit or Loss</b>	<b>1,431.58</b>	<b>1,027.50</b>

### Note 35.2: Income tax recognised in other comprehensive income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	1.17	(6.57)
	<b>1.17</b>	<b>(6.57)</b>

# Notes to the Consolidated Financial Statements

## Note 36: Earnings per equity share

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Profit for the year - (in ₹ million)	3,577.35	2,388.48
Number of equity shares	8,34,77,852	8,33,67,877
Weighted average number of equity shares outstanding during the year	8,34,49,289	8,33,53,145
Weighted average shares held with the "Dr. Lal PathLabs Employee Welfare Trust"	3,42,849	4,88,702
Dilutive impact of options outstanding	1,29,813	2,53,499
Basic earnings per share of ₹ 10 each	43.05	28.82
Diluted earnings per share of ₹ 10 each	42.98	28.74
Face value per share - (in ₹)	10	10

## Note 36.1: Reconciliation of weighted average number of ordinary shares used a denominator in calculating basic and diluted earnings per share

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Weighted average number of shares for calculating basic earnings per share	8,31,06,440	8,28,64,443
Add : share options outstanding	1,29,813	2,53,499
Weighted average number of shares for calculating dilutive earnings per share	8,32,36,253	8,31,17,942

## Note 37: Capital and other commitments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	102.04	46.43
<b>Other Commitments*</b>	-	-

\* The Group has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of services and employee benefits, in the normal course of business.

## Note 38: Contingent liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Claims against the Company not acknowledged as debts*		
i) Income tax (Refer note below)	30.50	-
ii) Others	70.38	136.36

\* Based on the discussions with solicitor/ expert opinion taken/legal advice/ status of the case, the management believes that the Group has strong chances of success in above mentioned cases and hence no provision is considered necessary in respect thereof at this point in time as the likelihood of liability devolving on the Group is less than probable.

### Note:

During the year, the Income tax department has issued orders under section 147 read with 144B of the Income Tax Act, 1961 for disallowing unexplained expenditure of ₹ 39.01 million and ₹ 2.87 million, under section 69C of the Act, for the assessment years 2016-17 and 2019-20 respectively along with notice of demand under section 156 dated 16 March 2024 for ₹ 26.30 million and dated 18 March 2024 for ₹ 4.20 million for the assessment years 2016-17 and 2019-20 respectively. Subsequent to the year end the Parent Company has contested these demands and has filed an appeal with the "Joint Commissioner (Appeals) or the Commissioner (Appeals)" dated 12 April 2024, within the stipulated time and has deposited an amount of ₹ 30.50 million in respect thereof.

# Notes to the Consolidated Financial Statements

## Note 38: Contingent liabilities (Contd..)

The management believes that the Parent Company has strong chances of success in the above mentioned cases and hence no provision is considered necessary at this point in time as the likelihood of liability devolving on the Parent Company is less than probable and hence these are included as contingent liabilities as at 31 March 2024.

## Note 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, 2024	Year ended 31 March, 2023
India	22,007.48	19,948.60
Outside India	258.93	220.22
<b>Total</b>	<b>22,266.41</b>	<b>20,168.82</b>

- 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, 2024	As at 31 March, 2023
India	12,454.92	13,277.74
Outside India	65.04	37.16
<b>Total</b>	<b>12,519.96</b>	<b>13,314.90</b>

### 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, 2024 and 31 March, 2023.

## Note 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 ₹ 132.41 million (for the year ended 31 March, 2023: ₹ 132.69 million) represents contributions payable to provident fund by the Group at rates specified in the rules of the plans. As at 31 March, 2024, contributions of ₹ 22.02 million (as at 31 March, 2023: ₹ 18.37 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.

# Notes to the Consolidated Financial Statements

## 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:

(in ₹ million, unless otherwise stated)

Date of Valuation	Refer note below	As at 31 March, 2024	As at 31 March, 2023
Discount rate	1	7.15%	7.15%- 7.30%
Rate of salary increase	2	7% -10%	10%
Rate of return	3	6.35%	6.35%
Retirement age		60 years	60 years
Attrition rate		1%-50%	3.93-62.57%
Mortality table		Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

### Notes:

- The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.
- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

# Notes to the Consolidated Financial Statements

## 40.5 Amounts recognised in the Statement of Profit and Loss and other comprehensive income are as follows:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>Service cost :</b>		
Current service cost	59.66	57.65
Net interest expense	13.74	9.90
<b>Components of defined benefit costs recognised in employee benefit expenses</b>	<b>73.40</b>	<b>67.55</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets (excluding amounts included in net interest expense)	0.84	0.32
Actuarial (gains)/losses arising from changes in demographic assumptions	10.93	(8.05)
Actuarial (gains)/losses arising from changes in financial assumptions	(13.65)	(27.68)
Actuarial (gains)/losses arising from experience adjustments	6.46	9.29
<b>Components of remeasurement of defined benefit obligations</b>	<b>4.58</b>	<b>(26.12)</b>
<b>Total</b>	<b>77.98</b>	<b>41.43</b>

## 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, 2024	Year ended 31 March, 2023
Opening defined benefit obligation	407.17	385.24
Addition on account of business combination	-	-
Current service cost	59.66	57.65
Interest cost	29.75	24.40
<b>Remeasurement (gains)/losses:</b>		
Actuarial gains and losses arising from changes in demographic assumptions	10.93	(8.05)
Actuarial gains and losses arising from changes in financial assumptions	(13.65)	(27.68)
Actuarial gains and losses arising from experience adjustments	6.46	9.29
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(22.95)	(33.68)
<b>Closing defined benefit obligation</b>	<b>477.37</b>	<b>407.17</b>

## 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, 2024	As at 31 March, 2023
Present value of funded defined benefit obligation	477.37	407.17
Fair value of plan assets	(216.71)	(218.93)
Funded status	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>260.66</b>	<b>188.24</b>

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

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening fair value of plan assets	218.93	228.38
Interest income	16.02	14.49
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.84)	(0.32)
Actuarial gain/ (loss) on plan assets	-	-
Contributions from the employer	-	-
Benefits paid	(17.40)	(23.62)
<b>Closing fair value of plan assets</b>	<b>216.71</b>	<b>218.93</b>

The Group expects to contribute ₹ 260.66 million to the gratuity fund in the next year (For the year ended 31 March, 2023 ₹ 188.24 million).

# Notes to the Consolidated Financial Statements

## 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, 2024	Year ended 31 March, 2023
Insurer managed funds	228.38	228.38

## 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, 2024	Year ended 31 March, 2023
<b>Discount rate</b>		
- Impact due to increase of 100 basis points	(57.99)	(45.69)
- Impact due to decrease of 100 basis points	68.96	49.38
<b>Salary increase</b>		
- Impact due to increase of 100 basis points	64.81	46.87
- Impact due to decrease of 100 basis points	(55.90)	(44.01)
<b>Withdrawal Rate</b>		
- Impact due to 25% increase	(42.32)	(36.43)
- Impact due to 25% decrease	47.10	41.76

## Note 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 ₹ 788.07 million (31 March, 2023: ₹ 670.59 million) out of which rent charges is amounting to ₹ 253.13 million (31 March, 2023: ₹ 105.48 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, 2024	As at 31 March, 2023
Short term lease	253.13	105.48
Low value assets	-	-

# Notes to the Consolidated Financial Statements

## Note 41: Lease arrangements (Contd..)

### Details of lease liability:

The following is the movement in lease liabilities during the year:

Particulars	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2024	As at 31 March, 2023
Balance at beginning of the year	1,828.24	1,869.15
Additions	159.98	429.54
Finance cost accrued during the period	200.20	223.14
Payment/adjustment of lease liabilities	(534.94)	(565.11)
Derecognition of lease liability	(17.52)	(128.48)
<b>Balance at end of the year</b>	<b>1,635.96</b>	<b>1,828.24</b>
<b>Current</b>	<b>605.77</b>	<b>528.35</b>
<b>Non-current</b>	<b>1,030.19</b>	<b>1,299.89</b>

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Particulars	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2024	As at 31 March, 2023
Less than one year	605.73	524.89
One to five years	1,333.65	1,486.66
More than five years	711.49	625.66
<b>Total</b>	<b>2,650.87</b>	<b>2,637.21</b>

Details of right-of-use assets (ROU):

The following is the movement in ROU assets during the year:

Particulars	(in ₹ million, unless otherwise stated)	
	Land	Buildings
<b>As at 1 April, 2022</b>	<b>155.34</b>	<b>1,950.69</b>
Additions	-	429.53
Deletions	-	(110.71)
Depreciation expense	(1.64)	(417.26)
<b>As at 31 March, 2023</b>	<b>153.70</b>	<b>1,852.25</b>
Additions	-	159.98
Deletions	-	(13.55)
Transfer to investment property	-	(339.66)
Depreciation expense	(1.64)	(374.96)
<b>As at 31 March, 2024</b>	<b>152.06</b>	<b>1,284.06</b>

## Note 42

"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

## Note 43

The Board of Directors of the subsidiary, Pathlabs Unifiers Private Limited ("PUPL") in their meeting held on January 30, 2023 approved the acquisition of further 10% equity stake in its subsidiary i.e. APRL PathLabs Private Limited ("APRL") for a consideration of ₹ 7.50 millions.

# Notes to the Consolidated Financial Statements

## Note 44

In light of Section 135 of the Companies Act, 2013, the Group has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹ 99.97 Million (Previous year ₹ 85.04 Million) for CSR activities.

### Corporate Social Responsibility (CSR)

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
(a) Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	93.80	88.34
(b) Amount approved by the board to be spent during the year	93.80	89.80
(c) Amount of expenditure incurred (as per table below)	99.97	85.04
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	99.97	85.04
(d) Shortfall/(excess) at the end of the year (a - c)		
(i) Ongoing projects (Refer note (a) below)	-	4.76
(ii) Other than ongoing project (Refer note (b) below)	(1.41)	(1.46)
(e) Total of previous year shortfall	4.76	-
(f) Reason for shortfall	-	Refer note (c) below
(g) Details of related party transactions		
- Donations made to Lal PathLab Foundation*	99.97	85.04
(h) Liability against contractual obligations for CSR	-	-

\*The Group has contributed ₹ 99.97 Million (Previous year ₹ 85.04 Million) to "Lal PathLabs Foundation" which is carrying out Corporate Social Responsibility (CSR) activities on behalf of the Group, 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

Balance as on 1 April 2023		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2024	
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	4.76	Nil	4.76	Nil	Nil	

Balance as on 1 April 2022		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2023	
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	15.88	11.12	4.76	Nil	

### Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance as on 1 April 2023	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 2024 (Refer note (b) below)
Nil	Nil	93.80	95.21	(1.41)

# Notes to the Consolidated Financial Statements

## Note 44 (Contd..)

Balance as on 1 April 2022	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 2023 (Refer note (b) below)
Nil	Nil	72.46	73.92	(1.46)

### Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at 1 April 2023	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2024 (Refer note (b) below)
Nil	98.56	99.97	(1.41)

Balance excess spent as at 1 April 2022	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2023
Nil	Nil	Nil	Nil

#### Notes:

- (a) Total unspent amount for an ongoing project for the year ended 31 March 2023 was ₹ 4.76 million, which had been transferred to 'separate CSR unspent account' within a period of 30 days from the end of the financial year in compliance with the provisions of section 135(6) of the Act.
- (b) The Parent Company has spent an excess amount of ₹ 1.41 million (31 March, 2023 : ₹ 1.46 million) with respect to other than ongoing projects as approved by the Board of Directors in excess of the minimum requirement as per section 135 (5) of the Companies Act, 2013. The Parent Company intends to carry forward the excess amount spent during the current year of ₹ 1.41 million (did not intend to carry forward the excess amount of ₹ 1.46 million spent during the year ended 31 March 2023) with respect to other than ongoing projects to the next year.
- (c) The reason for shortfall related to ongoing projects amounting to ₹ 4.76 millions during the year ended 31 March, 2023 is as below:
- The shortfall amounting to ₹ 3 million with respect to ongoing project of Indian Institute of Management, Ahmedabad (IIMA) (relating to establishing of a 'Professional Chair' in healthcare at the Institute), had related to certain procedural delays as communicated by IIMA.
  - The shortfall amounting to ₹ 1.76 million with respect to ongoing project with Centum Foundation had related to delay in implementation of the project due to challenges with respect to establishment of training centres in Mumbai.

## Note 45:

The Board of Directors in their meeting, held on 3 February, 2020, approved the "Scheme of Amalgamation" of APL Institute of Clinical Laboratory & Research Private Limited (Transferor Company), a wholly owned subsidiary, with the Company (Transferee 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 envisages transfer of all properties, rights, assets, interests and claims of the Transferor Company to the Transferee Company. Pursuant to the scheme coming into effect, all the equity shares held by the Transferee Company in Transferor Company stand automatically cancelled.

The Hon'ble New Delhi Bench and Hon'ble Ahmedabad Bench of the National Company Law Tribunal ("Hon'ble Tribunal" or "NCLT") sanctioned the Scheme of Amalgamation on May 13, 2022 and March 17, 2023 respectively. The Transferor Company was engaged in business of running laboratories for carrying out pathology investigation of patients in various disciplines of medical sciences.

# Notes to the Consolidated Financial Statements

## Note 45: (Contd..)

The amalgamation had been accounted for under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The difference between the carrying value of investments in the books of the Transferee Company and the amount of the share capital of Transferor Company had been adjusted in Capital Reserve as per the scheme. The financial statements for the year ended 31 March 2021 had accordingly been restated to give impact of amalgamation with effect from 1 April 2019 (appointed date 1 April 2020) in accordance with the 'pooling of interests' method stated in Appendix C of Ind AS 103 'Business Combinations'. Accordingly, the financial statements for the year ended 31 March, 2022 had also been restated to take the impact of the amalgamation

### Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars	As at 01 April, 2019
<b>Assets</b>	
Current assets	10.21
Non-current assets	6.94
<b>Total Assets</b>	<b>17.15</b>
Current liabilities	4.53
	0.53
<b>Net Assets acquired on amalgamation</b>	<b>12.09</b>
Other Equity	11.99
<b>Share Capital (B)</b>	<b>0.10</b>
Investment in books of transferee Company (A)	72.35
<b>Transfer to Capital Reserve (A-B)</b>	<b>72.25</b>

## Note 46: 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 - Executive Chairman
- 2 Dr. Vandana Lal - Director
- 3 Dr. Om Prakash Manchanda - Managing Director
- 4 Mr. Ved Prakash Goel - Chief Financial Officer
- 5 Mr. Rajat Kalra - Company Secretary (Upto 31 March 2023)
- 6 Mr. Bharath U - Chief Executive Officer (Upto 9 May, 2024)
- 7 Mr. Harneet Singh Chandhoke- Independent Director (Upto 20 August 2023)
- 8 Mr. Saurabh Srivastava - Independent Director (Upto 20 August 2023)
- 9 Mr. Sunil Varma - Independent Director (Upto 20 August 2023)
- 10 Mr. Anoop Singh - Independent Director (Upto 20 August 2023)
- 11 Mrs. Somya Satsangi - Independent Director
- 12 Mr. Rahul Sharma - Director
- 13 Dr. Archana Lal Erdmann - Director
- 14 Mr. Rohit Bhasin - Independent Director (w.e.f 8 November,2022)
- 15 Mr. Arun Duggal - Independent Director (w.e.f 2 February 2023)
- 16 Mr. Vinay Gujral - Company Secretary (w.e.f 11 May 2023)
- 17 Mr. Gurinder Singh Kalra (w.e.f 27 July 2023)
- 18 Mr. Rajit Mehta (w.e.f 27 July 2023)

# Notes to the Consolidated Financial Statements

## Note 46: Related Party Disclosures (Contd..)

### 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 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	(in ₹ million, unless otherwise stated)	Other related parties	Grand Total
<b>A. Transactions during the year</b>					
<b>i. Sale of services</b>					
ALVL Foundation	0.04	-	-	-	0.04
(formerly Dr. Lal PathLabs Welfare Trust)	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.04</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>ii. Compensation of Key Managerial Personnel and their relatives</b>					
The remuneration of key managerial personnel during the year was as follows:					
- Short term employee benefits	-	154.19	3.27	-	157.46
	(-)	(147.48)	(2.93)	(-)	(150.41)
- Post employment benefits*	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
- Share based payments to employees**	-	295.22	-	-	295.22
	(-)	(171.11)	(-)	(-)	(171.11)
<b>Total</b>	<b>-</b>	<b>449.41</b>	<b>3.27</b>	<b>-</b>	<b>452.68</b>
	<b>(-)</b>	<b>(318.59)</b>	<b>(2.93)</b>	<b>(-)</b>	<b>(321.52)</b>
- Sitting fees	-	5.60	0.25	-	5.85
	(-)	(4.85)	(0.20)	(-)	(5.05)
- Commission to Directors	-	13.54	2.00	-	15.54
	(-)	(9.73)	(1.27)	(-)	(11.00)
<b>iii. Contribution to Fund</b>					
Lal Pathlabs Foundation	-	-	-	99.97	99.97
(formerly Dr. Lal PathLabs Welfare Trust)	(-)	(-)	(-)	(85.03)	(85.03)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99.97</b>	<b>99.97</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(85.03)</b>	<b>(85.03)</b>

# Notes to the Consolidated Financial Statements

## Note 46: Related Party Disclosures (Contd..)

(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	(in ₹ million, unless otherwise stated)	Other related parties	Grand Total
<b>iv. Rent</b>					
Dr. Vandana Lal	-	0.78	-	-	0.78
	(-)	(0.78)	(-)	(-)	(0.78)
<b>Total</b>	-	<b>0.78</b>	-	-	<b>0.78</b>
	(-)	<b>(0.78)</b>	(-)	(-)	<b>(0.78)</b>
<b>v. Dividend paid</b>					
(Hony) Brig. Dr. Arvind Lal	-	630.37	-	-	630.37
	(-)	(316.99)	(-)	(-)	(316.99)
Dr. Vandana Lal	-	385.98	-	-	385.98
	(-)	(192.99)	(-)	(-)	(192.99)
Dr. Om Prakash Manchanda	-	24.78	-	-	24.78
	(-)	(16.51)	(-)	(-)	(16.51)
Mr. Bharath U	-	0.34	-	-	0.34
	(-)	(0.30)	(-)	(-)	(0.30)
Mr. Ved Prakash Goel	-	0.23	-	-	0.23
	(-)	(0.27)	(-)	(-)	(0.27)
Dr. Archana Lal Erdmann	-	-	40.65	-	40.65
	(-)	(-)	(20.49)	(-)	(20.49)
Mr. Anjaneya Lal	-	-	40.55	-	40.55
(Son of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(-)	(20.28)	(-)	(20.28)
Rahul Sharma	-	0.68	-	-	0.68
	(-)	(0.08)	(-)	(-)	(0.08)
Mr. Rajat Kalra	-	-	-	-	-
	(-)	(0.11)	(-)	(-)	(0.11)
<b>Total</b>	-	<b>1,042.38</b>	<b>81.20</b>	-	<b>1,123.58</b>
	(-)	<b>(527.25)</b>	<b>(40.77)</b>	(-)	<b>(568.02)</b>
<b>vi. Share options exercised***</b>					
Dr. Om Prakash Manchanda	-	1.04	-	-	1.04
	(-)	(0.66)	(-)	(-)	(0.66)
Mr. Bharath U	-	12.37	-	-	12.37
	(-)	(0.12)	(-)	(-)	(0.12)
Mr. Ved Prakash Goel	-	-	-	-	-
	(-)	(0.03)	(-)	(-)	(0.03)
Mr. Rajat Kalra	-	-	-	-	-
	(-)	(0.02)	(-)	(-)	(0.02)
<b>Total</b>	-	<b>13.41</b>	-	-	<b>13.41</b>
	(-)	<b>(0.83)</b>	(-)	(-)	<b>(0.83)</b>
<b>vii. Issue of equity shares****</b>					
Mr. Rahul Sharma	-	18.68	-	-	18.68
	(-)	(7.16)	(-)	(-)	(7.16)
<b>Total</b>	-	<b>18.68</b>	-	-	<b>18.68</b>
	(-)	<b>(7.16)</b>	(-)	(-)	<b>(7.16)</b>

# Notes to the Consolidated Financial Statements

## Note 46: Related Party Disclosures (Contd..)

(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	(in ₹ million, unless otherwise stated)	Other related parties	Grand Total
<b>B. Outstanding balances at the year end</b>						
<b>i. Other non-current assets</b>						
Other advances <sup>****</sup>						
Lal PathLabs Foundation	31 March, 2024	-	-	-	0.10	<b>0.10</b>
(formerly Dr. Lal PathLabs Welfare Trust)	31 March, 2023	(-)	(-)	(-)	(0.10)	<b>(0.10)</b>
Dr. Lal Pathlabs Limited Group Gratuity Trust	31 March, 2024	-	-	-	0.14	<b>0.14</b>
(formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)	31 March, 2023	(-)	(-)	(-)	(0.14)	<b>(0.14)</b>
<b>Total</b>	31 March, 2024					
	31 March, 2023	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.24)</b>	<b>(0.24)</b>

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.

<sup>†</sup>Excludes share based expenses accounted for during the year related to RSU Plan, 2016

<sup>††</sup>Shares directly issued to the employees by the EWT Trust @ ₹ 10.00 under RSU 2016 and ₹ 1,930.05 under ESOP 2022 (Previous year @ ₹ 10) per equity share of ₹ 10/- each.

<sup>†††</sup>Shares directly issued to the employees by the Company @ ₹ 311.30 per equity share of ₹ 10/- each.

<sup>††††</sup>Represents contribution towards corpus fund. Amount is included in advance recoverable under other non-current assets.

# Notes to the Consolidated Financial Statements

## Note 47: Financial instruments

### (a) Capital management

The Group's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group adjusts the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group has investments in fixed deposits with banks, corporates and in mutual fund schemes wherein underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings.

The Group's strategy is to maintain a positive gearing ratio. The gearing ratios is as follows:

(in ₹ million, unless otherwise stated)

Particulars	31 March, 2024	31 March, 2023
Net debt*	(1,140.03)	1,557.64
Total equity	18,853.64	16,995.45
Net debt to equity ratio	(6%)	9%
*net debt represents borrowings and lease liabilities less cash and cash equivalents computed as follows:		
Term loan from banks (including current maturities)	833.34	1,666.67
Bank overdraft	-	700.04
Less: cash and cash equivalents	(3,609.33)	(2,637.31)
Debt	(2,775.99)	(270.60)
Lease liabilities		
Lease liabilities- current	605.77	528.35
Lease liabilities- non current	1,030.19	1,299.89
Net debt(including lease liabilities)	(1,140.03)	1,557.64

### (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, 2024

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	1,137.75	-	-	1,137.75	1,137.75
Trade receivables	-	-	774.02	774.02	774.02
Cash and cash equivalents	-	-	3,609.33	3,609.33	3,609.33
Bank balances other than cash and cash equivalents above	-	-	4,693.77	4,693.77	4,693.77
Loans	-	-	13.09	13.09	13.09
Other financial assets	33.82	-	753.01	786.83	786.83
	<b>1,171.57</b>	<b>-</b>	<b>9,843.22</b>	<b>11,014.79</b>	<b>11,014.79</b>

(in ₹ million, unless otherwise stated)

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Borrowings			833.34	833.34	833.34
Lease liabilities			1,635.96	1,635.96	1,635.96
Trade payables	-	-	1,865.67	1,865.67	1,865.67
Other financial liabilities	-	-	486.67	486.67	486.67
	<b>-</b>	<b>-</b>	<b>4,821.64</b>	<b>4,821.64</b>	<b>4,821.64</b>

# Notes to the Consolidated Financial Statements

## Note 47: Financial instruments (Contd..)

As at 31 March, 2023

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	1,499.44	-	-	1,499.44	1,499.44
Trade receivables	-	-	708.24	708.24	708.24
Cash and cash equivalents	-	-	2,637.31	2,637.31	2,637.31
Bank balances other than cash and cash equivalents above	-	-	4,016.81	4,016.81	4,016.81
Loans	-	-	14.20	14.20	14.20
Other financial assets	41.64	-	716.49	758.13	758.13
	<b>1,541.08</b>	-	<b>8,093.05</b>	<b>9,634.13</b>	<b>9,634.13</b>

(in ₹ million, unless otherwise stated)

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Borrowings	-	-	2,366.71	2,366.71	2,366.71
Lease liabilities	-	-	1,828.24	1,828.24	1,828.24
Trade payables	-	-	1,561.00	1,561.00	1,561.00
Other financial liabilities	-	-	462.46	462.46	462.46
	-	-	<b>6,218.41</b>	<b>6,218.41</b>	<b>6,218.41</b>

### (c) Fair value measurement

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

(in ₹ million, unless otherwise stated)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31 March, 2024	31 March, 2023		
<b>Current investment:</b>				
Investment in mutual funds*	1,137.75	1,499.44	Level II	NAV declared by respective Asset Management Companies.
Surrender value of keyman insurance policy	33.82	41.64	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.

# Notes to the Consolidated Financial Statements

## Note 47: Financial instruments (Contd..)

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, 2024				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>Non-current</b>					
Borrowings	833.34	-	-	-	833.34
Lease liabilities	-	1,195.86	388.91	704.11	2,288.88
<b>Current</b>					
Lease liabilities	605.77	-	-	-	605.77
Trade payables	1,865.67	-	-	-	1,865.67
Other current financial liabilities	486.67	-	-	-	486.67
<b>Total</b>	<b>3,791.45</b>	<b>1,195.86</b>	<b>388.91</b>	<b>704.11</b>	<b>6,080.33</b>

(in ₹ million, unless otherwise stated)

	As at 31 March, 2023				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>Non-current</b>					
Borrowings	1,533.37	833.34	-	-	2,366.71
Lease liabilities	-	1,195.86	388.91	704.11	2,288.88
<b>Current</b>					
Lease liabilities	528.35	-	-	-	528.35
Trade payables	1,561.00	-	-	-	1,561.00
Other current financial liabilities	462.46	-	-	-	462.46
<b>Total</b>	<b>4,085.18</b>	<b>2,029.20</b>	<b>388.91</b>	<b>704.11</b>	<b>7,207.40</b>

# Notes to the Consolidated Financial Statements

## Note 47: Financial instruments (Contd..)

As at 31 March, 2024, the Group had access to funding facilities of ₹ 890.30 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	890.30	-	890.30
<b>Total</b>	<b>890.30</b>	<b>-</b>	<b>890.30</b>

As at 31 March, 2023, the Group had access to funding facilities of ₹ 1,267.60 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	1,267.60	700.04	567.56
<b>Total</b>	<b>1,267.60</b>	<b>700.04</b>	<b>567.56</b>

### (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, 2024 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non-current</b>				
Loans	-	-	0.32	0.32
Other financial assets	-	158.82	157.70	316.52
	-	<b>158.82</b>	<b>158.02</b>	<b>316.84</b>
<b>Current</b>				
Investments	1,137.75	-	-	1,137.75
Trade receivables	-	-	774.02	774.02
Cash and cash equivalents	-	3,360.55	248.78	3,609.33
Bank balances other than cash and cash equivalents above	-	4,692.65	1.12	4,693.77
Loans	-	-	12.77	12.77
Other financial assets	-	314.73	155.58	470.31
<b>Total</b>	<b>1,137.75</b>	<b>8,367.93</b>	<b>1,192.27</b>	<b>10,697.95</b>
	<b>1,137.75</b>	<b>8,526.75</b>	<b>1,350.29</b>	<b>11,014.79</b>

Range of interest rate applicable 4.40% - 5.30% p.a.

The exposure of the Group's financial liabilities as at 31 March, 2024 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non-current</b>				
Borrowings	-	-	-	-
Lease liabilities	-	-	1,030.19	1,030.19
	-	-	<b>1,030.19</b>	<b>1,030.19</b>
<b>Current</b>				
Borrowings	-	833.34	-	833.34
Lease liabilities	-	-	605.77	605.77
Trade payables	-	-	1,865.67	1,865.67
Other financial liabilities	-	-	486.67	486.67
	-	<b>833.34</b>	<b>2,958.11</b>	<b>3,791.45</b>
<b>Total</b>	<b>-</b>	<b>833.34</b>	<b>3,988.30</b>	<b>4,821.64</b>

# Notes to the Consolidated Financial Statements

## Note 47: Financial instruments (Contd..)

The exposure of the Group's financial assets as at 31 March, 2023 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non-current</b>				
Loans	-	-	0.56	0.56
Other financial assets	-	222.94	178.05	400.99
	-	<b>222.94</b>	<b>178.61</b>	<b>401.55</b>
<b>Current</b>				
Investments	1,499.44	-	-	1,499.44
Trade receivables	-	-	708.24	708.24
Cash and cash equivalents	-	2,502.08	135.23	2,637.31
Bank balances other than cash and cash equivalents above	-	4,015.78	1.03	4,016.81
Loans	-	-	13.64	13.64
Other financial assets	-	215.90	141.24	357.14
	<b>1,499.44</b>	<b>6,733.76</b>	<b>999.38</b>	<b>9,232.58</b>
<b>Total</b>	<b>1,499.44</b>	<b>6,956.70</b>	<b>1,177.99</b>	<b>9,634.13</b>

Range of interest rate applicable 4.40% - 5.30% p.a.

The exposure of the Group's financial liabilities as at 31 March, 2023 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non-current</b>				
Borrowings	-	833.34	-	833.34
Lease liabilities	-	-	1,299.89	1,299.89
	-	<b>833.34</b>	<b>1,299.89</b>	<b>2,133.23</b>
<b>Current</b>				
Borrowings	-	1,533.37	-	1,533.37
Lease liabilities	-	-	528.35	528.35
Trade payables	-	-	1,561.00	1,561.00
Other financial liabilities	-	-	462.46	462.46
	-	<b>1,533.37</b>	<b>2,551.81</b>	<b>4,085.18</b>
<b>Total</b>	-	<b>2,366.71</b>	<b>3,851.70</b>	<b>6,218.41</b>

### 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.

(in ₹ million, unless otherwise stated)

Particulars	Year ended	Year ended
	31 March, 2024	31 March, 2023
Impact on profit or loss for the year for increase in interest rate	40.99	33.66
Impact on profit or loss for the year for decrease in interest rate	(40.99)	(33.66)

# Notes to the Consolidated Financial Statements

## Note 47: Financial instruments (Contd..)

### (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, 2024 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, 2024 would increase/decrease by ₹ 56.89 million (for the year ended 31 March, 2023 would increase/ decrease by ₹ 74.97 million) as a result of the changes in net asset value of investment in mutual funds.

## Note 48: 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, 2024	As at 31 March, 2023
Paliwal Diagnostic Private Limited	Diagnostics	India	80.00	80.00
Paliwal Medicare Private Limited	Diagnostics	India	80.00	80.00
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	80.00	80.00
Centrapath Labs Private Limited	Diagnostics	India	70.00	70.00
Chanre Laboratory Private Limited	Diagnostics	India	70.00	70.00
Dr. Lal Path Labs Bangladesh Pvt. Ltd.	Diagnostics	Bangladesh	71.83	71.83
Dr Lal PathLabs Nepal Private Limited	Diagnostics	Nepal	100.00	100.00
Suburban Diagnostics (India) Private Limited	Diagnostics	India	100.00	100.00
Dr. Lal PathLabs Kenya Private Limited	Diagnostics	Kenya	100.00	100.00

# Notes to the Consolidated Financial Statements

## Note 48: Subsidiaries (Contd..)

Disclosure as required by Schedule III of the Companies Act, 2013 on Consolidated Financial Statements as on 31<sup>st</sup> March, 2024

As at and for the year ended 31 March, 2024

(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
<b>Parent</b>								
Dr. Lal PathLabs Limited	103%	18,996.62	107%	3,843.70	53%	(2.74)	108%	3,840.96
<b>Indian subsidiaries</b>								
Paliwal Diagnostics Private Limited	2%	374.99	3%	116.55	(13)%	0.67	3%	117.22
Paliwal Medicare Private Limited	-	85.67	-	6.90	-	-	-	6.90
Dr Lal Ventures Private Limited	-	6.35	-	0.85	-	(0.10)	-	0.75
PathLabs Unifiers Private Limited	5%	869.44	-	13.09	-	0.01	-	13.10
Centrapath Labs Private Limited	3%	596.63	1%	50.54	-	(0.83)	1%	49.71
APRL Pathlabs Private Limited	-	91.30	-	7.48	-	(0.31)	-	7.17
Chanre Laboratory Private Limited	1%	212.82	-	12.44	-	(0.21)	-	12.23
Suburban Diagnostics (India) Private Limited	7%	1,371.23	3%	117.31	(2)%	0.10	3%	117.41
<b>Overseas subsidiaries</b>								
Dr Lal PathLabs Nepal Private Limited	-	23.55	-	(0.88)	0%	(0.02)	-	(0.90)
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	-	21.70	-	1.53	(39)%	(1.99)	-	(0.46)
Dr. Lal PathLabs Kenya Private Limited	-	5.09	-	(0.11)	(1)%	0.05	-	(0.06)

# Notes to the Consolidated Financial Statements

## Note 48: Subsidiaries (Contd..)

(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
<b>Non controlling interest in subsidiaries</b>	(2)%	(360.81)	(1)%	(45.58)	(5)%	0.24	(1)%	(45.34)
<b>Adjustments on consolidation</b>	(19)%	(3,801.75)	(13)%	(546.47)	-	-	(14)%	(546.47)
<b>Total</b>	<b>100%</b>	<b>18,492.83</b>	<b>100%</b>	<b>3,577.35</b>	<b>100%</b>	<b>(5.13)</b>	<b>100%</b>	<b>3,572.22</b>

## As at and for the year ended 31 March, 2023

(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
<b>Parent</b>								
Dr. Lal PathLabs Limited	102%	16,898.64	122%	2,923.58	(122)%	19.39	122%	2,942.97
<b>Indian subsidiaries</b>								
Paliwal Diagnostics Private Limited	2%	297.77	4%	88.06	(4)%	(0.58)	4%	87.48
Paliwal Medicare Private Limited	-	78.77	-	5.36	-	-	-	5.36
Dr Lal Ventures Private Limited	-	5.60	-	(0.27)	-	(0.01)	-	(0.28)
PathLabs Unifiers Private Limited	5%	856.34	-	(0.07)	-	(0.05)	-	(0.12)
Centrapath Labs Private Limited	3%	576.92	1%	15.97	-	(0.02)	1%	15.95
APRL Pathlabs Private Limited	1%	167.63	-	3.17	-	(0.04)	-	3.13
Chanre Laboratory Private Limited	1%	200.59	0%	0.02	-	(0.01)	-	0.01
Suburban Diagnostics (India) Private Limited	7%	1,249.50	-	7.00	5%	0.87	-	7.87

# Notes to the Consolidated Financial Statements

## Note 48: Subsidiaries (Contd..)

(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
<b>Overseas subsidiaries</b>								
Dr Lal PathLabs Nepal Private Limited	-	24.45	-	(0.46)	(1)%	0.12	-	(0.34)
Dr. Lal Path Labs Bangladesh Pvt. Ltd.	-	22.16	-	(6.47)	23%	(3.67)	-	(10.14)
Dr. Lal PathLabs Kenya Private Limited	-	5.15	(0)%	(0.09)	2%	(0.29)	-	(0.38)
<b>Non controlling interest in subsidiaries</b>	(2)%	(332.47)	(1)%	(22.29)	(1)%	0.14	(1)%	(22.15)
<b>Adjustments on consolidation</b>	(19)%	(3,388.07)	(26)%	(625.03)	-	-	(26)%	(625.03)
<b>Total</b>	<b>100%</b>	<b>16,662.98</b>	<b>100%</b>	<b>2,388.48</b>	<b>100%</b>	<b>15.85</b>	<b>100%</b>	<b>2,404.33</b>

## 49: Additional disclosure with respect to amendments to Schedule III

- 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.
- 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.
- 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.
- 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.
- The Group did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.
- The Group has not traded or invested in Crypto currency or Virtual Currency during year ended 31 March, 2024.
- 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

# Notes to the Consolidated Financial Statements

## 49: Additional disclosure with respect to amendments to Schedule III (Contd..)

- 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 During the year, no scheme of arrangements has been approved by the competent Authority in terms of sections 230-237 of the Companies Act, 2013. The Parent Company had disclosed that the effect of scheme of arrangements as at 31 March 2023 and the same have been accounted for in the books of account of the Parent Company 'in accordance with the Scheme' and 'in accordance with accounting standards' and there is no deviation in this regard.

## Note 50: Share based payments

### Note 50.1: Employee Share Option Plan-2010

#### 50.1.1 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 ₹)
23 January, 2015	1,62,180	Refer Note 1 below	311.30	490.42

**Note 1:** All options vest after 48-60 months from date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date on which the 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.

#### 50.1.2 Fair value of share options granted in the year

There were no options granted during the years ended 31 March, 2024 and 31 March, 2023.

#### 50.1.3 Movements in share options during the year

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

Particulars	2023-24		2022-23	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	1,18,983	311.30	1,41,983	311.30
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	60,000	-	23,000	-
Expired during the year	-	-	-	-
Balance at end of year	58,983	311.30	1,18,983	311.30

(in ₹ million, unless otherwise stated)

# Notes to the Consolidated Financial Statements

## Note 50.1: Employee Share Option Plan-2010 (Contd..)

### 50.1.4 Share options exercised during the year

60,000 shares were exercised during the year

### 50.1.5 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, 2023: ₹ 311.30) and a weighted average remaining contractual life of years 3.13 years (as at 31 March, 2023: 4.13 years)

## Note 50.2: Restricted Share Option Plan

### 50.2.1 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 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 2,25,000 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 2,25,716 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 2,19,132 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 2,13,841 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 1,31,594 and 12,193 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2022-23, options of ₹ 10 each granted to eligible employees is 21,200 and 27,533 options were forfeited on non satisfaction of vesting conditions.

Further, for the performance year 2023-24, options of ₹ 10 each granted to eligible employees is 20,200 and 10,962 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	2,03,400	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	2,14,716	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	2,10,132	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	2,13,841	13 August, 2019	Refer Note 1 below	10.00	1,045.81
Series 10	1,12,200	31 July, 2020	Refer Note 1 below	10.00	1,811.83
Series 11	1,14,844	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
Series 15	21,200	29 July, 2022	Refer Note 1 below	10.00	2,084.30
Series 16	20,200	27 July, 2023	Refer Note 1 below	10.00	2,353.05

**Note 1:** All options vest after one year but within four 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

# Notes to the Consolidated Financial Statements

## Note 50.1: Employee Share Option Plan-2010 (Contd..)

be decided by the Nomination and Remuneration Committee from time to time. Options not exercised within the exercise period lapse.

### 50.2.2 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	Series 15	Series 16
Grant date share price	2,987.35	3,621.45	3,508.85	3,710.00	2,144.50	2,416.60
Exercise price (in ₹)	10	10	10	10	10	10
Expected volatility	33.29%	33.29%	33.72%	33.72%	34.3%-38.60%	34.10%-38.00%
Option life	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years	6-9 Years
Dividend yield	0.54%	0.54%	0.56%	0.56%	0.50%	0.50%
Risk-free interest rate	6.12%-6.52%	6.12%-6.52%	6.07%-6.35%	6.07%-6.35%	7.00%-7.40%	7.20%

### 50.2.3 Movements in share options during the year

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

Particulars	2023-24		2022-23	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	3,74,143	10.00	5,36,141	10.00
Granted during the year	20,200	10.00	21,200	10.00
Forfeited during the year	10,962	10.00	27,533	10.00
Exercised during the year	2,05,219	10.00	1,55,665	10.00
Expired during the year	-	-	-	-
Balance at end of year	1,78,162	10.00	3,74,143	10.00

# Notes to the Consolidated Financial Statements

## Note 50.2: Restricted Share Option Plan (Contd..)

### 50.2.4 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	125	Various dates	2,416.98
Series 2	-	-	-
Series 3	-	-	-
Series 4	-	-	-
Series 5	3,214	Various dates	2,198.90
Series 6	300	Various dates	2,331.98
Series 7	51,365	Various dates	2,274.01
Series 8	3,150	Various dates	1,963.38
Series 9	92,483	Various dates	2,244.65
Series 10	26,241	Various dates	2,218.54
Series 11	24,702	Various dates	2,040.42
Series 12	188	Various dates	2,204.78
Series 13	376	Various dates	2,156.17
Series 14	1,375	Various dates	2,301.54
Series 15	1,700	Various dates	2,305.76
<b>Total</b>	<b>2,05,219</b>		

\*weighted average share price during the year.

### 50.2.5 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, 2023: ₹ 10) and a weighted average remaining contractual life of 4.74 years (as at 31 March, 2023: 5.08 years)

## Note 50.3: Dr Lal PathLabs Employee Stock Option Plan 2022

### 50.3.1 Details of employee share based plan of the Company

The shareholders of the Parent Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2022' ("ESOP 2022") at the Annual General Meeting held on 30 June, 2022 to grant a maximum of 12,50,278 options to specified categories of employees of the Company. Each option granted and vested under the ESOP 2022 shall entitle the holder to acquire 1 equity share of ₹ 10 each. The Company had granted 2,11,400 options till the year ended 31 March, 2023.

The following ESOP 2022 tranches were in existence during the current year:

Grant date	Number	Expiry date	Exercise price (in ₹)	Fair Value at grant date (in ₹)
29 July, 2022	2,11,400	Refer Note 1 below	1930.05	975.55
27 July, 2023	2,37,500	Refer Note 1 below	2174.94	1105.63

**Note 1:** All options vest before one year and not later than four years 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 ten years from date of respective vesting, whichever period ends later. Options not exercised within exercise period lapses.

# Notes to the Consolidated Financial Statements

## Note 50.3: Dr Lal PathLabs Employee Stock Option Plan 2022 (Contd..)

### 50.3.2 Fair value of share options granted in the year

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Option Series	Series 1	Series 2
Grant date share price	2,144.50	2,416.60
Exercise price (in ₹)	1930.05	2174.94
Expected volatility	34.3%-38.60%	34.10%-38.00%
Option life	6-9 Years	6-9 Years
Dividend yield	0.50%	0.50%
Risk-free interest rate	7.00%-7.40%	7.20%

### 50.3.3 Movements in share options during the year

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

Particulars	2023-24		2022-23	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	2,01,300	1,930.05	-	-
Granted during the year	2,11,400	1,930.05	2,11,400	1,930.05
Forfeited during the year	55,450	-	10,100	-
Exercised during the year	7,330	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	3,49,920	1930.05 & 2174.94	2,01,300	1,930.05

### 50.3.4 Share options exercised during the year

The following share options were exercised during the year:

Option series	Number exercised	Exercise date	Share price* at exercise date
Series 1	7,330	Various dates	

\*weighted average share price during the period

### 50.3.5 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 of ₹ 1,930.05 (as at 31 March, 2023: 1930.05) and a weighted average remaining contractual life of years 6.37 years (as at 31 March, 2023: 6.83 years)

## Note 50.4: 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.

# Notes to the Consolidated Financial Statements

## Note 50.3: Dr Lal PathLabs Employee Stock Option Plan 2022 (Contd..)

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 (₹)	Exercise price per options (₹)	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

Based on continued employment with Suburban Diagnostics (India) Private Limited and fulfilment of performance parameters

### Exercise period

The shares will be allotted in case of expiration of 20 years, Initial public offer or sale of Suburban Diagnostics (India) Private Limited, whichever is earlier.

Exercise on listing but not later than three years from the listing or on sale.

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 August 1, 2016 30% vesting on August 1, 2017 40% vesting on August 1, 2018	20% vesting on April 1, 2019 20% vesting on April 1, 2020 30% vesting on April 1, 2021 30% vesting on April 1, 2022	50% vesting on April 1, 2022 25% vesting on April 1, 2023 25% vesting on April 1, 2024
Exercise price	₹ 10	₹ 1,127	₹ 1,291
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 fulfillment of performance parameters as determined by the Board.		
Exercise Period	Exercise only on Listing / Strategic Sale		
Method of Settlement	Equity		

# Notes to the Consolidated Financial Statements

## Note 50.4: Description of share-based payment plans of the Subsidiary Company (Contd..)

ESOP activity under the Scheme for the year ended 31 March 2024 are set out below:

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	No of options	Weight average exercise price (₹)	No of options	Weight average exercise price (₹)
Outstanding at the commencement of the period / year	11,750	1,036	74,999	1,036
Granted during the period / year	-	-	-	-
Forfeited during the period / year	4,018	-	20,375	1,288
Exercised during the period / year	3,232	-	42,874	951
Expired during the period / year	-	-	-	-
<b>Outstanding at the end of the period / year</b>	<b>4,500</b>	<b>-</b>	<b>11,750</b>	<b>1,036</b>
Exercisable at the end of the period / year	-	-	-	-

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:

Particulars	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 (in ₹)
Grant II	-	-	-
Grant III	3,232	15-Oct-23	1,291.00

**51:** The Parent Company and its subsidiary companies (except as mentioned below) incorporated in India whose financial statements have been audited under the Act, used accounting software for maintaining its books of account for the year ended 31 March, 2024 which has a feature of recording audit trail (edit log) facility as per the requirements of proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail was not enabled throughout the year at the database level to log any direct data changes. However, the Company has established and maintained internal financial controls over financial reporting and such internal financial controls were operating effectively throughout the year.

Further, one subsidiary company (Suburban Diagnostics India Private Limited) incorporated in India whose financial statements have been audited under the Act, has used accounting software for maintaining its books of account for the financial year ended 31 March, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

# Notes to the Consolidated Financial Statements

- 52:** The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- 53:** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.
- 54:** 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, 2024	As at 31 March, 2023
1	Loan and advances	-	-
2	Other advances	-	-
3	Guarantees	-	-
4	Current investments	Refer Note 12	Refer Note 12

- 55:** The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 10 May, 2024.

**(Hony) Brig. Dr. Arvind Lal**

(DIN: 00576638)  
[Executive Chairman]  
Place: New Delhi  
Date: 10 May, 2024

**Dr. Om Prakash Manchanda**

(DIN: 02099404)  
[Managing Director]  
Place: New Delhi  
Date: 10 May, 2024

**Ved Prakash Goel**

[Chief Financial Officer]  
Place: New Delhi  
Date: 10 May, 2024

**Vinay Gujral**

[Company Secretary]  
Place: New Delhi  
Date: 10 May, 2024

**DR. LAL PATHLABS LIMITED**

**CIN:** L74899DL1995PLC065388

**Regd. Office:** Block-E, Sector-18, Rohini, New Delhi - 110085

**Corporate Office:** 12<sup>th</sup> Floor, Tower B, SAS Tower,  
Medicity, Sector-38, Gurugram - 122001

**Website:** [www.lalpathlabs.com](http://www.lalpathlabs.com) | **E-Mail:** [cs@lalpathlabs.com](mailto:cs@lalpathlabs.com)

**Phone:** +91 124 3016500 | **Fax:** +91 124 4234468

# Notice of Annual General Meeting

Notice is hereby given that the thirtieth (30<sup>th</sup>) Annual General Meeting ("AGM") of the Members of Dr. Lal PathLabs Limited ("the Company") will be held on Saturday, June 29, 2024 at 10:00 AM (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, 2024 together with the reports of the Directors' and Auditors' thereon and the audited consolidated financial statements of the Company for the financial year ended March 31, 2024 together with report of Auditors' thereon.
2. To declare final dividend of ₹ 6/- per fully paid-up equity share having face value of ₹ 10/- each for the financial year ended March 31, 2024.
3. To appoint a Director in place of Dr. Om Prakash Manchanda (DIN: 02099404), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESSES:

4. To consider and if thought fit, to pass the following resolution as a Special Resolution:

**Re-appointment of Dr. Vandana Lal (DIN: 00472955) as Whole-Time Director of the Company**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approval/permissions, if any, as may be required, approval of the Members of the Company be and is hereby accorded for re-appointment of Dr. Vandana Lal (DIN: 00472955) as

Whole-Time Director of the Company, for a period of Five (5) years commencing from April 01, 2025 on the terms and conditions including remuneration as detailed below :

### I Basic Salary

₹ 4.60 Lakh per month with authority to the Board of Directors to revise the basic salary from time to time, subject to a ceiling of ₹ 8.10 Lakh per month.

### II Perquisites and Allowances

Dr. Vandana Lal shall be entitled to perquisites, allowances, benefits, facilities and amenities (collectively "allowances & perquisites") such as furnished residential accommodation or house rent allowance in lieu thereof, medical reimbursement, special allowance, entertainment, leave travel, vehicle and driver reimbursement, professional reimbursement and any other "allowances & perquisites" as per the policy/rules of the Company in force and/or as may be approved by the Board and Nomination and Remuneration Committee from time to time, provided that the aggregate value of such allowances and perquisites shall not exceed ₹ 30.00 Lakh per month.

Allowances & Perquisites will be valued as per the Income-Tax Rules, wherever applicable and at actual cost to the Company in other cases.

### III Other Entitlements

In addition to the above, Dr. Vandana Lal shall be entitled to allowance and benefits as per the policy of Company in force, such as:

- a. Company maintained Car(s) with Driver(s)
- b. Re-imbursment for Mobile Phone(s) and Telephone/Internet Connection (s) at residence
- c. Company's contribution to Provident Fund
- d. Payment of Gratuity and other retirement benefits

- e. Encashment of Leave
- f. Personal Accident and Medical Insurance(s)
- g. Keyman Insurance
- h. Admission and Annual Membership Fee for Club(s)
- i. Such other benefits as may be applicable to the employees of the Company

**RESOLVED FURTHER THAT** notwithstanding anything contained herein, where in any financial year during the currency of tenure of Dr. Vandana Lal, the Company has no profits or its profits are inadequate, the Company will pay her remuneration by way of salary and perquisites specified above, subject to requisite approval, if any, as may be required under the Act and Listing Regulations.

**RESOLVED FURTHER THAT** the office of Dr. Vandana Lal as Whole-Time Director of the Company shall be liable to retire by rotation and her re-appointment on retirement by rotation shall not be treated as break in service.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to settle all questions or difficulties that may arise in this regard and to execute any documents, papers, etc. as may be necessary or desirable in connection with or incidental to give effect to this resolution.”

5. To consider and if thought fit, to pass the following resolution as a Special Resolution:

**Payment of remuneration to Mr. Rahul Sharma (DIN: 00956625), Non-Executive Director, in the event of exercise of ESOPs in excess of 50% of total remuneration payable to all Non-Executive Directors**

**“RESOLVED THAT** pursuant to Regulation 17(6) (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and on the recommendation of the Nomination & Remuneration Committee and Board of Directors of the Company and such other approval/ permission(s) if any, as may be required, the approval of the Members be and is hereby accorded for payment of remuneration to Mr. Rahul Sharma (DIN: 00956625), Non-Executive Director of the Company by way of Commission and/ or Perquisites, arising/ propose to arise as a result of exercise of vested Stock Options under Employee Stock Option Plan 2010 of the Company (“ESOP Plan

2010”), in excess of fifty percent (50%) of the total remuneration payable to all Non-Executive Directors of the Company for the Financial Year 2024-25.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to settle all questions or difficulties that may arise in this regard and to execute any documents, papers, etc. as may be necessary or desirable in connection with or incidental to give effect to this resolution.”

6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**Ratification of Remuneration payable to Cost Auditors for the Financial Year 2024-25**

**“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 provisions/ statute as may be applicable from time to time, the Members hereby ratifies the remuneration of ₹ 1,10,000/- (Rupees One Lakh Ten 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 2024-25.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to settle all questions or difficulties that may arise in this regard and to execute any documents, papers, etc. as may be necessary or desirable in connection with or incidental to give effect to this resolution.”

By Order of the Board  
For **Dr. Lal PathLabs Limited**

**Vinay Gujral**

Company Secretary &  
Compliance Officer

Place: New Delhi  
Date: May 10, 2024

Membership No: A-25995

**Notes:**

1. Explanatory statement(s) pursuant to Section 102(1) of the Companies Act, 2013 (hereinafter referred as "the Act"), relating to Ordinary and Special Business (es) to be transacted at the 30<sup>th</sup> AGM is annexed hereto.
2. The Ministry of Corporate Affairs ("MCA") vide its circulars dated September 25, 2023, May 5, 2020, and all other relevant circulars issued from time to time (hereinafter referred as MCA Circulars), permitted 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 casting votes by a member using remote e-Voting as well as e-Voting on the date of the AGM will be provided by CDSL.

The Notice of the 30<sup>th</sup> AGM along with the Annual Report for the Financial Year 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories as on May 31, 2024.

The deemed venue for the 30<sup>th</sup> AGM shall be the Registered Office of the Company.

3. Company is providing two way teleconferencing facility or webex for the ease of participation of the Members. The Members are allowed to submit their queries/questions etc. before the AGM in advance on the e-mail address of the company at [cs@lalpathlabs.com](mailto:cs@lalpathlabs.com).
4. As the 30<sup>th</sup> 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 authorized representatives to attend the AGM through VC/ OAVM and cast their votes through e-Voting.
5. Institutional/Corporate Members 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 [nilesh@kksinghassociates.com](mailto:nilesh@kksinghassociates.com) with a copy marked to [cs@lalpathlabs.com](mailto:cs@lalpathlabs.com) and [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.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. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members / List of Beneficial Owners of the Company will be entitled to vote at the AGM.
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 at [cs@lalpathlabs.com](mailto: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, maintained as per Section 189 of the Act and the Certificate from Secretarial Auditors of the Company certifying that the ESOP Scheme(s) of the Company are being implemented in compliance with relevant/ applicable ESOP Regulations/ Guidelines and such other documents as referred in the explanatory statement will be made available electronically for inspection by the Members during the AGM.
8. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website at [www.lalpathlabs.com](http://www.lalpathlabs.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
9. The Final Dividend of ₹ 6/- on Equity Shares having face value of ₹ 10/- each of the Company as recommended by the Board of Directors of the Company for the financial year ended March 31, 2024, if declared at the AGM, will be paid on or before Sunday, July 28, 2024 to those members whose names appear in the Register of Members as on Monday, June 10, 2024 ("the Record Date"). In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Monday, June 10, 2024 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 holding shares in dematerialized mode are requested to register/update their bank details with their Depository Participants, to enable expeditious credit of the dividend to their bank accounts electronically.
11. Pursuant to the SEBI Circulars on Nomination in Trading and Demat Accounts, the Members holding shares in dematerialized mode are requested to register/update their nominee details with their Depository Participants.
12. Members who have not encashed their un-claimed Dividend till date are requested to claim the same. Details of un-claimed dividend amount are available under investors section of the website of the Company at [www.lalpathlabs.com](http://www.lalpathlabs.com).

13. Additional information(s), 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 appointment/re-appointment are annexed with this AGM Notice.
14. Members can also provide their feedback on the Members Services of the Company by filling the "Members Satisfaction Survey" attached to this notice and emailing the same at [cs@lalpathlabs.com](mailto:cs@lalpathlabs.com) through their registered e-mail ID or sending the signed copy to the Corporate Office of the Company at 12<sup>th</sup> Floor, Tower B, SAS Tower, Medicity, Sector-38, Gurugram- 122001.

Your feedback will help the Company in improving its Members 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 amended and Regulation 44 of SEBI Listing Regulations, the Members are provided with the facility of voting through electronic means ("remote e-Voting" or "e-Voting during AGM") on all the resolutions set out in this AGM 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 Members 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 Members who have cast their vote by remote e-Voting may also attend the AGM but shall not be entitled to cast their vote again.
3. The remote e-Voting period commences on **Tuesday, June 25, 2024 at 9:00 A.M.** and ends on **Friday, June 28, 2024 at 5:00 P.M.** During this period, Members

of the Company, holding shares either in physical form or in dematerialized form, as on **Saturday, June 22, 2024 ("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 Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. **Saturday, June 22, 2024**. 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 K.K Singh & Associates, 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 Members 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 Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members 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.

#### (a) Pursuant to above SEBI Circular, login method for e-Voting and joining virtual meetings for Individual Members holding securities in Demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>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 user to login to Easi/ Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi Tab.</li> <li>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 the vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-voting service providers, so that the user can visit the e-voting service provider's website directly.</li> </ol>

Type of Members	Login Method
	<p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a>, click on the login &amp; new system myeasi Tab and then click on register option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</p>
<p>Individual Members holding securities in demat mode with <b>NSDL</b></p>	<p>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select "Register Online" for IDeAS Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 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 &amp; voting during the meeting</p>
<p>Individual Members (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>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 &amp; voting during the meeting.</p>

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 Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.**

Login type	Helpdesk details
<p>Individual Members holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 225533</p>
<p>Individual Members holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no. 022-4886 7000 and 022-2499 7000</p>

**(b) Log in method for e-Voting and joining Virtual meeting for Physical Members and Members other than Individual holding in Demat form:**

- (i) The Members should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Members".
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digit beneficiary ID,
  - b. For NSDL: 8 Characters DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-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 Members and other than Individual Members holding shares in Demat:**

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members 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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in

demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is 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 Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Dr. Lal PathLabs Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non - Individual Members 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](http://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](mailto: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 will be mapped automatically and can be delink in case of any wrong mapping.
- 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 Members are required mandatory 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 ([nilesh@kksinghassociates.com](mailto:nilesh@kksinghassociates.com)) and to the Company ([cs@lalpathlabs.com](mailto: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 MEMBERS ATTENDING THE AGM THROUGH VC/ OAVM AND E-VOTING DURING AGM ARE AS UNDER:**

1. 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.
2. 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. Members 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 you to 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. Members 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](mailto: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 Members, who are present in the AGM through VC/OAVM facility and have not cast 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 Members through e-Voting available during the AGM and if the same Members have not participated in the meeting through VC/ OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-Voting during the meeting is available only to the Members attending the meeting.

**Process for those Members whose Email address/Mobile No. are not registered with the Company/Depositories**

For Members holding Shares in Physical form, if any	Send a letter to the Company at <a href="mailto:cs@lalpathlabs.com">cs@lalpathlabs.com</a> providing Folio No., Name of Members, 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 Members holding Shares in Demat form	Please update your email address and mobile no. with your respective Depository Participant (DP)
For Individual Members holding Shares in Demat form	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](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai- 400013 or send an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) or call on toll free no. 1800 22 55 33.

### 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](http://www.lalpathlabs.com) and on the website of CDSL at [www.evotingindia.com](http://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](http://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

The Members of the Company in their 26<sup>th</sup> AGM on July 30, 2020 re-appointed Dr. Vandana Lal as Whole-Time Director of the Company for a period of five (5) years commencing from April 01, 2020 on such terms and conditions including remuneration as mentioned in Notice of 26<sup>th</sup> AGM. The present tenure of Dr. Vandana Lal as Whole-Time Director accordingly will expire on March 31, 2025.

Dr. Vandana Lal is a Promoter of your Company and has been a Director on the Board of the Company since its Incorporation in year 1995. She is a distinguished alumnus of Lady Hardinge Medical College, University of Delhi and holds an MD in Pathology. Dr. Vandana Lal has played a pivotal role in revolutionizing the landscape of diagnostic services in India. Her remarkable contributions includes the introduction of a diverse range of tests and cutting-edge technologies for the first time in India, as a result of which, today Dr. Lal PathLabs offers close to 5,000 tests & panels.

Considering Dr. Vandana Lal's background, experience & contribution made towards the growth/ success of the Company, and basis the performance evaluation exercise,

the Nomination & Remuneration Committee and Board of Directors in their meeting on May 9, 2024 and May 10, 2024, respectively, recommended the proposal for seeking the approval of the Members for her re-appointment as Whole-Time Director of the Company.

The Company has received consent and necessary declarations and disclosures from Dr. Vandana Lal confirming her eligibility for re-appointment as Whole-Time Director.

The Members may take note that, Dr. Vandana Lal aged about 68 years would be attaining the age of 70 years during her proposed tenure as Whole-Time Director of the Company for a period of five years commencing from April 1, 2025. In terms of provisions of Section 196 read with Schedule V of the Companies Act, 2013, appointment of Whole-Time Director above the age of 70 years, requires approval of the Members by way of Special Resolution.

The Board recommends the resolution set forth at Item No. 4 of this AGM Notice for the approval of Members by way of a Special Resolution.

The terms and conditions as set out in Item No. 4 may also be treated as disclosure in compliance with the requirements of Section 190 of the Act.

Except Dr. Vandana Lal and her relatives i.e. (Hony) Brig. Dr. Arvind Lal (Spouse) and Dr. Archana Lal Erdmann (Daughter) (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. 4 of this AGM Notice.

Brief profile of Dr. Vandana Lal as provided in Annexure to this Notice may also be regarded as an appropriate disclosure under the Listing Regulations as amended from time to time and Secretarial Standard - 2 for General Meetings issued by Institute of Company Secretaries of India.

### ITEM NO. 5

Mr. Rahul Sharma, Non-Executive Director of the Company was granted stock options under the Company's ESOP 2010 Plan, from time to time, of which 56,483 stock options (as on May 10, 2024) are remaining to be exercisable by him.

Mr. Rahul 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. Rahul Sharma, to the extent of difference between the Market Price of equity shares on the date of exercise and Grant Price of the options so vested.

In case of exercise of such options by Mr. Rahul Sharma, value of perk arising therefrom coupled with his annual Director commission for the Financial Year 2024-25 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, approval of Members 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 on May 09, 2024 and May 10, 2024 respectively, recommended the proposal for seeking approval of Members for payment of remuneration to Mr. Rahul Sharma, in the nature of commission and/ 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 2024-25.

Except Mr. Rahul Sharma, Non-Executive Director of the Company and his relatives (to the extent of their Shareholding, if any), 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. 5 of this AGM Notice.

The Board recommends the resolution set out at Item No. 5 for the approval of Members by way of a Special Resolution.

#### ITEM NO. 6

The Board of Directors of the Company in their meeting on May 10, 2024, on recommendation by the Audit Committee, re-appointed M/s. A.G. Agarwal & Associates (Firm Registration Number: 000531), Cost and Management Accountants, as the Cost Auditors of the Company for the Financial Year 2024-25 at a remuneration of ₹ 1,10,000/- (Rupees One Lakh Ten Thousand Only) plus applicable taxes and out of pocket expenses.

As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company.

The Board considers the remuneration payable to the Cost Auditors as fair and recommends the resolution contained in Item no. 6 of the accompanying notice for approval of the Members as an Ordinary Resolution.

None of the Directors or KMP's or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of this AGM Notice.

By Order of the Board  
For **Dr. Lal PathLabs Limited**

**Vinay Gujral**

Company Secretary &

Compliance Officer

Membership No: A-25995

Place: New Delhi

Date: May 10, 2024

**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:**

<b>Name</b>	<b>Dr. Om Prakash Manchanda</b>	<b>Dr. Vandana Lal</b>	<b>Mr. Rahul Sharma</b>
DIN	02099404	00472955	00956625
Date of Birth (Age)	August 30, 1965 (about 59 Years)	November 18, 1956 (about 68 Years)	September 14, 1960 (about 64 Years)
Date of First Appointment to the Board	February 1, 2011	February 14, 1995	July 22, 2005
Qualification, Brief Resume, Experience and Nature of Expertise in specific functional areas	<p>Dr. Om Manchanda is a Managing Director of Dr. Lal PathLabs Limited.</p> <p>He has successfully led the transformation of the Company from a small business to a professionally run listed Company. He spearheads the Business strategic direction of the Company along with Board and Senior Management. He also leads the inorganic opportunities and interfaces with external environment &amp; stakeholders.</p> <p>In 1990, Dr. Om joined Unilever Group of Companies (now Hindustan Unilever) as management trainee. He worked for HUL for nearly 10 years in various positions.</p> <p>In November 1999, he moved to Monsanto India Limited as their National Marketing Manager and thereafter as their National Sales Manager. In early 2003, he joined Ranbaxy Laboratory Limited in their Global Consumer Healthcare division before joining Dr. Lal PathLabs in October 2005.</p> <p>He has done MBA from IIM Ahmedabad. He has also done Advanced Management Program from Harvard Business School. He is a graduate in veterinary sciences from HAU Hisar, Haryana.</p>	<p>Dr. Vandana Lal is a Promoter of your Company and has been a Director on the Board of the Company since its Incorporation in year 1995. She is a distinguished alumna of Lady Hardinge Medical College, University of Delhi and holds an MD in Pathology. Dr. Vandana Lal has played a pivotal role in revolutionizing the landscape of diagnostic services in India. Her remarkable contributions include the introduction of a diverse range of tests and cutting-edge technologies for the first time in India, as a result of which, today Dr. Lal PathLabs offers close to 5,000 tests &amp; panels.</p> <p>Dr. Vandana Lal is trained in Quality Assurance and spearheads the quality implementation process in all the laboratories of Dr. Lal PathLabs. She is renowned for her pioneering efforts in establishing quality accreditations in the field of diagnostics in India, with a record number of 36 labs accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) and an additional 2 labs accredited by the College of American Pathologists (CAP), USA. She is an International fellow of the College of American Pathologists (IFCAP). During the critical period of the COVID-19 pandemic, Dr. Vandana Lal demonstrated exceptional leadership as the Chair of the NABL Technical Committee for expediting the accreditation process for thousands of laboratories for COVID RTPCR testing.</p>	<p>Mr. Rahul Sharma joined the Board of Dr. Lal PathLabs in 2005. He has since then been a Non- Executive Director and a member of the Nomination &amp; Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee. Mr. Sharma started his professional career with State Bank of India, joining the institution as a Probationary Officer. He spent seven years with the bank in various roles, including commercial banking, credit and international banking/ foreign exchange that included three years with the bank in Tokyo. Post SBI, Mr. Sharma spent 23 years with Executive Access in Hong Kong as a Senior Partner where he was responsible for recruitment and human resource consulting projects across a plethora of clients and businesses within the financial service's space in Asia Pacific. He was responsible for managing relationships with global banks, wall street investment banks, and private equity/asset management funds.</p> <p>Post retiring from Executive Access in 2015, Mr. Sharma has several board and advisory roles spanning Aviation, Retail, Rural Connectivity (ISP), HR Consulting, Clean Tech, Golf</p>

Name	Dr. Om Prakash Manchanda	Dr. Vandana Lal	Mr. Rahul Sharma
	<p>Dr. Om Manchanda has won prestigious awards of "EY Entrepreneur of the Year" for 2019 in the Healthcare and Life Sciences category. He also received 'Healthcare Personality of the Year-2020' award in the FICCI Healthcare Excellence Awards, organized in September 2020.</p>	<p>She is also the Chief Technical Officer at Dr. Lal PathLabs and plays a pivotal role in Clinical Research Services and R&amp;D. She has been instrumental in the establishment of the National Reference Lab in Delhi and three regional reference labs in Kolkata, Bengaluru and Mumbai. She established and continues to mentor the department of Histopathology &amp; Cytopathology and consequently, Dr. Lal PathLabs houses one of the largest histopathology centers. Additionally, it houses the world's largest kidney-pathology center, uniquely positioned as the sole facility in South Asia equipped with two electron microscopes. She also started the department of Histogenetics &amp; Transplantation Immunology in 1990 after completion of her training from Karolinska Institute, Sweden. Her job profile includes expansion of activities of the laboratory with assistance in planning and execution of new projects for the company; overall charge of all the technical departments ensuring accuracy, quality assurance, quality control &amp; compliance to standards laid down by the accreditation bodies like CAP, NABL &amp; ISO. She has won many awards &amp; has several publications to her credit.</p>	<p>(merchandising and skills development), Healthcare, and Technology. Mr. Sharma is an alumnus of Modern School Barakhamba Road. He studied Mathematics at the undergraduate level at Hindu College, Delhi University, in addition to completing a degree in Commerce. He attended several management and leadership courses at State Bank of India. He is also a member of the Indian Institute of Bankers. Mr. Sharma is a First- Class Cricketer who represented Delhi in the Ranji Trophy and has captained and represented Hong Kong at the highest level including the Asia Cup (2004).</p>
Shareholding in the Company either directly or in form of beneficial interest for any other person	As on May 10, 2024, Dr. Om, holds 9,65,502 Equity Shares of the Company.	As on May 10, 2024, Dr. Vandana, holds 1,60,82,327 Equity Shares of the Company.	As on May 10, 2024, Mr. Rahul, holds 33,000 Equity Shares of the Company.
Relationship with other Directors, Manager & KMP's	None	Spouse of (Hony) Brig. Dr. Arvind Lal, Executive Chairman and Mother of Dr. Archana Lal Erdmann, Non Executive Director of the Company	None

Name	Dr. Om Prakash Manchanda	Dr. Vandana Lal	Mr. Rahul Sharma
No. of Meetings of the Board attended during the year	5 (Five)	5 (Five)	5 (Five)
Directorships held in other Companies (Excluding Foreign Companies)	<ol style="list-style-type: none"> <li>1. Dr. Lal Ventures Private Limited</li> <li>2. PathLabs Unifiers Private Limited</li> <li>3. Nephrocare Health Services Private Limited</li> <li>4. Kaya Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Archana Pharmaceuticals Private Limited</li> <li>2. Kalmatia Sangam Travels Private Limited</li> <li>3. Suburban Diagnostics (India) Private Limited</li> </ol>	Chimes Aviation Private Limited
Membership/ Chairmanship of Committees of other companies	None	Chairperson of CSR Committee in Suburban Diagnostics (India) Private Limited	None
Name of Listed Entities from which resigned in the past three (3) years	None	None	None
Terms and conditions of appointment/ Remuneration sought to be paid/ last drawn	<p><b>Terms and Conditions and Remuneration sought to be paid:</b></p> <p>As approved by the Members in 26<sup>th</sup> and 29<sup>th</sup> AGM of the Company</p> <p><b>Remuneration last drawn:</b></p> <p>As mentioned in the Corporate Governance Report</p>	<p><b>Terms and conditions of re-appointment and Remuneration sought to be paid:</b></p> <p>As mentioned in Item No. 4 of this AGM Notice</p> <p><b>Remuneration last drawn:</b></p> <p>As mentioned in the Corporate Governance Report</p>	<p><b>Terms and Conditions:</b></p> <p>Director liable to retire by rotation</p> <p><b>Remuneration sought to be paid:</b></p> <p>As mentioned in Item No. 5 of this AGM Notice</p> <p><b>Remuneration last drawn:</b></p> <p>As mentioned in the Corporate Governance Report</p>

**DR. LAL PATHLABS LIMITED**

**CIN:** L74899DL1995PLC065388

**Regd. Office:** Block-E, Sector-18, Rohini, New Delhi - 110085

**Corporate Office:** 12<sup>th</sup> Floor, Tower B, SAS Tower,  
Medicity, Sector-38, Gurugram - 122001

**Website:** [www.lalpathlabs.com](http://www.lalpathlabs.com) | **E-Mail:** [cs@lalpathlabs.com](mailto:cs@lalpathlabs.com)

**Phone:** +91 124 3016500 | **Fax:** +91 124 4234468

**MEMBER`S SATISFACTION SURVEY**

Dear Member,

As part of our constant endeavour to improve Member service, we seek your feedback on this Member`s Satisfaction Survey. Please spare a few minutes of your valuable time to fill this questionnaire.

Name of Sole/First Member :

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.

Any suggestions for improving the quality of Investor Services:

**(SIGNATURE OF THE MEMBER)**

**THANK YOU FOR YOUR SUPPORT. YOUR FEEDBACK IS IMPORTANT TO US.**





### **Corporate Office**

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### **Registered Office**

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🌐 [www.lalpathlabs.com](http://www.lalpathlabs.com)

