

Enabling a healthier future

Trust-worthy brand | Pan-India integrated coverage |
Varied offerings | Tech-enabled operating model

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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.

Numbers that matter

₹ **2017** crore

Revenue

₹ **528** crore

Normalised EBITDA

₹ **297** crore

Normalised PAT

₹ **35.5**

Normalised EPS

₹ **28.8**

EPS

₹ **15240** crore

Market capitalisation
as on March 31, 2023



Ever since our inception, Dr. Lal PathLabs has endeavoured to make quality diagnostic services accessible and affordable. Our precision and technological proficiency have established us as a leading player in the diagnostics industry in India.

Over the years, we have earned the trust of both patients and the medical fraternity by providing advanced diagnostic services to patients. With pan-India integrated coverage, we strive to make high-quality diagnostic services accessible to patients not only in metro cities but also in the hinterland.

Dedicated to serve our customers better, we consistently diversify our offerings, adding new tests to our test menu. Technology-centricity is integral to our operating model. We leverage cutting-edge equipment, automated processes and digital systems to enhance operational efficiency and accuracy.

Looking ahead, we will continue pursuing network expansion, investing in new infrastructure and enhancing our services to capitalise on the growing demand for diagnostic services. With a patient-first approach and innovation as our driving forces, we look forward to enabling a healthier future for all.



At a glance

Dr. Lal PathLabs is a trusted name in the diagnostic sector. We are dedicated to providing individuals and healthcare providers with dependable and precise healthcare solutions. With a rich legacy spanning over seven decades, we have emerged as industry leaders.

Driven by our unwavering commitment to quality, innovation and patient well-being, our laboratories are staffed by a team of highly skilled professionals, including scientists, pathologists and technicians. Our extensive portfolio of diagnostic tests and services encompasses various areas such as pathology, radiology, genetics and microbiology, among others. At Dr. Lal PathLabs, we believe in empowering individuals with the knowledge to make informed decisions about their health and remain dedicated to delivering accurate and actionable results.



Vision

Be the most trusted healthcare partner, enabling healthier lives



Mission

To be an 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 that guide us



Customer first



Ethics and integrity



Quality

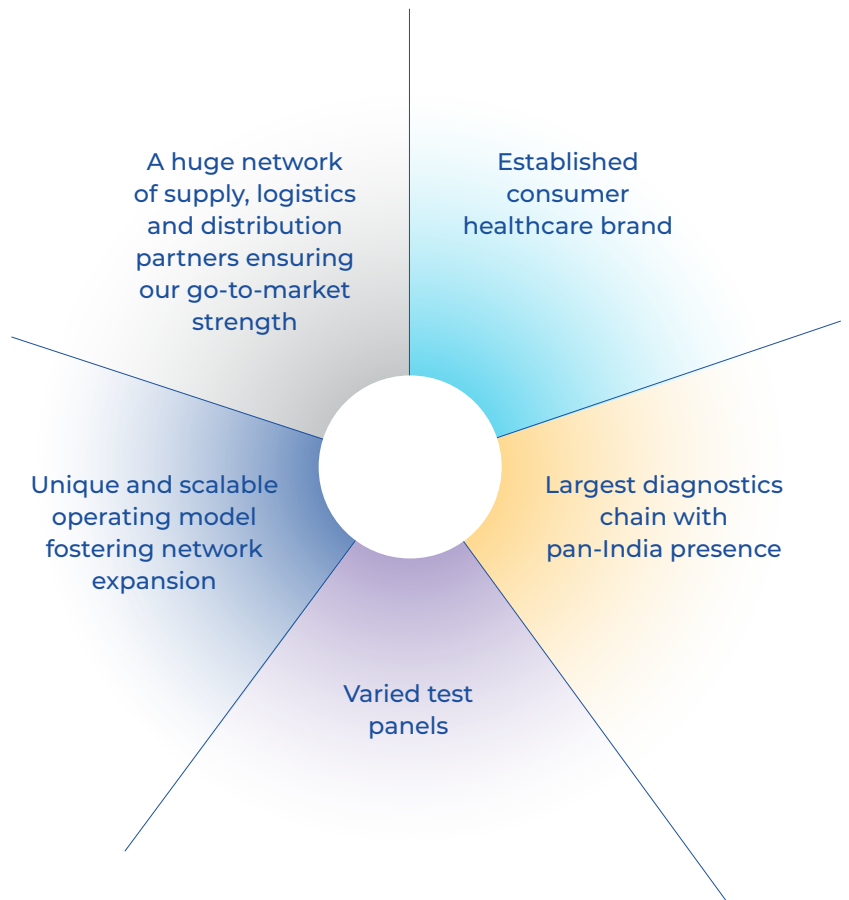


Accountability



Empathy and compassion

Key differentiators



74

Years of legacy

277

Labs across India

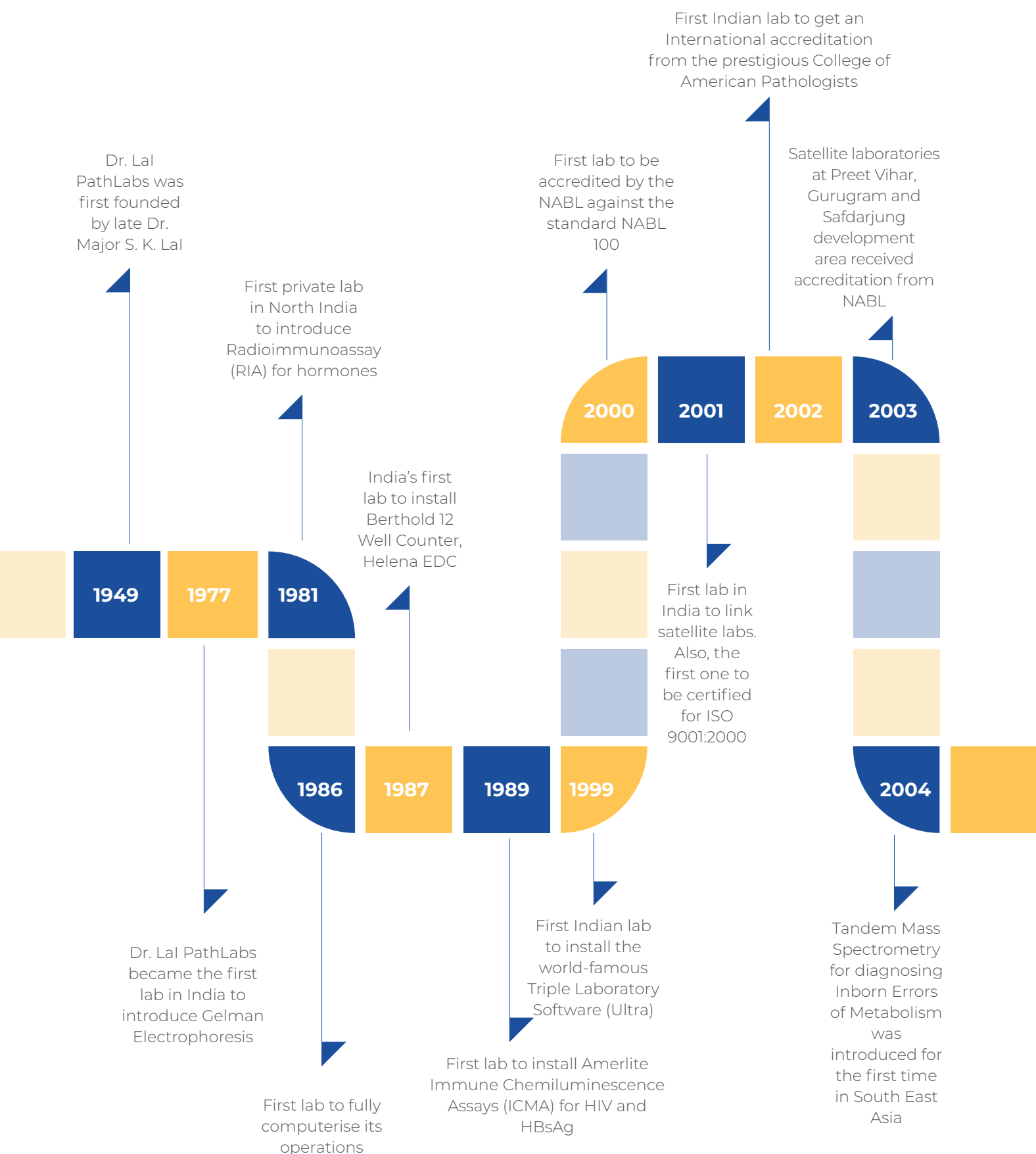
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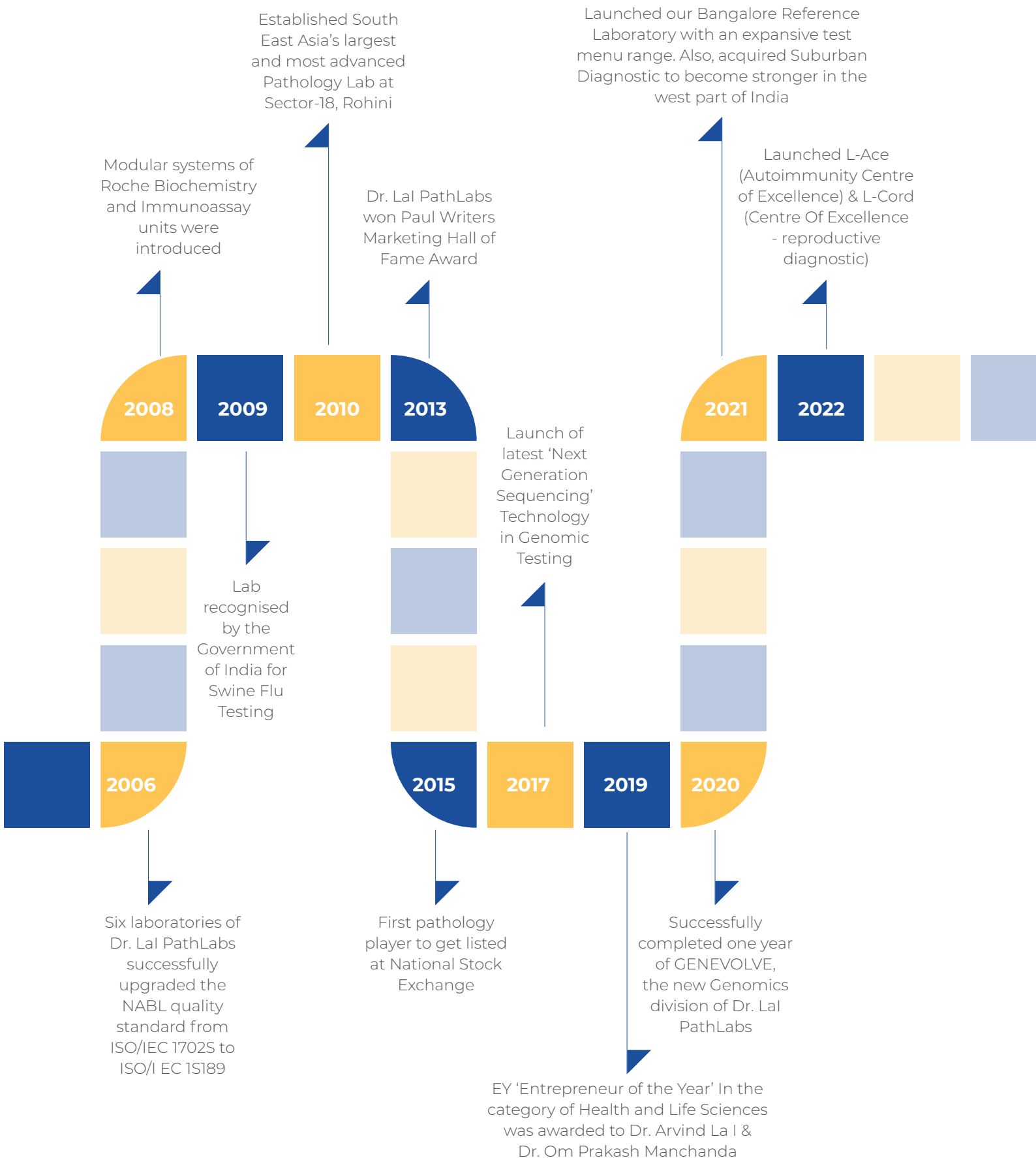
NABL accredited labs

111 million

Patients serviced in last 5 years

Key milestones in our journey





Taking healthcare to the last mile

State Name & UT

1. UTTAR PRADESH	12. BIHAR	23. ARUNACHAL PRADESH
2. DELHI	13. MADHYA PRADESH	24. TAMILNADU
3. HARYANA	14. JHARKHAND	25. KERALA
4. MAHARASHTRA	15. TELANGANA	26. GUJARAT
5. ANDHRA PRADESH	16. HIMACHAL PRADESH	27. GOA
6. ASSAM	17. NAGALAND	28. CHHATTISGARH
7. WEST BENGAL	18. UTTARANCHAL	29. SIKKIM
8. TRIPURA	19. JAMMU & KASHMIR	30. PONDICHERRY
9. RAJASTHAN	20. CHANDIGARH	31. LADAKH
10. ORISSA	21. KARNATAKA	32. MANIPUR
11. PUNJAB	22. MEGHALAYA	





Chairman's perspective

Enabling a healthier future

Trust-worthy brand | Pan-India integrated coverage |
Varied offerings | Tech-enabled operating model



Dear Shareholders,

It gives me immense pleasure to share with you again at the conclusion of a productive year. Before I begin I hope all of you are in great health and high spirits.

At Dr. Lal PathLabs, we have been very tactfully increasing our presence across the country, which is otherwise fragmented and dominated by unorganised players. We are the leader amongst three lakhs odd clinical laboratories in India. This is because of our unwavering commitment to provide our patients and customers with high-quality diagnostics at competitive prices, while providing them with

a superior testing experience via an omnichannel approach. This is precisely in accordance with our internal strategy to reach more consumers in various Indian cities. Today, we have substantially strengthened our presence in the best-in-class quality of services provided across the entire spectrum of tests. In addition to establishing an excellent lab network, we have invested heavily in the brand to leave a lasting impression on consumers.

We were the first to recognize that India requires quality diagnostics that are accessible to the masses everywhere in India. In line with this, over the years, we have tracked the gradual evolution of modern

medicine in the management of our patients. Since, seventy percent of all medical decisions are based on laboratory tests, accurate diagnostics contribute in a big way towards the management of disease. This includes the entire treatment process which consists of disease detection, prognosis, diagnosis, treatment planning and post-treatment monitoring. To this end, we are continuing to invest in creating an efficient technology-backed network that can align with the growth in sample volumes.

Reflecting on the year gone by, I am delighted to share that we have achieved 15.5% growth in the non-COVID revenue in FY 2022-23. We have proudly served about 26.9 million patients in FY 2022-23. This has come on the back of a sharp focus on core operations across the country including Tier-2 and Tier-3 cities and investments in digital infrastructure.

It is worthwhile to note that, since the fiscal marked the first year following two consecutive years dominated by the pandemic, our march towards reaching normalcy was the fastest in the industry. Owing to this, during the fiscal, we were successful in redeployment of the investments we had made for Covid.

We continued to make progress across our three strategic pillars that include geographical expansion, creating a unique fresh-size portfolio and augmenting the technology infrastructure for the future.

A key highlight has been the unveiling of our Mumbai Reference Lab at Vidyavihar. This has immediately resulted in the increased testing of the high end tests and it is also the first private lab in West India to have a BSL Level-III biocontainment lab for microbiology and virology testing. This speaks leaps and bounds of our commitment to offer best-in-class services to our patients by bringing them a unique testing experience at affordable rates. We are proud to announce the acquisition of a second electron microscope at our National Reference Lab in Rohini in Delhi while none of the private players in the country have even one electron microscope.

Additionally, towards our efforts in strengthening our technological capabilities, we began implementing and upgrading our lab information system and advanced tools like artificial intelligence and data mining. We are again the first in the country to have AI based Histopathological Diagnosis in the field of Prostate and Breast biopsies. We remain the number one Histopathology and Renal biopsy testing center in the world. Needless to add, this enabled us to achieve enhanced operational efficiencies and quicker turnaround time or TAT.

In today's ever-evolving business landscape, the significance of Environmental, Social, and Governance (ESG) principles cannot be understated. As a responsible company, we recognise the importance of incorporating ESG practices into our operations. Over the years, we have taken significant strides to not only thrive within our industry but also assume full responsibility for our immediate environment.

We also take pride in being a people-oriented organisation. We are happy to share with you that the international Newsweek magazine has given us the 15th ranking worldwide in the hundred 'Global

Most Loved Work Places 2023'. In this list, there are only two other Indian companies which are ranked much lower. We firmly believe in creating an inclusive and diverse workforce. To that end, we have actively recruited differently-abled individuals and provided them with employment opportunities within our organisation. We have also invested in building facilities that cater to the needs of differently-abled employees.

As we go forward, we are very optimistic about the future of the industry. We believe that diagnostics will play an important role in the healthcare industry, as it serves as the crucial first step in the healthcare journey – remember 'Test, Track and Treat'! Moreover, a significant portion of India remains underserved in terms of both diagnostics and healthcare access. As the government takes steps to establish healthcare networks in these underserved regions, we anticipate a positive ripple effect on disease awareness, discovery, and treatment. Given that diagnostics form the cornerstone of healthcare decision-making, our industry is poised to benefit from this increased awareness and access.

As the leader in this space, we believe all of this will accrue to us in some form and shape in the long term. We are focusing on certain areas that will amplify our growth in the coming years. These include:

- ▲ Exploring possible synergies - The diagnostic industry is experiencing competition from various directions with multiple players exploring diversification opportunities. In response to this dynamic environment, we are also looking forward for possible synergies to drive our growth and maintain a competitive edge
- ▲ Pushing higher test portfolio - We recognise the importance of offering a diverse and comprehensive test portfolio

to meet the evolving needs of healthcare providers and patients. We are continuing to add new tests to our test menu and diversify our reach to higher franchise share of patient service centers

- ▲ Penetrate in Tier-2 and Tier-3 markets - We see an immense potential in Tier-2 and Tier-3 markets, where access to diagnostic services may be limited. We are therefore looking forward to extend our reach in these markets, bringing our expertise, technology, and services closer to the underserved population
- ▲ Exploring opportunities in Southern Market - Witnessing the southern region as a significant growth potential for our organisation, we are also actively exploring opportunities to expand our presence in this market

Most importantly, people are at the heart of our organisation and we remain committed to being people and customer oriented, placing their needs at the forefront of our operations. We also remain dedicated to giving back to the communities we serve and making a positive impact on society.

In conclusion, we appreciate your continued support and trust as we propel our organisation towards sustained success in the competitive landscape.

Thank you for your confidence in our Company.

Warm regards,

(Hony) Brig. Dr. Arvind Lal, Padma Shri

Executive Chairman

Managing Director's message



The demand for diagnostic services is experiencing a significant surge, driven by growing awareness about health and wellness, growth of lifestyle disorders and an aging population. Identifying the specific needs of people, we have taken strides to bring diagnostic services to patients' doorsteps.

Dear Shareholders,

In a dynamic health services ecosystem, Dr. Lal PathLabs has resiliently evolved and adapted to rapid changes, especially since the beginning of the Covid-19 pandemic. It has not only presented unforeseen challenges but, has also unveiled opportunities for growth and innovation. Keeping a steady focus on delivering quality services, we have prioritised the convenience of patients. It has earned us the trust of people and have empowered us to play an integral role in laying the foundation of a healthier future.

The demand for diagnostic services is experiencing a significant surge, driven by growing awareness about health and wellness, growth of lifestyle disorders and an aging population. Identifying the specific needs of people, we have taken strides to bring diagnostic services to patients' doorsteps. Our sample collection services from home have allowed us to significantly improve the standards of our service. Besides, we have adopted new technologies to enhance the accuracy and efficiency of our diagnostic services. We are also expanding our network to reach more people and consistently fulfil the demand for superior quality services.

Performance overview

During the financial year, we have registered 26.9 million patient visits and reported total revenue of ₹2,017 crore. Our non-COVID revenue for FY23 soared to ₹1,954 crore, reflecting a substantial growth of 15.5% compared to the previous year. Although the total revenue for FY23 slightly decreased to ₹2,017 crore, we remain focused on delivering exceptional diagnostic services to our valued patrons.

Our Swasthfit portfolio generated an impressive revenue of ₹370 crore in FY23. It highlights the growing demand for preventive healthcare packages, underscoring our commitment to encourage people to opt for comprehensive health screening for ensuring healthcare and wellness.

Technology adoption

We have made significant investments in technology, particularly in patient-facing applications and the adoption of digital platforms. Our focus has been on improving access to diagnostic services and catering to patient convenience. It has also led to the development of a user-

friendly mobile app that allows patients to book appointments, schedule tests, access reports and pay for tests online. It also acts as a repository of previous medical records. We also understand the paramount importance of data security and have made substantial investments in our IT infrastructure and cybersecurity.

Expanding our reach

We are relentlessly expanding our reach to meet the needs of people in Tier-3 and Tier-4 towns. As of March 31, 2023, we have established a remarkable network of 277 laboratories, including 70 laboratories in Tier-3 towns.

In Western and Central India, we have further strengthened our foothold with our presence in states like Maharashtra, Gujarat, Madhya Pradesh and Chhattisgarh.

We have strategically expanded our presence in this region with the acquisition of a diagnostic centre and are seeking to leverage our potential as a full-service diagnostic service provider to deliver exceptional value to people in this region.

Sustainability

For us, our business objectives are not merely guided by a desire to be profitable. We recognise the crucial role of integrating sustainable practices into our operations to pave the path for a better tomorrow. Accordingly, we have implemented initiatives to reduce our carbon footprint, conserve resources and promote responsible waste management. Additionally, our unwavering commitment to corporate social



Moving forward, we aim to deepen our presence in Tier-2 and Tier-3 cities, to explore a vast opportunity landscape in these areas. By strengthening our network and expanding our services, we aspire to cater to rising healthcare needs in underserved areas.

responsibility (CSR) has enabled us to undertake initiatives encompassing healthcare, education, and environmental sustainability to create a positive difference to lives.

Future roadmap

Moving forward, we aim to deepen our presence in Tier-2 and Tier-3 cities, to explore a vast opportunity landscape in these areas. By strengthening our network and expanding our services, we aspire to cater to rising healthcare needs in underserved areas. Besides, the coming together of Dr. Lal PathLabs and our subsidiary, Suburban Diagnostics, has enabled us to leverage the joint synergies of this fruitful alliance. We are also increasing investments for supporting specialised diagnostic service requirements for neurology and cardiology by introducing advanced facilities.

Our customer-centric and value-driven approach has enabled us to maximise value creation for stakeholders including patients, our people and the communities we serve. We continue to prioritise their needs and expectations to develop diagnostic solutions that are relevant and reliable.

In closing, I would like to express my heartfelt gratitude to our valued shareholders, dedicated employees, and trusted partners for their unwavering support and commitment. As we look ahead, we remain steadfast in our pursuit of excellence, innovation, and patient-centric care. Together, we aim to navigate the future with resilience and a shared vision of enabling a healthier future.

Warm Regards

Dr. Om Prakash Manchanda

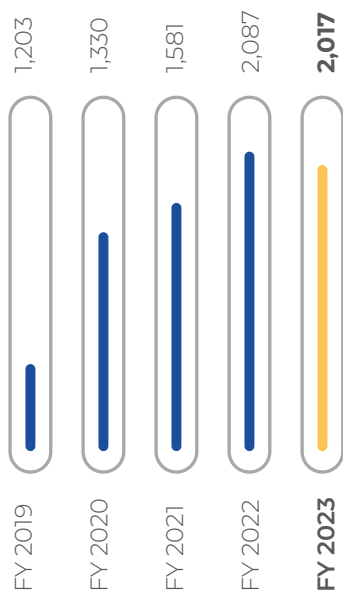
Managing Director

Financial highlights

Revenue

(₹ in crore)

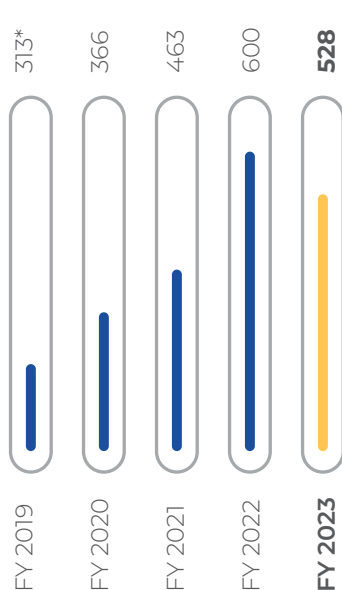
2,017



Normalised EBITDA

(₹ in crore)

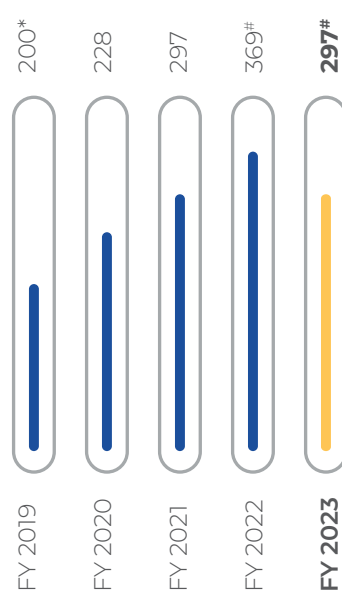
528



PAT

(₹ in crore)

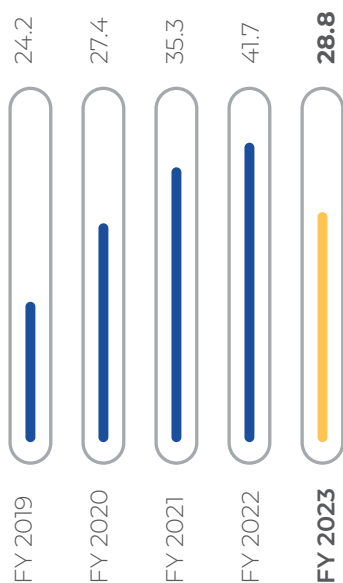
297



EPS

(in ₹)

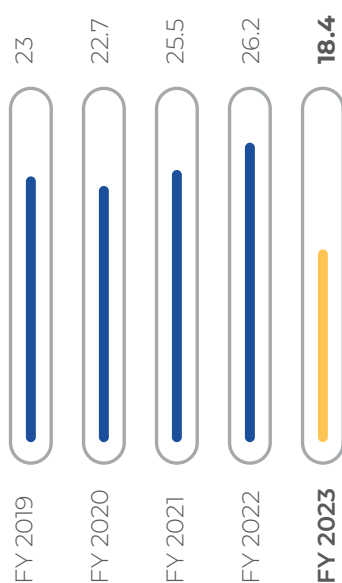
28.8



ROCE

(in %)

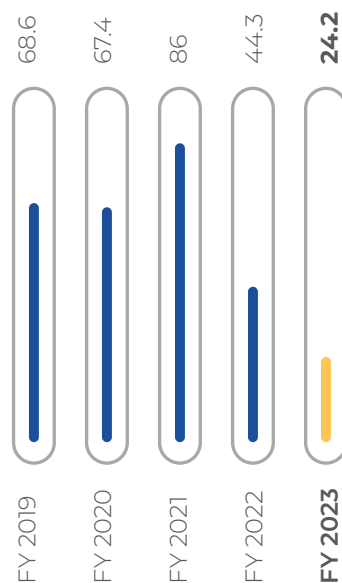
18.4



ROCE (Excluding cash & cash Equivalent)

(in %)

24.2



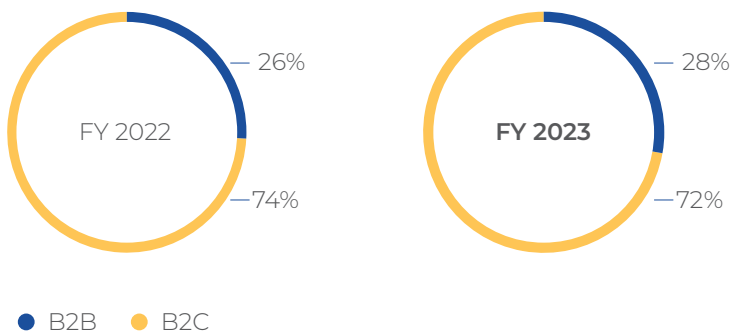
*without IND-AS

#Normalised PAT

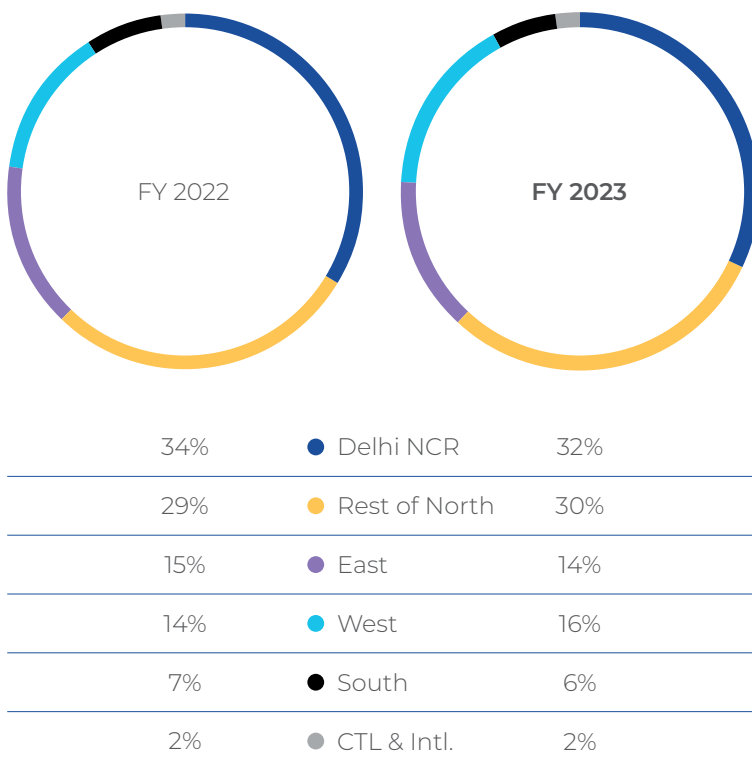
Operational highlights

Percentage revenue break-up between B2B and B2C

Market segments



Percentage revenue break-up region-wise



Expanding

In Tier-III and Tier-IV cities

Launched

134 tests in FY' 23 to expand the Super Specialty Portfolio

371

Patient service centres built in FY 2023 totalling 5,102

339

Pick-up-points established in FY 2023 totalling 10,938

72.3 million

Samples collected in FY 2023

Digitising our operations

We capitalised on digitalisation in FY 2023 by monetising our data lake, especially for enhancing customer service and productivity. Both our B2C and B2B operations have benefited from this approach.

We have been able to gain valuable insights from the massive volumes of data stored in our data lake, enabling personalised client interactions, improving customer satisfaction and streamlining business processes. Additionally, we have implemented customer lifecycle management through digitalisation, focusing on managing and optimising customer interactions throughout their journey with us. This also entails optimised onboarding processes, customised engagement and retention strategies, data-driven insights, and targeted upselling and cross-selling efforts.



Leveraging digital infrastructure

To build a stronger connect with our customers and improve their service experience with us, we are consistently upgrading our digital infrastructure, which also creates opportunities for sustained growth.



New website launch

Our website features cutting-edge, user-friendly functions that cater to the needs of modern users. With a responsive design, our site delivers a seamless browsing experience across various devices. Moreover, we have optimised our website to be SEO-friendly, enhancing its visibility and reach among potential customers. By strategically placing buttons and web forms, we aim to generate more leads and improve order conversion rates, creating an effective platform for customer engagement and business growth.



Logistics app

This app employs machine learning algorithms for FE route generation, which help analyse the location of the technicians, traffic patterns and job schedules to generate optimised routes for field engineers to efficiently navigate and service various locations. Machine learning-based tube bag scanning helps generate sample bags automatically. Each procedure uses a secure QR code-based handshake to ensure secure and authorised interactions. This entails generating unique QR codes which serve as digital signatures for authentication and encrypted information.



Reco.ai

Recently, our organisation has integrated an AI-based recommendation engine that leverages advanced algorithms to offer patients personalised recommendations for pertinent tests based on their present health condition, historical report patterns, demographic information and other relevant factors. This cutting-edge technology evaluates various data points to generate individualised suggestions for diagnostic tests that are most appropriate for each individual's distinct health conditions.



One registration

All point-of-sale (POS) registrations are available on a single comprehensive platform, streamlining the process and eliminating the need for multiple systems. This integrated solution offers a convenient and efficient way to manage POS registrations, ensuring that businesses can easily comply with regulatory requirements. Additionally, the platform incorporates error-proofing mechanisms, minimising the occurrence of mistakes and reducing the risk of inaccuracies in the registration process.



Geo-fencing and precious sample recognition are employed for enhancing sample security during intra- and inter-city movements. Geo-fencing establishes virtual boundaries to prevent unauthorised sample transportation beyond designated areas. Machine learning also helps identify and track valuable or sensitive samples, ensuring their proper handling and protection.



Chatbot 2.0

A new version of the chatbot that includes an option to schedule an appointment straight through the chatbot interface has just been released. Patients will also have access to detailed order records, estimated time of reporting (ETR), and real-time updates on their order status. Additionally, taking into account every individual's specific profile and medical history, the chatbot provides personalised suggestions for preventive health check-ups.



Wallet

The Senior Citizen Wallet rewards elderly individuals with wallet points for every booking, offering exclusive benefits and discounts. Similarly, the PhleboWallet programme encourages customers to select quality diagnostic services by earning wallet points redeemable for exclusive rewards and privileges.

Putting our people first

At Dr. LalPath Labs, we firmly believe in the holistic development of our people. Our approach encompasses various aspects that contribute to their growth and well-being.

We prioritise skill development programs to enhance their professional capabilities and empower them to thrive in their respective roles. Additionally, we are committed to maintaining a strong compliance policy that not only ensures the highest standards in our operations but also safeguards the human rights of our employees. We recognise that a nurturing and inclusive work environment is essential 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.

Skill development programmes



EDGE

EDGE (Enabling Development Growth and Excellence) is an exclusive development program, designed to cater to the enhancement in skill and knowledge of doctors at satellite labs. EDGE provides on the job training and opportunity for continuous learning for the doctors. Due to EDGE program, there is benefit of test menu expansion and availability of trained resources for reporting. The doctors trained under EDGE program are able to start tests menu at their labs.

HUNAR

We conduct a comprehensive technical skill development program specifically tailored to meet the needs of laboratory technical staff, equipping them with the necessary knowledge and expertise in specialized technical function to excel in their roles. This program has proven to be highly beneficial for the organization and for the technical staff. It helps build a pool of skilled work force provides them with internal opportunities for growth within the organisation and empowers them with enhanced skills & capabilities.





DevLab

This is a transformative leadership development initiative designed for Chief of Lab, Lab Administrators, and Section Officer Staffs. DevLab has proven to be immensely valuable in cultivating strong team management, process excellence, analytical skills and promoting effective management practices. Through this program, our leaders have acquired the necessary tools and perspectives to drive innovation, streamline operations, and inspire their teams, resulting in improved collaboration, higher productivity, and better overall outcomes.

ASM Capability Building Programme

We have in place a comprehensive and results-driven program focused on building sales first time managers on enhancing their management capabilities. This program has significantly bolstered the expertise and competence of our staff. The ASM Capability Building Program has played a pivotal role in building team management in order to support the team to deliver best outcomes.



Induction programmes



Aarambh

Aarambh-Induction Program for sales new joiners

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

Parichay-General Induction Program for New joiners

Parichay offers a holistic onboarding experience for new employees across various departments. It familiarises them with our organisational values, policies, and processes, facilitating a smooth transition into their roles. Through Parichay, new joiners quickly adapt, establish strong working relationships and align themselves with our organisational goals. This program enhances employee engagement, retention, and overall performance by providing a solid foundation for success.

Genesis - Induction Program for Doctors

Genesis is a specialised induction program 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 program empowers them to deliver high-quality patient care from day one, making a positive impact and contributing to exceptional healthcare outcomes.

Sharing our wins



Gold Award

QCI-D. L. Shah Quality Awards -2022

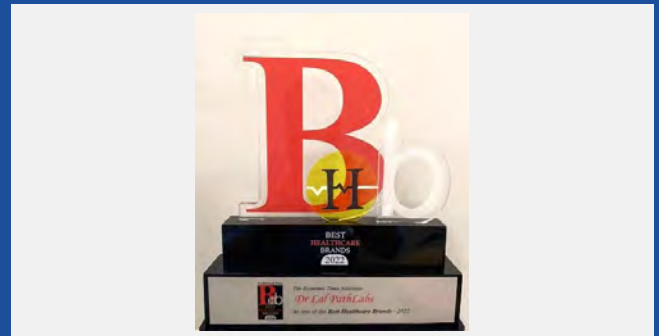


Diagnostic Chain of the Year –West

Awarded by the prestigious Healthcare Awards, from The Economic Times in 2022



Business Standard Star SME of the year 2022



Best Brands Healthcare 2022



GAPIO Excellence in Diagnostics Award 2022



CSR Award 2022



ICICI Lombard & CNBC TV18 India Risk Management Awards 2022 – Healthcare

Sustainability

Dr. LalPathlabs' leadership vision focuses on continuous improvement while maintaining best-in-class patient services. Furthermore, we are strongly committed to optimizing our laboratory's environmental footprint.

We reduced the need for aliquots by 93% by replacing our previous system configuration^{1,2} with new, innovative automation, analyzers, and IT solutions from Siemens Healthineers. Reduced use of plastic for aliquots optimizes waste management and significantly reduces CO₂ emissions.

>1.3 million

aliquots eliminated per year²

>5210 tons

of plastic waste eliminated³

>435 million

saved in aliquot creation cost^{2,5}

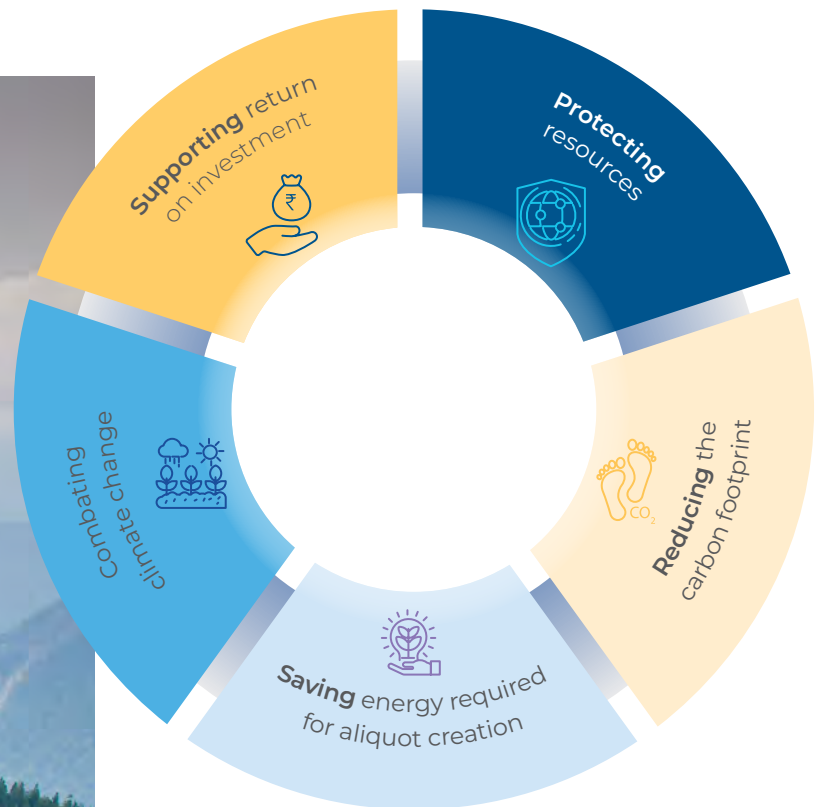
>21,571 tons

CO₂ emissions eliminated every year⁴

3231 tree

seedlings grown for 1 year⁴

1. Siemens Healthineers automation and IT solution vs. the previous system configuration from Roche Diagnostics, Abbott Diagnostics, and Beckman Coulter Diagnostics.
2. Case study: Dr. Lal Pathlabs harnesses the power of digitalization. Published by Siemens Healthcare Diagnostics Inc. · Order No. 30-22-DX-1342-76 · 08-2022 · © Siemens Healthcare Diagnostics Inc., 2022.
3. ZWE_Policy-briefing_The-impact-of-Waste-to-Energy-incineration-on-Climate.pdf
4. Theoretical worldwide average using the [epa.gov/energy/greenhouse-gases-equivalencies-calculator](https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator)
5. Expected financial savings for the contract duration, depending on test mix and market pricing during this time period.



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. Rahul Sharma
Non-Executive Director



Mr. Sunil Varma
Lead Independent Director



Dr. Saurabh Srivastava
Independent Director



Mr. Harneet Singh Chandhoke
Independent Director



Mr. Anoop Mahendra Singh
Independent Director



Ms. Somya Satsangi
Independent Director



Mr. Rohit Bhasin
Independent Director



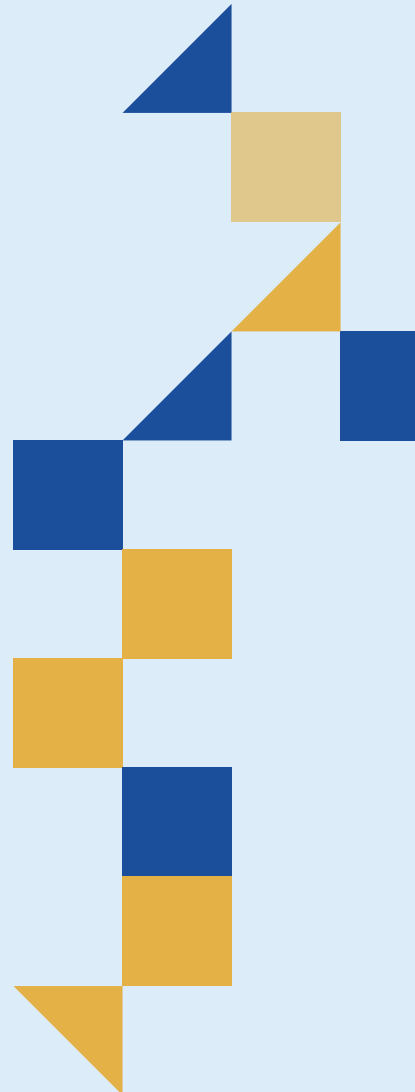
Mr. Arun Duggal
Independent Director



Mr. Gurinder Singh Kalra
Independent Director



Mr. Rajit Mehta
Independent Director





Lal PathLabs
FOUNDATION



Pathways to Health Equity

Corporate Social Responsibility Report FY 2022-23



About Dr. Lal Pathlabs Limited

Dr. Lal PathLabs Limited continues to redefine its robust infrastructure spanning across India & International and currently comprises of 275+ clinical labs (including National Reference Lab at Delhi and Regional Reference Lab at Bengaluru, Mumbai and Kolkata). Further, we continue to build our patient service network with 5100+ Patient Service Centres and 10900+ pick-up points, which are backed by a strong manpower, that enables greater efficiency as well as prompt service & reach to our customers.

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 services in the country by making an impact on the underprivileged section of our society. To achieve this, LPL Foundation is working with a focussed 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 workforce to bridge the gap in the supply of qualified healthcare professionals and provide sustainable livelihood for unemployed youth in rural and semi-urban areas of the country. Besides the flagship programs the Foundation covers areas comprising 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 the 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.

CSR Initiatives



Vision

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



Mission

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



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 enable 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>

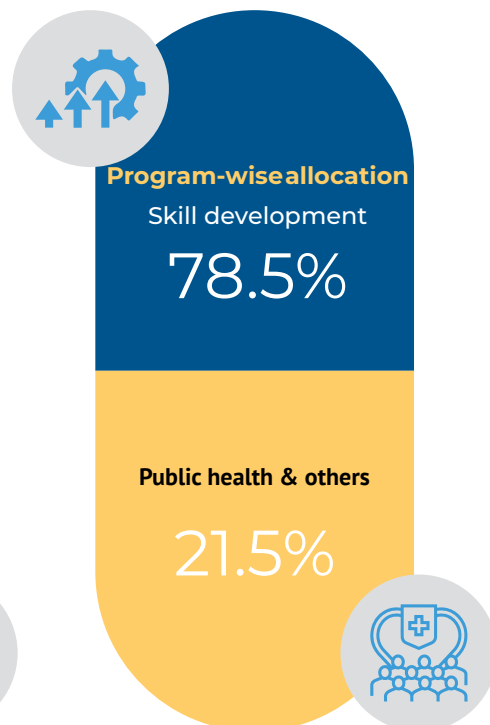
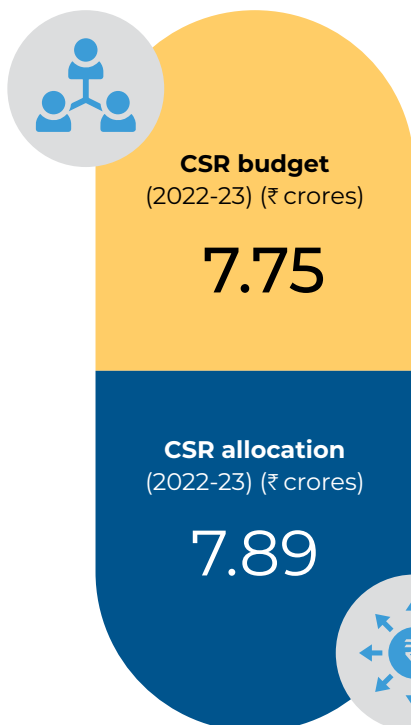
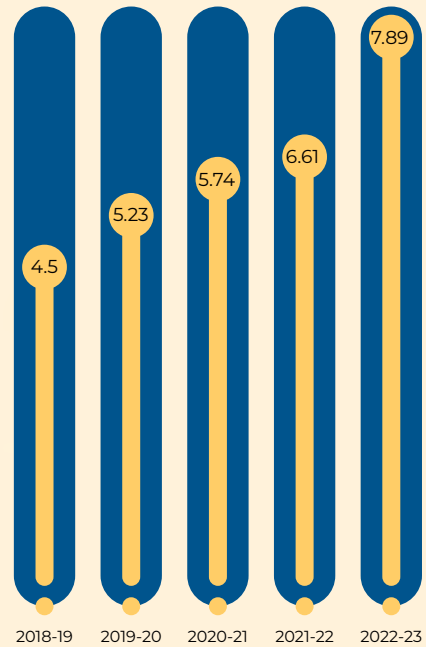


Values



CSR Snapshot

CSR Spends
(In ₹ crores)



Program impact

80,00,000+*

lives touched

(since inception)

*Includes direct and indirect beneficiaries both.
Indirect beneficiaries calculation 1*3

Reach

19+

States

40+

Locations



Phlebotomist training & placement

Phlebotomists certified

2100+

candidates

Certified in FY 2022-23

4800+

candidates

Certified since inception

Phlebotomists placements

1700+

candidates

Placement in FY 2022-23

3800+

candidates

Placement since inception



Training centres FY 2022-23

18

Total training
centres

16

Phlebotomist
training centres

2

DMLT training
centres

From the Chairman's Desk



India is emerging as one of the fastest growing economies in the world. As a country, we have grown by leaps and bounds in every sphere, notably as the 'pharmacy of the world'. However, for a country with 1.4 billion population, equitable distribution of healthcare across demographic profiles and geographies poses a huge challenge for the country. The COVID pandemic drove home this grim scenario and the urgency to set this right. Yet, our resilience showed in the speed at which vaccines were produced and rolled out, not only within the country but also made available globally, benefitting other countries in the emerging economies. Today, Indian health sector stands at the crossroads, with several opportunities in the future as well as challenges to overcome.

The need of the hour – taking healthcare to the masses

Situation

The Indian healthcare sector was projected to record a three-fold rise, growing at a CAGR of 22% between 2016–22 to reach US\$ 372 billion in 2022 from US\$ 110 billion in 2016¹. Currently, it is expected to grow between US\$ 450 billion and US\$ 470 billion by 2025². The Indian laboratory diagnostics is a US\$ 5–6 billion market and is expected to grow at a CAGR of 13–14%, which is higher than the overall growth rate of the healthcare industry in the coming years. Though at 4–5% of the total healthcare expenditure, the medical diagnostics industry influences the remaining 95% of the healthcare cost. Around 70% of medical decisions regarding early disease diagnosis, patient prognosis and treatment selection are based on laboratory diagnostic results³.

Healthcare costs

It is estimated that non-communicable diseases will cost India US\$ 6.2 trillion by 2030. Estimate of India's economic losses between 2012–2030 due to CVD, diabetes & cancer is at about US\$ 2.7 trillion². India's population is evolving and ageing, with the geriatric age group expected to constitute 11% of India's citizenry in 2025, rising to 300 million by 2050. This causes the economic losses to increase further. Early diagnosis and prevention of disease will help in curtailing healthcare costs and the burden of loss in productivity due to ill health.

Healthcare reach

Health care professionals available (doctors & nurses) is 16.7 per 10,000 persons in India, which is well below the WHO threshold of 44.5 doctors, nurses and midwives per 10,000 population⁴. The projected skilled health workforce numbers will rise to an estimated 2.65 million in 2030 with a workforce density of 17.5 per 10,000 population in 2030. There will be a shortfall of approximately 1.13 million skilled health workers to reach 22.8 skilled workers per 10,000 population. Pathology tests per 1,000 population in India is 1,111, versus 5,924 in Brazil, 10,000 in Australia, and 20,958 in the US⁵. This scenario indicates a highly unequitable healthcare access and stresses the need for preventive diagnostics and early-stage detection of diseases to ensure equitable distribution of healthcare.

Healthcare thrust

India's health insurance market is estimated at US\$ 133.95 billion in 2023 and is expected to reach US\$ 216.96 billion by 2028, growing at a CAGR of 10.12%. The National Health Mission was allotted Rs. 37,000 crore (US\$ 4.85 billion). Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PMJAY) with a budget of Rs. 6,412 crore (US\$ 840.32 million) will target about 10.74 crore poor, deprived, rural families and identified occupational category of urban workers' families that form the bottom 40% of the Indian population. The scheme provides health cover of Rs. 5 lakhs per family per year. Under the Ayushman Bharat programme, 1.5 lakh Health & Wellness Centres have been made operational as on 31st December 2022, improving healthcare delivery in rural India. The diagnostics industry will play a critical role in making this a reality while working closely with the government and local bodies in scaling diagnostic centres to serve rural and semi-urban areas of the country.

Employment

The Indian medical diagnostics industry employs around 0.8 million people, with almost 3–4 direct jobs and 3–6 indirect jobs created per new diagnostics establishment⁶. This draws the spotlight on the need for skilled diagnostic professionals in the rural and semi-urban parts of the country.

Building a wellness culture

We at Lal PathLabs Foundation (LPLF) envisage the nation to move towards a wellness culture, a culture of prevention for better health and bridging the gap in healthcare accessibility in the remote locations of the country. LPLF is aligned to the global goal of Universal Health Care and Sustainable Development Goals. In line with our vision and mission, our CSR programs' thrust areas are:

- Skill building in healthcare sector
- Public health
- Healthcare research
- Other programs that need our interventions

Rising to the nation's call for an Ayushman Bharat, we deploy our expertise and professional skills to bring about healthcare equity in India. We play a role in reducing the gap in healthcare accessibility by training young Indians to meet the current demands of the health sector.

Over the past year, our company has continued to engage in various CSR initiatives, aligning our actions with some of the United Nations Sustainable Development Goals (SDGs), especially pertaining to healthcare and healthcare awareness. Our focus has been on creating lasting social and environmental value through targeted projects that address pressing issues primarily in the healthcare sector and responding to the nation's call for action.

Even as we celebrate our achievements, we acknowledge that our journey towards a more sustainable and socially responsible future is through sound health of the nation and this endeavour is an ongoing one. On this journey we plan to take our employees along through their active participation in the CSR programs, through a structured employee volunteering initiative. This we believe will take our business responsibility several notches up and bring the organisation together for a unified cause.

We have indeed come a long way, covering huge ground with our CSR footprint. This would not have been possible without the relentless support of our CSR Committee, CSR teams, our NGO partners and everyone else in the organisation associated with the programs. I sincerely thank them for their contributions and look forward to their continued support. Together, we can create a world that is more inclusive, with equitable healthcare access to every strata of our society.

Yours sincerely,

(Hony) Brig Dr. Arvind Lal

Chairman

¹BEF Report | ²Bain & Co., NATHEALTH | ³Healthcarefederaaion.org report | ⁴WHO Report | ⁵BMC-HR Healthcare report | ⁶nathealthindia.org report

Foreword from the Managing Director



Dr. Lal Pathlabs has, as an organisation, established a niche for itself in the field of medical diagnostics and preventive healthcare. However, we believe that we are not solely defined by our business success; our identity is shaped by who we are to the communities we operate in, and how we have included them in our own growth, and reduced the gaps in healthcare in the country.

Towards this end, we continued to develop and implement programs with the goal of bringing about healthcare equanimity and share our success with the marginalised communities in our society. We targeted areas that have been hitherto unaddressed, and over the years, we have been able to reach out to the masses that truly need our interventions.



As a key player in a circular economy, we are happy to play a small part in touching lives and making a difference right across our value chain. As our programs mature, we hope to reach new milestones in scaling our programs across the country.

Highlights for the year 2022-23

Our approach in CSR program management for the year was Focus, Reach & Review.

Focus:

We focussed on our flagship programs, continuing our efforts in vocational training in healthcare to provide sustainable livelihood and bridge the gap of trained manpower in the healthcare sector in the country. Among our public-health focussed programs, LPL Foundation set up a chair in healthcare in collaboration with Indian Institute of Management, Ahmedabad, "Dr. Lal PathLabs Chair in Healthcare" to carry out research in healthcare. Also, supported 'Ni-Kshay 2.0 Project' an initiative of Government of India to make India tuberculosis-free by 2025 and LPLF extended nutritional support to 222 TB patients of the Nuh block of district Mewat (Haryana) during the course of their treatment.

Reach:

To realise our CSR objectives, and achieve scale and depth, we partnered with multiple stakeholders. We plan to create greater impact through multi-stakeholder partnerships which we hope will create an impact to the advantage of our beneficiaries. A key development for the year was our foray into healthcare research through a tie-up with the IIM Ahmedabad.

Review:

We structured our program implementation modalities and strengthened program-wise CSR teams for effective deployment across various centres. The re-structuring of the implementation process made available, CSR professionals closer to our targeted beneficiaries. This we believe, will position us better for attaining the scale and reach that we aspire. We have put in place strong systems and processes for monitoring our programs. We conduct third party audit of our projects.

Creating pathways to health equity

We are vested in the cause for spreading healthcare awareness and making available quality diagnostic facilities in rural and semi-urban India. This requires trained manpower to provide diagnostic services. We target and train young men and women as laboratory technicians and phlebotomists, making them employable, transforming them into key links that reduce the gaps in equitable healthcare. Our vocationally-skilled beneficiaries have seen advancement in their economic profile through meaningful employment opportunities. Our programs for the year 2022-23 exceeded our expectation in readying phlebotomists and lab technicians beyond our target and ensuring sustainable employment across the length and breadth of the country. Our volunteering program had humble

beginnings and we hope to take this forward in the coming years. With a spirit of inclusiveness, we ensured 50% of women were inducted and benefitted by our flagship programs. The 'Dr. Lal Pathlabs Chair in Healthcare' was set up in 2022 at IIMA with the efforts of the IIMA Endowment Fund. The focus of this Research Chair is to build capacity in

this domain by bringing healthcare professionals across the healthcare delivery chain and thus reducing the gap in the quality of delivery between public and private healthcare. The initiative commenced with developing uniform and standard training modules on healthcare and safety and response strategy for the National Disaster Management Authority (NDMA) as per their guidelines. The Research Chair plans to impart the training modules to relevant healthcare professionals. In this regard, an Executive Education program, "Managerial Excellence in Public Health Delivery," was conducted with the Bihar Government. Over the years, two research papers have been developed about different aspects of healthcare management to understand a physician's perception of the National Digital Health Mission and the role of IT in scaling up operations in the context of a disaster (e.g., Covid-19). Currently, plans are underway to develop a program for leadership development in the social sector for blind women. A joint research study was also conducted by the All India Federation of the Blind to understand the barriers visually-impaired women executives face in active participation at management levels and the decision-making process. This collaborative initiative with IIMA in creating and contributing to thought leadership in healthcare delivery will continue through 2023-24 and into 2025.

Our plans for the year ahead

We will continue with CSR program delivery for the cause of sustainable livelihood for young people and bridging the gap of trained manpower required for the healthcare sector. We will continue to work with our current implementation partners in key areas such as vocational training, healthcare prevention and healthcare awareness.

In the post Covid era, there is greater awareness on healthcare and the importance of preventive healthcare has gained momentum among people. The ambitious Government initiatives in healthcare and insurance have set the ball rolling in public-private partnerships to boost availability of quality healthcare services for every Indian. In this endeavour, we successfully forged partnerships for increasing scale and access of our programs. Going forward, this will be the cornerstone of Lal PathLabs Foundations' thrust.

As a key player in a circular economy, we are happy to play a small part in touching lives and making a difference right across our value chain. As our programs mature, we hope to reach new milestones in scaling our programs across the country.

I thank our project team, implementing partners and CSR team for walking along side us in our endeavour.

Yours sincerely,

Dr. Om Manchanda

Managing Director

CSR Governance

 CSR Committee	(Hony) Brig. Dr. Arvind Lal	Chairman
	Dr. Om Prakash Manchanda	Managing Director
	Mr. Harneet Singh Chandhoke	Independent Director
	Mr. Sunil Varma	Independent Director
 Management Team	(Hony) Brig. Dr. Arvind Lal	Executive Chairman
	Dr. Om Prakash Manchanda	Managing Director
	Mr. Manoj Garg	Group CHRO
 Lal Pathlabs Foundation Team	Mr. Rajesh Kumar Singh	GM CSR
	Mr. Alok Singh	Asst. Manager - CSR
	Mr. Anand Singh	Sr. Executive - CSR
	Mr Pankaj Issar	Dy. Manager - CSR



2

CSR Committee Meetings



100%

Attendance



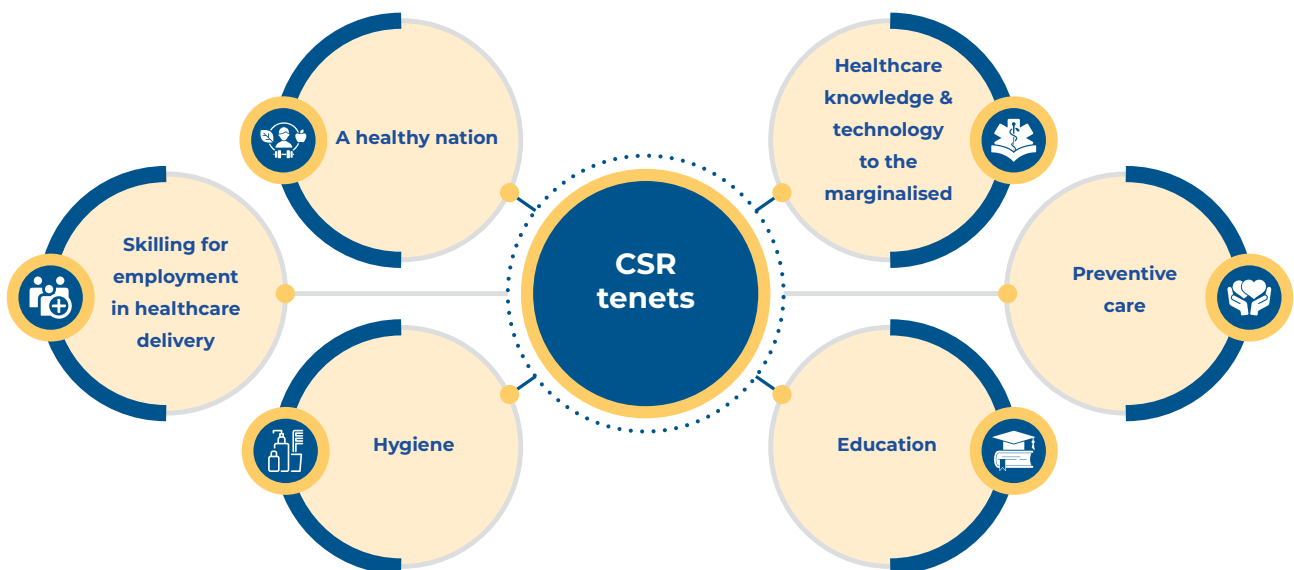
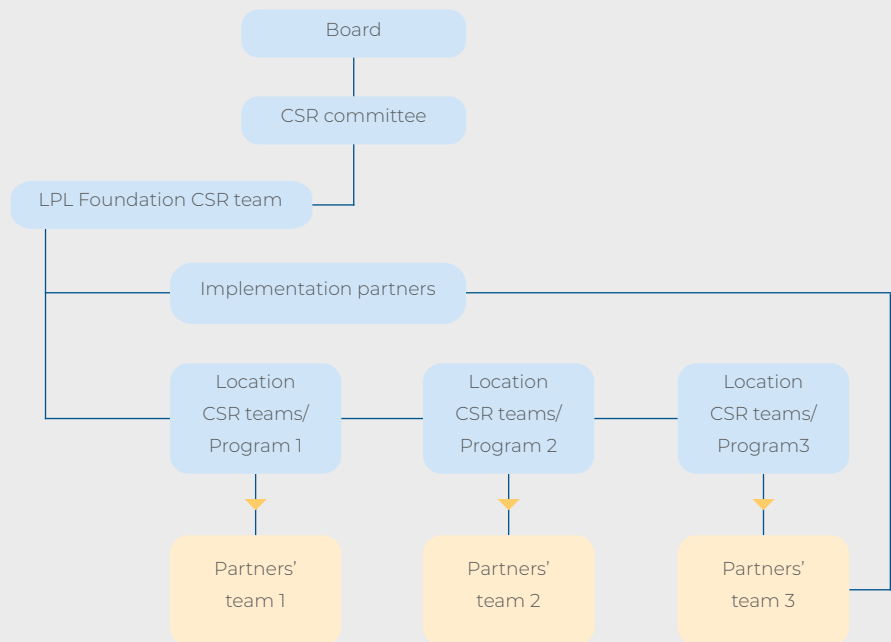
CSR strategy

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



CSR implementation

CSR program execution structure





Beneficiary Profile



Unemployed youth



Women and senior citizens



Persons with special needs



Economically backward communities



Rural communities

CSR Thrust Areas



Skill building

Lal PathLabs Foundation started Vocational Training Centres in different parts of the country, preferring tier-II & tier-III cities, focusing on Phlebotomist Training. The aim of the project is to provide affordable and quality health diagnostic solutions' intermediaries in rural and remote areas of India where these trained Phlebotomists would act as a link between the rural patients and the service providers. The program modalities involve skilling the youth as Phlebotomist, providing dignified and sustainable livelihood to rural youth and bridging the gap of trained paramedical health staff in rural and remote parts of the country.



Public health

Programs in Public Health are aimed at generating awareness and building capacity of the community, focus on preventive healthcare services and connect the community with healthcare services. The Public Health focus helps in reducing the gap between accessibility of available government and community health programs and the marginalised communities trying to access such programs. Our presence in this segment bonds us to the communities we serve and strengthens our relationships with government and other CSR agencies.

We create healthcare and preventive healthcare awareness among the community, provide support to government programs for healthcare causes and disease prevention, provide healthcare related support to the marginalised, underserved and specially abled.



Healthcare research

LPLF entered into partnership with IIM Ahmedabad to set up a chair namely "Dr. Lal PathLabs Chair in Healthcare". The program includes supporting the chair in carrying out research in healthcare.



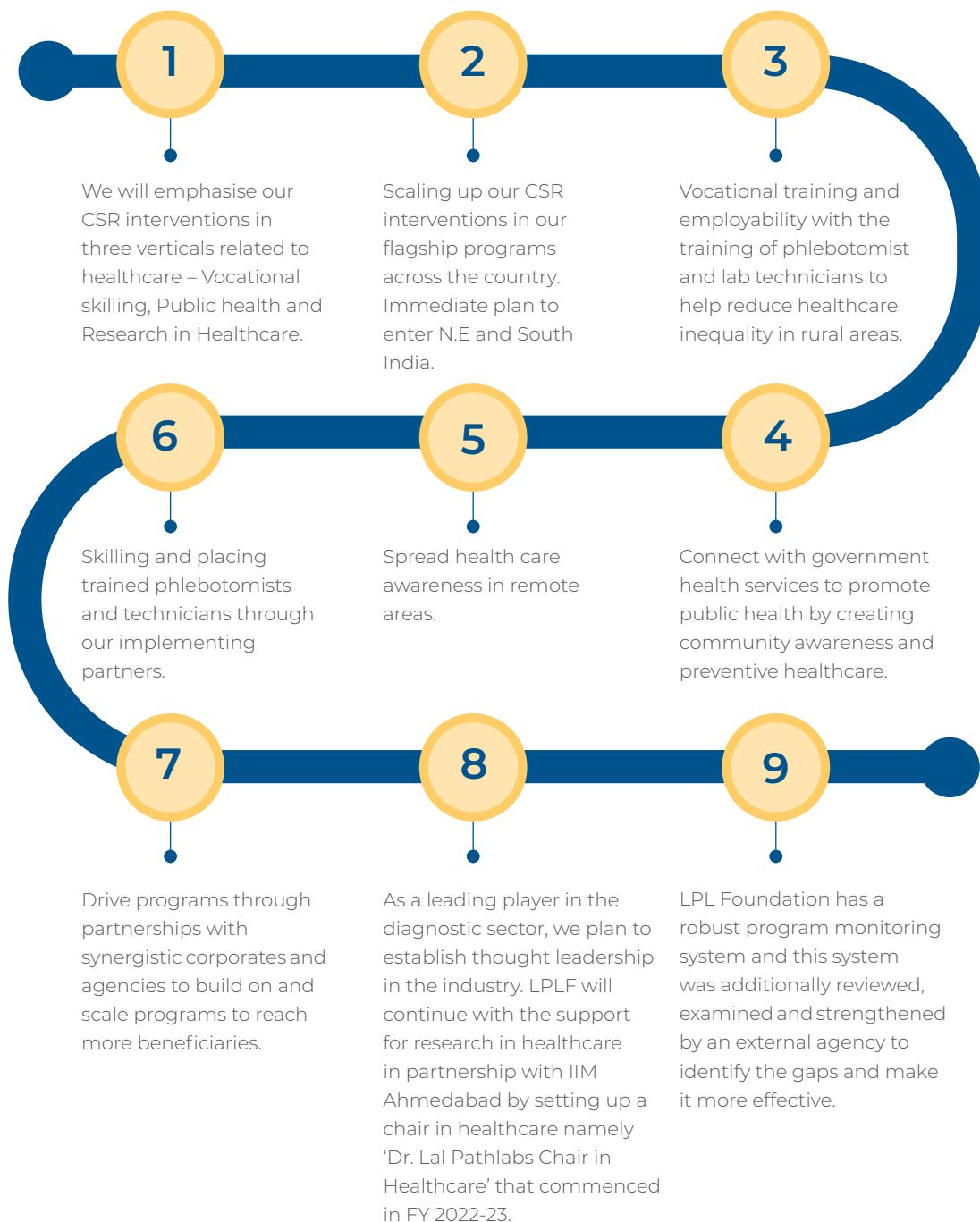
Others

While we are focussed on healthcare needs and prevention, we also lend our support to special causes based on the need of the hour. Having a generalised thrust area ensures that LPL Foundation has the agility to rise up to the occasion and respond to the nation's call for our intervention.



CSR Roadmap

LPL Foundation's flagship programs have had a successful run for over five years. Over the course of time, we have evidenced that preparing unemployed youth for job-oriented professions in the health care diagnostics sector has helped in taking health care awareness and prevention right into the heartland. We hope to scale our flagship programs and contribute to other need-based programs that require LPLF's intervention.



FOCUS. SCALE. REVIEW

Lal Pathlabs Foundation (LPLF) structured its CSR program management in to three broad-based approach such that while we remain committed to our CSR cause, we also respond to the larger needs of the industry in which we are present. This approach ensures alignment to our CSR goals with the corporate goals and the larger national and global goals.

Focus

LPLF's CSR approach is to bridge the gap – bridge economic inequalities through sustainable income generation to unemployed youth and bridge the gap in skill development required for the healthcare sector. Nearly 70% of our CSR expenditure goes towards this cause. We have prioritised the skilling needs through our flagship programs as they meet the larger goals of our nation and these programs have proven to be successful. While we remain focussed on our flagship programs, we also take responsibility for the needs of the larger healthcare sector and have supported other programs that align with our overall CSR mission.



Scale

As an accredited, leading diagnostics services provider, our goal is to scale our reach to the rural and semi urban areas across the country. Our CSR programs are designed to be scaled geographically, going where we are needed most. We take a collaborative approach in our endeavour to increase our CSR footprint across the country.

Review

We constantly review the program outcomes and look for ways and means to streamline them such that our eye remains on our mission. Robust program monitoring systems that we have built over the years enable us to do so. This we believe is the foundation for our programs to achieve the scale that we have envisioned.



Pathways to Healthcare Equity



	Project name	Activity	Schedule VII listing	
 Skilling	LPL Academy for Laboratory Medicine-Phlebotomist Training	Skill Development & employability as phlebotomists	ii	
	Centre For Excellence-Diploma in Medical Laboratory Technology (DMLT)	Skill Development & Employment for unemployed youth	ii	
 Public Health	Health Education in Schools	Health Education for school children & their teachers	ii	
	Life Skills Development for Differently Abled Children	Occupational & Physiotherapy for specially abled	ii	
	Nutritional Support to TB Patients	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	Health care & preventive healthcare services to the marginalised community	i	
 Healthcare Research	Establishing a Professorial Chair in Healthcare at IIMA	Research in Healthcare	ix	
 Others	Women Empowerment	Awareness, entrepreneurship & leadership for underprivileged women	iii	



Location	Development sector(s)	Implementation
Lucknow, Gorakhpur, Varanasi, Meerut (UP), Jaipur, (Rajasthan), Rohini (Delhi), Indore, Gwalior (MP), Mumbai, Pune, Nagpur, Kolhapur (Maharashtra), Vizag (AP), Karimnagar (Telangana), Panipat (Haryana), Dehradun (Uttarakhand)	Vocational Training in health care	Implementation partners- B-ABLE Foundation, Lok Bharti Education Society and Centum Foundation
Curugram & Kolkatta	Vocational Skills in healthcare	Direct intervention by Lal Pathlabs Foundation
Delhi NCR & Tri-city Chandigarh	Public Health	Child Eye
Indore	Public Health	Sri Sarda Math
Nuh, Haryana	Public Health	Society for Participatory Integrated Development (SPID)
Kanpur and Agra	Public health	Arogya Foundation of India
Indore	Public Health	Sri Guru Ji Sewa Nyas
Ahmedabad	Research in Healthcare	IIM Ahmedabad
Mumbai	Women Empowerment	Adhunik Stree Vikas Pratishthan



Focus

Healthcare
equanimity

Healthcare
accessibility



CSR Programs in FY 2022-2023

Skill building

Our initiatives in skill building are centred around reducing the gap in health care accessibility in the interior regions of the country. Making healthcare available equitably is our prime focus. Towards this end, we design our flagship programs to build vocational skills for young people in the rural and semi urban areas.

Diagnostic care and preventive health are the pivotal points for achieving the mission of Universal Health Care (UHC) thus contributing to the benchmark of availability of skilled workers of 44.5 per 10,000 people in India by 2030. Even as the diagnostic industry grows at a CAGR of 13-14% the estimated ratio of skilled healthcare workers in India is expected to be at 22.8 per 10,000 population by 2030, reaching a shortfall of 1.3 million skilled workers.

The Ayushman Bharat Mission has facilitated the establishment of 150,000 health centres in the tier-1, tier-2 and tier-3 towns in the country and reaching far into remote locations. The biggest gap is the availability of diagnostic support within the region for diagnostic sample collection and testing services. As of November 2021, 638 e-Hospitals are established across India as part of the central government's 'Digital India' initiative.

The lack of skilled workers, and lack of job opportunities for youth in remote locations is the area that LPL Foundation has successfully addressed. With Government sponsored insurance schemes penetrating the remote areas, diagnostic service delivery is a huge need that we aim to fulfill.

Flagship programs



Approach

Bridge the gap in the need for skilled workers for delivering healthcare services closer to the regions where it is needed while providing economic opportunities for unemployed youth closer to their homes.

Build healthcare equity by providing skilled workers to enable healthcare prevention in remote parts of India.



Vocational skilling to develop operationally ready, certified youth to meet the need of health care delivery in the remotest locations of the country.

Objectives



Channelise youth from the informal sector in rural and semi-urban areas to the organised sector.



Provide employment opportunities through placement assistance for certified youth.



Serve the economic needs of the rural and semi-urban youth.

1 LPL Academy for Laboratory Medicine-Phlebotomist training



Program overview

The Phlebotomist training program is a short-term vocational program that makes tertiary and higher secondary students employable in the health care services sector. These students are qualified to become certified phlebotomists and are employable as paramedics, provide at-home diagnostic services such as sample collection, laboratory technicians and diagnostics technicians. The program provides placement assistance to the certified phlebotomists in diagnostics laboratories, healthcare centres, rural hospitals and doctor clinics. Phlebotomists are a key link to pathology labs, urban diagnostic centres, and community health centres that function in remote locations.

They serve as the last mile connectivity between the rural communities and larger healthcare facilities, making healthcare accessible across geographies. The Phlebotomists program promotes women candidates to serve in the healthcare sector as it empowers them to seek employment closer to their homes, which is their need in rural communities.

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



Phlebotomists are the foot soldiers who serve as the front end to enable 70% of healthcare expenditure decisions & 95% of medical decisions.

Program objective:

Provide dignified and sustainable livelihoods to the rural youth through rigorous training as Phlebotomy Technician.

Beneficiaries targeted:

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

Implementation partners:

- Institute of Livelihood Research and Training (ILRT) / B-ABLE Foundation
- Lok Bharti Education Society
- Centum Foundation



6100+

Enrollment till date

4800+

Certified till date



3800+

Placed till date

2600+

Enrollment FY 2022-23



2100+

Certified FY 2022-23

1700+

Placed FY 2022-23

**9 states
16 locations**

Training Academy
Centres running as of
FY 2022-23

**82%
Placements**

Successful placement of
certified phlebotomists
in FY 2022-23

**80%
Women**

Female candidates
certified and placed
FY 2022-23

Program reach

Lucknow, Gorakhpur, Varanasi, Meerut (UP) Jaipur (Rajasthan) Mumbai, Pune, Nagpur, Kolhapur (Maharashtra) Vishakhapatnam (Andhra Pradesh) Karimnagar (Telangana) Indore, Gwalior (MP) Delhi, Dehradun (Uttarakhand), Chandigarh

Case study

Thriveni Pilla's journey of recognition as a phlebotomist

“

Thriveni is a bright young aspirant with good high school credentials. She aspired to working in the medical sector after completing her higher secondary program in Science. Unfortunately for her father was the only earning member and he provided for her higher secondary education. Her dreams and aspirations were shattered when her father was diagnosed with filariasis. Despite his condition, he tried his best to make a living as a street vendor, selling rock salt. This income was not enough to sustain the family and their debts mounted. Thriveni was at the crossroads – her own aspirations for higher studies and the family's need, especially her father's need as a patient. Young and just 22 years of age, Triveni was in a dilemma. She decided she had to do something to earn an income but with just a +2 qualification, what job could she do? How could she become employable?

At this juncture, she came to know about Lal Pathlabs Foundation's phlebotomist training program. She was thrilled about what the program could offer her. It was a short, 3-month vocational program with another 3 months on-the-job training with a stipend. Within three months, if she could get certified, she would start earning and would become employable in the diagnostics sector. This was a good start to her career in the medical sector, earn a sustainable income and care for her ailing father – all at once. She enrolled in the LPL Foundation's phlebotomist training program and got certified.

Triveni got a placement as a phlebotomist at a local Diagnostic Centre in her home town of Vishakapattinam. She now earns ₹ 1,20,000 per annum. She leads a respectable life in a profession she likes and is also able to support her family.

”

Case study

How Arbaz Alam transformed himself



Young, and just 21-years of age, Arbaz, was a part of a family of 6 members with his father as the sole earning member. He completed his 12th class, majoring in Science and did not have a direction in his life. He did not have a clue how to take his life forward and how to find himself a decent means of livelihood. All he knew was that with his Science qualification, there was something he really could do. To add to his responsibility, his family arranged a marriage for him. Now he was still direction-less and had a wife and extended family to support. He knew he must act fast. It was impossible for a 7-member family to live within his father's income of ₹95,000 per annum.

Arbaz approached the LPL Foundation's centre in Lucknow. He came to know about the phlebotomists vocational program. It involved 3 months of training and another 3 months of on- the-job training. The centre counselled him and briefed him about his earning potential through this program. He enrolled himself and was soon certified.

Upon receiving his certification, Arbaz got his placement with an annual salary of ₹1,80,000. Arbaz is happy that he has earned the respect he deserves in society and he is able to support his family. He is indeed motivated and aspires to dream big.

2 Centre For Excellence - Diploma in Medical Laboratory Technology (DMLT)



The DMLT program is a long-term intensive training program for tertiary-educated students who wish to work in the healthcare diagnostics sector. LPL Foundation provides an intensive two-year program, Diploma in Medical Laboratory Technology (DMLT). The DMLT program is affiliated to the Indian Medical Association (IMA) and prepares students to serve as laboratory technicians. The institute follows the guidelines established by the IMA and prepares young adults to build a career in the healthcare sector. The program takes a structured approach and follows strict guidelines in training and certification.



The DMLT program enhances the employability of tertiary educated and graduate students such that the students can be employed closer to their regions without migration to metro cities. With the increase in the diagnostic centres in tier-1, tier-2 and tier-3 cities, there is a lack of skilled professionals which the DMLT program addresses.

LPL Foundation runs the DMLT programs for laboratory technicians from two state-of-the-art Centres for Excellences(CFE).

Beneficiaries targeted:

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

CFE locations:

Gurugram, Kolkatta.

Implementing partners:

Lal PathLabs Foundation



500+

Enrollment till date

400+

Certified till date



300+

Placed till date

100+

Enrollment FY 2021-23



70+

Certified FY 2021-23

50+

Placed FY 2021-23

**74%
Placements**

Successful placement of certified DMLT in FY 2022-23

**40%
Women**

Female candidates certified and placed since inception

LPL Foundation
CSR Programs

Public Health

1 Health Education in Schools



Program overview

Comprehensive School Health Program (CSHP) is a unique health curriculum-based program for school students in Class VI & VII. The curriculum covers health care, health awareness and aims at behavioural change towards better health management with a focus on non-communicable diseases in young children. The program is implemented directly in schools with the help of the implementing partner.

The program also covers a train-the-trainer program where teachers are trained to drive positive health behaviour among their students.

Program objective:

To educate and spread awareness in young minds on health care with a focus on non-communicable diseases that result in behavioural change towards healthy habits and to train school teachers on healthcare and prevention.

Beneficiaries targeted:

Middle school children and their teachers

Program location:

Delhi-NCR & Tri-City
Chandigarh

Implementation partner:

Child Eye



2900+

School students reached

12

Schools covered across Delhi & Chandigarh



30+

Teachers trained to manage health awareness

2 Nutritional Support to TB Patients

Program overview

Supporting and serving as a Ni-Kshay Mitra, LPL Foundation provided nutritional support to all the TB patients of the Nuh Block in Nuh District (Mewat, Haryana) comprising of 200+ patients currently undergoing treatment for tuberculosis.

The program has a three-pronged approach – a) provide support to existing TB patients with nutritional support to maintain a healthy diet b) align the communities with the Government's national drive to eradicate TB by 2025 through community awareness programs c) strengthen health delivery systems by working with communities and district health officials.



Beneficiaries targeted:

Marginalised patients undergoing treatment for tuberculosis.

Program location:

Nuh District (Haryana)

Implementation partner:

Society for Participatory Integrated Development (SPID)

Program outcome:

Addressing special nutritional needs & health awareness for 200+ patients, with ongoing treatment. Nutritional support helps reduce TB mortality rate and improve TB cure. Awareness at the community level encourages people to seek medical assistance for disease management.

Other Public Health Programs

3 Life-skills Development for Differently-abled Children

Program overview

Enable children with special needs to become independent through various specialised interventions such as physiotherapy, occupational therapy, early childhood intervention, cognitive behavioural therapy, capacity building of the parents and caretakers of these children and other interventions to improve sensory integration.



Beneficiaries targeted:

Children with special needs from disadvantaged families

Program location:

Indore, Madhya Pradesh

Implementation partner:

Sri Sarada Math

Program outcome:

Children with cerebral palsy, ASD, Down's syndrome, delayed development, etc., had access to state-of-the-art physio and occupational therapy treatment bringing healthcare equity to special children from marginalised families to make them self-dependent and enabling their parents to support these children independently.



4 Arogya Resource Centre - Community Health Program

Program overview

This program is a public health initiative to holistically address community health issues arising from lack of awareness on basic health, sanitation and healthy lifestyle for prevention of diseases. Women being the primary caregivers for the elderly and the young, women-empowerment was an aspect considered in program delivery. The program is designed to be implemented in the remote areas without access to basic healthcare through the Arogya Resource Centres (ARC). One ARC is a cluster of almost 30 villages, catered by 30+ Arogya Sevikas (community health worker) and 3 Sanyojikas (supervisors) under the Ekal Arogya Plan. The Arogya Sevikas' profile comprises of the marginalised, tribal, remotely placed and weaker sections of the society. One Sevika is assigned to one village or 100 households.

All ARC workers are selected from within the communities and are trained so that they function as a link between health care providers and the communities. The Sevika's role is to generate awareness in the community on various health, nutrition, and sanitation issues, taking out various rallies and other awareness campaigns, supporting in organizing health camps, blood testing camps, supporting rural women for kitchen gardening, waste pit management, focus on clean drinking water, visiting schools for various activities for children, educating community on first-aid and home remedies. The Sevikas also serve as a critical link for these remote communities to healthcare professionals in the cities through an exclusive application. They feed data into the application and share with a pool of doctors for review and provide telemedicine.



Beneficiaries targeted:

Rural communities lacking in healthcare and sanitation, and unable to access healthcare services in the larger towns and cities.

Program location:

Uttar Pradesh
Etmadpur,
Agra Bithoor,
Kanpur
Nagar Maitha,
Kanpur
Dehat.

Implementation partner:

Arogya Foundation of India

Program outcome:

Awareness generation with a focus on preventive healthcare, capacity building of the community of various health issues including first-aid / nutrition, anaemia, kitchen gardening, water and sanitation, access to health services through telemedicine and connecting the community to government health services in the above locations.

Primarily, this program links remote communities to the large public and private healthcare facilities that have been built in the state of U.P using digital technology to provide telemedicine.

5 Madhav Srushti

Program overview

Dialysis services for weaker section in the community with no access to hospital services; prevention and awareness of chronic diseases with a focus on kidney care.



Beneficiaries targeted:

Communities with no access to specialised hospital services

Program location:

Indore District (Madhya Pradesh)

Implementation partner:

Sri Guru Ji Sewa Nyas

Program outcome:

Dialysis services for about 650 patients through the course of the program; Chronic disease(kidney) awareness and prevention programs in the community.

1 Establishing a Professorial Chair in Healthcare at IIMA





Creating new knowledge, thought leadership and research specific to healthcare, LPL Foundation signed an MOU with Indian Institute of Management, Ahmedabad to establish a professional chair in healthcare at the institute titled 'Dr. Lal Pathlabs Chair in Healthcare'. This is an ongoing project that commenced in FY 2022-23. The initial phase of the program continues until 2025.

Research partners:

Indian Institute of Management, Ahmedabad.

The CSR thrust area ‘Others’ provides LPL Foundation scope to take on ad hoc projects that call for our immediate attention or those we believe are causes that are critical to our extended communities and relevant to the sector in which we operate.

1 Women Empowerment Program

Program overview

The program enables under-privileged women to take charge of their lives and participate in India's economic growth. This is achieved by providing leadership training, creating awareness on their rights, educating on entrepreneurial programs and livelihood activities. The program has helped to empower women through sustainable livelihood, ensure economic growth, build leadership abilities in them and leverage government livelihood schemes.



Beneficiaries targeted:
Under-privileged women

Program location:
Mumbai

Implementation partner:
Adhunik Stree Vikas Pratishthan

Program outcome:
2000 under-privileged women were covered through the program and about 200 women undertook income generation activities.



Reach

Our journey from 2018-2023

LPL Foundations' CSR programs are aligned to its business goals. As a business we have aimed to increase our touch points in the remotest regions, making our presence felt in rural and semi-urban towns of India. Hence our CSR programs are built around these communities. Our CSR footprints have steadily spread way into the hinterland, touching people and their lives.

LPL Foundation – Reach & scale



40+
Locations

Reached till date



19+
States

Covered till date



20,00,000+

Direct beneficiaries reached

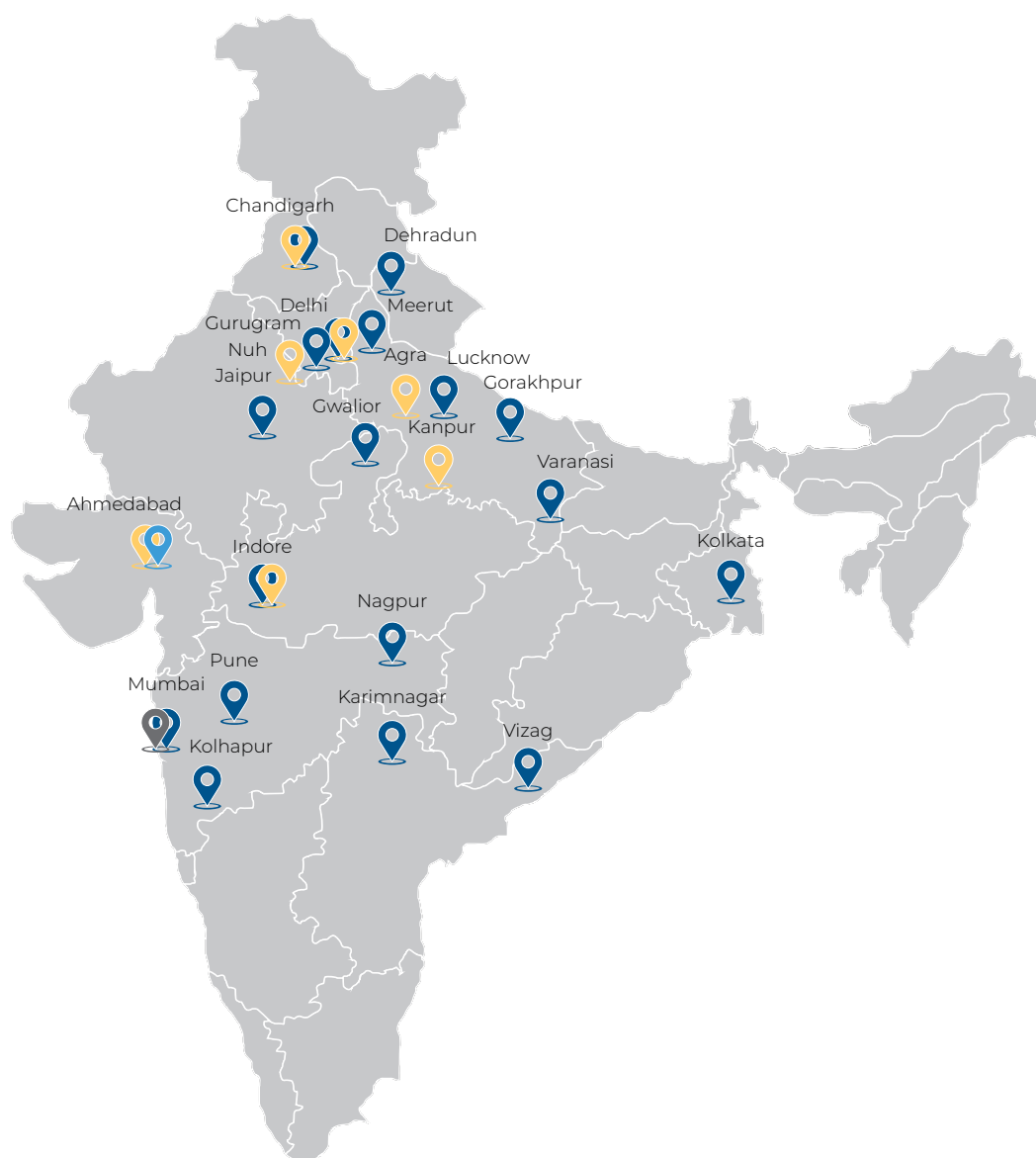


60,00,000+*

In-direct beneficiaries reached

*Indirect beneficiaries calculation 1*3

Thrust area-wise geographical presence in FY 2022-23



Skilling	Lucknow, Jaipur, Nagpur, Kolhapur, Vizag, Karimnagar, Meerut, Gorakhpur, Varanasi, Indore, Delhi, Dehradun, Chandigarh, Gwalior, Mumbai, Pune, Gurugram, Kolkata
Public Health	Delhi & Chandigarh, Agra, Kanpur, Indore, Nuh, Ahmedabad
Healthcare Research	Ahmedabad
Others	Mumbai



Review

With the increasing reach of LPL Foundations' CSR programs, a structured and process-based system is a necessity to review, evaluate and reinvent our CSR initiatives. We at LPLF have continuously put our efforts into a CSR monitoring and evaluation system. This ensures that we take informed decisions in program management on the strength of evidenced data and on-ground realities.

Overall CSR review

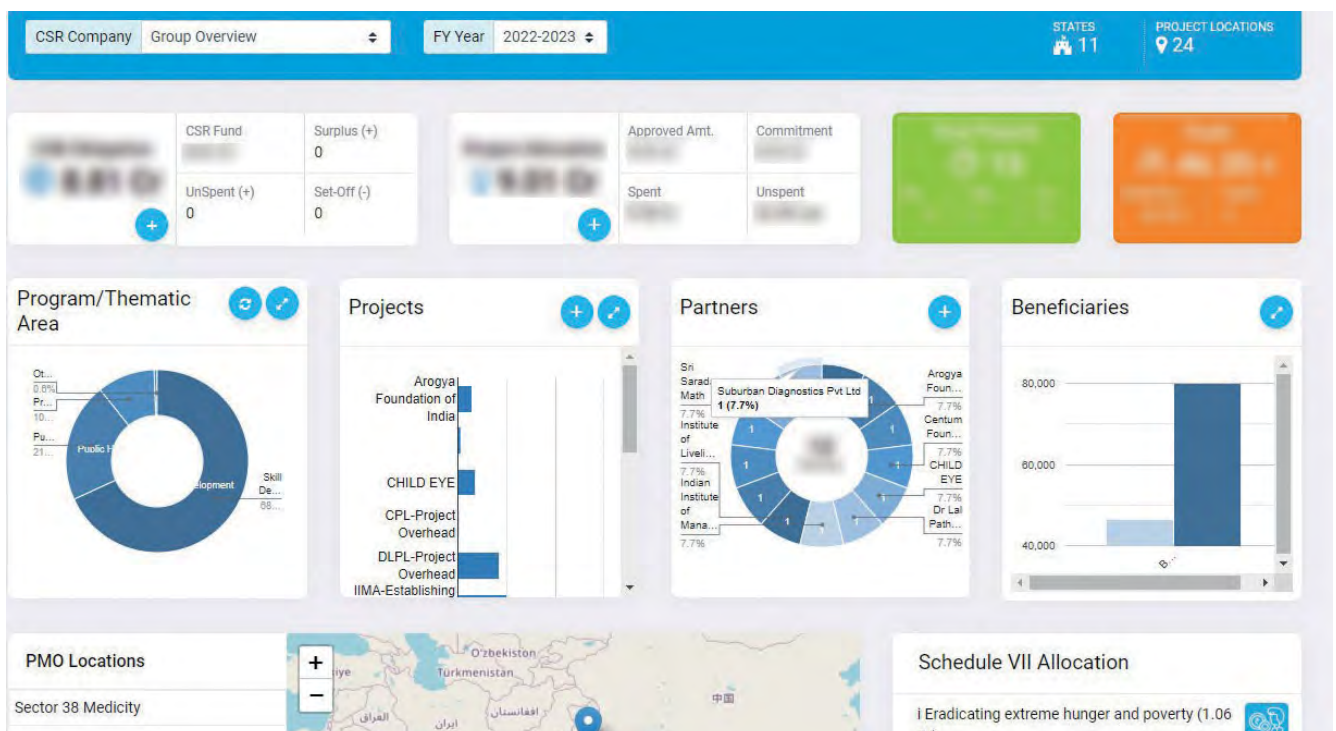
Program management & beneficiary management is done through an online MIS system. This is accessible across the locations at the centres by the LPLF CSR personnel and implementation partners.

Projects are audited at the end of the MOU agreement timeline.

Bi-annual meetings are conducted by the CSR Committee

CSR teams conduct an Annual CSR meet along with the implementation partners.

Monitoring & Evaluation



Program review process

Every centre is manned by both LPLF CSR teams and implementation partner teams.		Projects are reviewed by way of field visits which are both ad hoc and planned.	
	Quarterly, six monthly and annual project progress reports are generated and accessed from the MIS system with granular data on beneficiary/program progress.		Ongoing daily interactions that are project-specific are managed through Whatsapp groups.
Regular review and online meetings with project team conducted to get program related updates		Continuous interaction and communications are maintained directly at the field level with the project team at various milestones of program implementation.	
	Upon successful placement of the phlebotomist candidates, follow-up calls and verifications are regularly done to ensure beneficiaries stay employed and motivated.		Engagements with beneficiaries continue through the alumni groups on social media platforms

Closed loop engagement with beneficiaries from program counselling till post-employment follow ups

Events

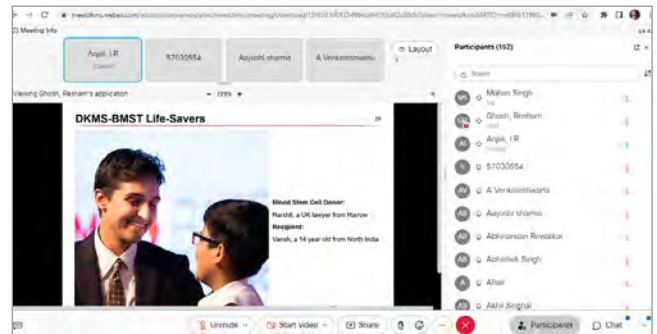
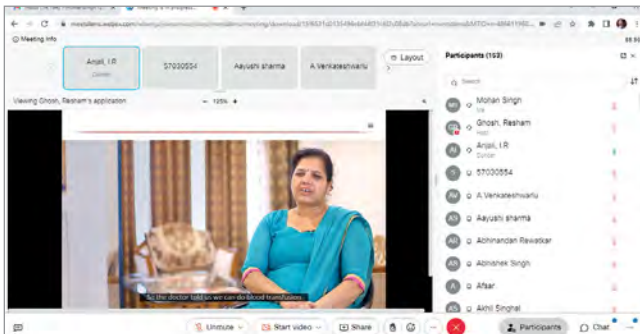
Healthcare Research initiative – MOU with IIM-A and LPL Foundation

This MOU between IIMA and LPL Foundation is a collaborative initiative in creating thought leadership in healthcare delivery that will continue through 2023-24 and into the year 2025.



LPLF volunteering programs

1 Webinar on awareness on blood cancer and importance of stem cell donation



As a part of an Employee Volunteering Program, a webinar was hosted by Lal PathLabs Foundation in collaboration with DKMS-BMST with the core agenda of spreading awareness about blood cancer and importance of blood stem cells donation. More than 160 individuals attended the webinar and showed interest to register themselves as potential stem blood cell donors.

2 Daan Utsav

Lal PathLabs Foundation organised Daan Utsav Sahyog in coordination with Goonj under the Employee Engagement and Volunteering Program for a charity drive.



3 World TB Day

Lal PathLabs Foundation ran tuberculosis awareness campaigns on the occasion of 'World TB Day'.

Programs dedicated to tuberculosis awareness were driven across 16 LPL Academy Skill Training campuses and other project locations with the active participation of over 800 students and staff members.



LPL Foundation Partners' Meet

Lal PathLabs Foundation organised for the first time on 15th March 2023, a CSR partners' meeting to create an opportunity for the company and implementing partners to come together and share experiences with each other, and enable cross learnings. LPLF and the partners discussed ways to improve the company's social responsibility initiatives, and align them to the ultimate goal of promoting sustainability.



The meeting provided an opportunity for the CSR Committee members to participate in the meeting virtually and had an interaction with the CSR partners. Dr. Arvind Lal (Executive Chairman), Dr. Om Manchanda (Managing Director), Mr. Manoj Garg (Group CHRO), Mr. Ved Prakash Goel (Group CFO) from Dr. Lal PathLabs Ltd, Mr. Rajesh Singh (GM CSR) along with CSR team from Lal PathLabs Foundation and CSR partners participated in the meeting.

The purpose of a CSR review meeting with the CSR Committee members was to provide an update

on the progress and impact of the company's CSR initiatives and provide a platform for the Committee to interact with implementing partners directly.

The CSR Committee members and management got to learn more about the company's CSR efforts, ask questions, provide feedback and guidance on future direction and priorities. This interaction ensured that the company's CSR efforts are aligned to its values and priorities, while having a positive impact on the community and environment.

Our partners



Corporate information

Mr. Bharath U

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
Website: 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

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 29th Annual Report on the business and operations of your Company along with the audited statement of accounts for the financial year ended March 31, 2023.

FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2023 is summarized below:

(₹ in Million)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022*
Total Income	20,586	21,400	18,156	19,319
Total Expenses	17,148	16,650	14,248	14,709
Profit/(Loss) before Tax (PBT)	3,438	4,750	3,908	4,610
Profit/(Loss) after Tax (PAT)	2,411	3,503	2,924	3,453

* These numbers have been restated pursuant to approval of Scheme of Amalgamation of APL Institute of Clinical Laboratory & Research Private Limited with the Company.

FINANCIAL PERFORMANCE

I. CONSOLIDATED PERFORMANCE

During the FY 2022-2023, the Company reported a Consolidated Total Income of ₹ 20,586 Million compared to ₹ 21,400 Million in the previous year. The Consolidated Net Profit After Tax of the Company stood at ₹ 2,411 Million compared to ₹ 3,503 Million in the previous year.

II. STANDALONE PERFORMANCE

During the FY 2022-2023, the Company reported a Standalone Total Income of ₹ 18,156 Million compared to ₹ 19,319 Million in the previous year. The Standalone Net Profit After Tax of the Company stood at ₹ 2,924 Million compared to ₹ 3,453 Million in the previous year.

CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company for the Financial Year 2022-23, 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)
June 30, 2022	Final Dividend	2021-22	₹ 6/-
July 28, 2022	Interim Dividend	2022-23	₹ 6/-

In addition, your Directors are pleased to recommend dividend of ₹ 6/- per equity share of face value of ₹ 10/- each as Final Dividend for the Financial Year 2022-23, for approval by the shareholders at the ensuing Annual General Meeting ('AGM') of the Company.

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

The said policy is also available on the website of the Company at: <https://uat-cdn.drlallab.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.

AMALGAMATION

The Board of Directors of your Company in their meeting on February 03, 2020, approved a Scheme of Amalgamation ("the Scheme") between Dr. Lal PathLabs Limited (the Company/Transferee Company) and APL Institute of Clinical Laboratory & Research Private Limited, a wholly owned subsidiary of the Company (APL/ Transferor Company), having its Registered Office in Ahmedabad, subject to requisite approvals under Section 230 to 232 of the Companies Act, 2013 ("the Act").

The Scheme was sanctioned by New Delhi and Ahmedabad Bench of Hon'ble National Company Law Tribunal (NCLT) on May 13, 2022 and March 17, 2023 respectively.

The certified true copies of the Order(s) of New Delhi and Ahmedabad Bench of Hon'ble NCLT were filed with respective Registrar of Companies - Delhi and Registrar of Companies - Ahmedabad on June 8, 2022 and March 27, 2023, respectively and consequent upon that APL stands amalgamated with the Company w.e.f March 27, 2023 (being the effective date).

Pursuant thereto and in accordance with the terms of the Scheme, APL gets amalgamated with the Company w.e.f. April 1, 2020 (being the appointed date) and consequently stands dissolved without being wound-up.

CHANGE IN SHARE CAPITAL

Authorized Share Capital

During the year under review, the authorized share capital of the Company has been increased from ₹ 1,07,95,00,000/- divided into 10,79,50,000 equity shares of ₹ 10/- each to ₹ 1,07,96,00,000/- divided into 10,79,60,000 equity shares of ₹ 10/- each, by virtue of the NCLT's Order(s) passed for sanctioning the Scheme of Amalgamation of APL Institute of Clinical Laboratory & Research Private Limited with the Company.

Paid-up Share Capital

During the year under review, the paid-up equity share capital of the Company has been increased from ₹ 83,34,48,770/- divided into 8,33,44,877 equity shares of ₹ 10/- each to ₹ 83,36,78,770/- divided into 8,33,67,877 equity shares of ₹ 10/- each pursuant to allotment of Equity Shares under the Employee Stock Option Plan 2010 of the Company as detailed below:

S. No	Date of Allotment	Number of Equity Shares allotted
1.	May 06, 2022	7,000
2.	January 03, 2023	2,000
3.	February 22, 2023	14,000
	TOTAL	23,000

Further, after the closing of financial year 2022-23 the paid-up equity share capital of the Company has also been increased from ₹ 83,36,78,770/- divided into 8,33,67,877 equity shares of ₹ 10/- each to ₹ 83,41,48,770/- divided into ₹ 8,34,14,877 equity shares of ₹ 10/- each pursuant to allotment of Equity Shares under the Employee Stock Option Plan 2010 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
	TOTAL	47,000

These Equity Shares are 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, the Shareholders of the Company in their 28th Annual General Meeting held on June 30, 2022 approved Dr. Lal PathLabs Employee Stock Option Plan, 2022 ("ESOP Plan, 2022").

Further, there has been no material change in the existing ESOP Plans of the Company viz. (i) Employee Stock Option Plan, 2010, (ii) Employee Restricted Stock Unit Plan, 2016 and (iii) Employee Stock Option Plan, 2022 and these Plans 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 disclosed on the website of the Company and can be accessed at [https://uat-cdn.drlallab.com/2023-08/Information-as-per-SEBI-\(SBEB\)-Regulations-FY23.pdf](https://uat-cdn.drlallab.com/2023-08/Information-as-per-SEBI-(SBEB)-Regulations-FY23.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, 2023 in Form AOC -1 as per the Companies Act, 2013 is attached herewith as **Annexure-2** and forms an integral part of this Annual Report.

The annual accounts of the each of the subsidiaries shall also be made available to the Shareholders 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

The Company has formulated a policy for determining material subsidiaries. The said policy is also 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 IPO SHARE APPLICATION MONEY TO IEPF

During the year under review, pursuant to the provisions of Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, your Company has duly transferred Unclaimed IPO Share Application Money of ₹ 12,59,200 (Rupees Twelve Lakh Fifty Nine Thousand Two Hundred only) to Investor Education and Protection Fund (IEPF) Account of Central Government.

The Claimant(s), whose unclaimed amount has been transferred by the Company to IEPF Account may claim their amount 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, 2023 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 Shareholders, excluding the aforementioned information. Any Shareholder interested in obtaining a copy of such statement may write to the Company Secretary of the Company at cs@lalpathlabs.com.

AUDIT COMMITTEE

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

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

DIRECTORS

I. Retirement by rotation and subsequent re-appointment

Mr. Rahul Sharma (DIN: 00956625), Non-Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers himself for re-appointment. Appropriate resolution for his re-appointment is being placed for the approval by the Shareholders of the Company at the ensuing AGM.

A brief profile of Mr. Rahul Sharma and other related information is detailed in the Notice convening the 29th AGM of your Company.

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

II. Appointment

The tenure of majority of the Independent Directors on the Board of the Company shall be coming to an end by August, 2023. In order to ensure smooth transition at the Board Level, the Board of Directors on recommendation of Nomination & Remuneration Committee and after evaluating balance of skills, knowledge and experience available on the Board, approved, the appointment of:

- i. Mr. Rohit Bhasin (DIN: 02478962) as an Additional Director in the category of Independent Director, not liable to retire by rotation for a term of three (3) consecutive years beginning from November 8, 2022.
- ii. Mr. Arun Duggal (DIN: 00024262) as an Additional Director in the category of Independent Director, not liable to retire by rotation for a term of three (3) consecutive years beginning from February 2, 2023.

Further, the Shareholders of the Company by way of Postal Ballot(s), approved the appointment of Mr. Rohit Bhasin and Mr.

Arun Duggal as Independent Directors of the Company on December 14, 2022 and March 10, 2023 respectively.

- iii Mr. Gurinder Singh Kalra (DIN: 10197218) and Mr. Rajit Mehta (DIN: 01604819) appointed as Additional Directors in the category of Independent Directors not liable to retire by rotation for a term of three (3) consecutive years beginning from July 27, 2023, subject to the approval of Shareholders at the ensuing Annual General Meeting.

III. 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 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, 2023:

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

Mr. Rajat Kalra, resigned as Company Secretary and Legal Head of the Company w.e.f. March 31, 2023 (closing of business hours).

Basis the recommendation of Nomination & Remuneration Committee, the Board of Directors appointed Mr. Vinay Gujral as Company Secretary (KMP) of the Company w.e.f May 11, 2023.

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 2022-23.

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

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

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board met Four (4) times during the Financial Year 2022-23. 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, 2023, 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, 2023 and of the profit/loss of the Company for the Financial Year ended March 31, 2023;
- 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 Shareholders of the Company in their 28th Annual General Meeting (AGM) held 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) year(s) i.e. from the conclusion of 28th AGM till the conclusion of 33rd 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, 2023, does not contain any qualification, reservation or adverse remark.

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 2022-23.

The Board of Directors on the recommendations of the Audit Committee has appointed M/s A.G. Agarwal & Associates, Cost and Management Accountants, as Cost Auditors of the Company for the Financial Year 2023-24 at a fee of ₹ 1,00,000/- (Rupees One Lakh Only) plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the Shareholders at the ensuing AGM.

III. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s PDS & Co., Company Secretaries ("Secretarial Auditors") to conduct the Secretarial Audit of the Company for the Financial Year 2022-23.

The Secretarial Audit Report for the Financial Year ended March 31, 2023 is attached herewith as **Annexure-5** and forms an integral part of this Annual Report. The Secretarial Audit Report is self explanatory and does not contain any qualification, reservation or adverse remark.

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

ANNUAL RETURN

The Annual Return of the Company in Form MGT- 7 in accordance with Section 92(3) of the Companies Act, 2013 is available on the website of the Company at <https://uat-cdn.drlallab.com/2023-08/MGT-7-Annual-Return-2022-23.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 included in the Corporate Governance Report.

WHISTLE BLOWER MECHANISM

Your Company has a Whistle Blower Mechanism in place as required under Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. More details in this regard have been outlined in the Corporate Governance Report annexed to this report and are also available under Investors Section on the Company's website at: www.lalpathlabs.com

CORPORATE SOCIAL RESPONSIBILITY

For your Company, Corporate Social Responsibility (CSR) means the integration of social, environmental and economic concerns in its business operations. CSR involves operating Company's business in a manner that meets or exceeds the ethical, legal, commercial and public expectations. In alignment with vision of

the Company, through its CSR initiative, your Company will enhance value creation in the society through its services, conduct and initiatives, so as to promote sustained growth for the society.

The Board of Directors of your Company has 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 duties as a responsible corporate citizen.

The composition of CSR committee, details of Unspent amount transferred to Unspent CSR Account along with reason thereof 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-7** and forms an integral part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis ('MDA') Report gives details of the overall industry structure, developments, performance and state of affairs of the Company's business and other material developments during the Financial Year. The MDA report for the Financial Year 2022-23 is attached herewith as **Annexure- 8** 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 2022-23 is attached herewith as **Annexure-9** and forms an integral part of this Annual Report.

CORPORATE GOVERNANCE REPORT

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance for the Financial Year 2022-23 along with a certificate from the Practicing Company Secretary on its compliance, is attached herewith as **Annexure-10** and forms an integral part of this Annual Report.

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

The Company has in place an Anti-Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the 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 2022-23 is detailed below:

Particulars	No. of Complaints
Compliant pending at beginning of Financial Year	0
Complaint received during Financial Year	7
Compliant resolved during Financial Year	7
Compliant pending at end of Financial Year	0

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

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

(A) Conservation of energy

(i) Steps taken or impact on conservation of energy

- I. Maintaining power factor (PF) upto .99 (unity). Maintaining upto- 0.9994 at majority of the locations
- II. 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 nation, which helps in conserving Ozone layer.
- IV. Automatic phase sequence corrector panel installed in 22 locations to saving the Diesel consumption.
- V. Current installed capacity of solar power plants is 100 KW (50+50) in National Reference Lab, Rohini, Delhi and 10KW in Reference Lab, Kolkata.
- VI. De-scaling of Chillers is being done semi-annual for better efficiency & saving the energy
- VII. RO waste water recycling has helped in saving approx. 36KL of water per day in FY 2022-23,
- VIII. ETP (Effluent Treatment Plant) installed in all satellite labs for waste water treatment

throughout the year across the Nation to treat the liquid waste of labs, to keep environment clean.

- IX. Equipped 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. 89 E-bikes taken on rent for sample transportation during the FY 2022-23 for home collection and logistics. E-bikes offer a considerable opportunity to cut travel emissions. Switching from a daily car journey to an e-bike can save an average 249g of CO2 for every 1km travelled.
- XI. 12 locations were D&I accessible during the FY 2022-23, to make work place workable for everyone's. moving non-accessibility to accessibility.

XII. Energy Consumption Data:

Parameter	FY 2022-23	FY 2021-22
	Current Financial Year (MWH)	Previous Financial Year (MWH)
Total electricity consumption (A) (Data calculated -Bill@11.5 per unit) (MWH)	16,379	15,271
Total fuel consumption (B) (calculated based on 0.3 KWH per liter) (MWH)	39	43
Energy consumption through other sources (C) (Solar) (MWH)	113	61
Total energy consumption (A+B+C) (MWH)	16,531	15,375

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

The Company had further added solar energy system of 50 KW at its National Reference Lab in Rohini, New Delhi.

(iii) Capital investment on energy conservation equipment's

The Company has spent approx. ₹ 3.2 Million on installation of solar energy system at its National Reference Lab in Rohini, New Delhi.

(B) Technology absorption

(i) Imported Technologies

S. No.	Processes / Technologies	Description	Date of Import	Absorption	Benefits
1.	IBEX	IBEX is an Artificial Intelligence (AI) enabled software tool which is used for the diagnosis of the digital images of histopathology / IHC slides. It uses data models to provide the diagnosis. The vendor is based out of Israel & the tech support is provided to us through European region. Currently the absorption is limited to Prostate cancer & is validated and expected to be rolled out for Breast cancer diagnosis in FY24 qtr2	November, 2021	Fully	AI assisted reporting for Prostate cancer and Breast cancer. The cancer heat map and quantification improve accuracy and standardisation of reporting.
2.	AlloSeq analysis software	For Donor Derived cell free DNA (ddcfDNA) analysis for monitoring solid organ transplants	June, 2021	Fully	We are first in India to launch this test in the market last year. The test offers a non-invasive monitoring for all solid organ transplants – cardiac, liver, lung, kidney as an alternative to repeated biopsy
3.	Leica Pegasus	Leica Pegasus is a tissue processor with barcode based tracking mechanism and alcohol concentration monitor	March 2023	Fully	First Installation of this automated system in India. Barcode based tracking of anatomic tissue processing and monitoring of the alcohol concentration for each container with alerts thus ensuring improved tissue processing results.
4.	Metafer	Automated metaphase capturing microscope used for karyotyping. This system also uses Artificial Intelligence for cytogenetic analysis	December 2022	Fully	High speed scanning of metaphases for automated capture of karyotype for cytogenetic analysis. AI supported analysis of the karyotype supports faster screening and analysis
5.	Optrascan	Whole slide digital scanner with loading capacity of 80 slides in one go.	October 2022	Fully	Telepathology software can help real time remote consultations. Real time auto focus and Z-Stack functions available for cytology smears. Continuous loading and unloading for efficient workflow

(ii) Other locally sourced Technologies:

RE Owned IP: Dr. Lal PathLabs Ltd. (DLPL) has been a pioneer in introducing newer technologies & newer strategies to run the business operations ever efficiently & consistently improved the service deliveries to its customers. One such latest tech initiative in the long list of tech driven solution is the creation of an in-house AI system for suggestive insights to its customers. The same is being called as Reco.AI. The said engine is DLPL's own IP & is able to suggest / recommends the customers for relevant tests basis various parameters i.e. Current health conditions, Past result trends, demographic details, disease categories etc. The data models imbibed & deployed under Reco.AI have been enriched by processing a huge amount of clinical data.

PLM: DLPL is committed to offer a full scale Patient Lifecycle management (PLM) for its customers. The aim is to have an enhance customer experience by managing the PLM & on-boarding the customers on the transition of mind set of illness to wellness. There are several campaigns & programs created under this PLM where the in depth data analysis & lots of cutting edge technologies like predictive & profiling AI models are being used to help customers in the management of their healthcare. We at DLPL call it Customer health improvement philosophy ('CHIPs') which aims to simplify patient lives by creating more tech enabled centres of excellence ('COE') and leveraging digital infrastructure. There has been a majority of influx of technology in the digital infrastructure i.e. Data analytics, Chatbots, AI driven IVRs, One Common registration for POS etc.

Logistics Owned IP: One of the important cog in running the DLPL business wheel is the automation in Logistics operations. The automation is of the most significant essence here as the volume & touch points of sample collection is tremendous & simply not possible to manage through manual / conventional means. The technology has again come to front in developing a home grown Logistics automation system. The System is using latest tech stack to manage the sample collection, Sample handover, Tracking of sample movements, fleet management etc. AI driven data models are used for Route optimizations & the image recognition models are used for tube scanning & bagging process. Geo fencing & Secure QR code based hand over process are also included for bringing in overall efficiency in the system.

Medprime – Cilika digital microscope

Medprime, a startup incubated at NASSCOM, has developed a low cost, light weight, smart & connected Microscope, which can be deployed at

remote locations. Within seconds, the enhanced images of the hematology peripheral smear slide can be sent digitally to the expert who can examine those for Second opinion. Deployed at 18 remote locations, it has reduced turn-around time of second opinion slides. Also, the images of the samples being sent digitally to the expert has enabled them to do the examination from any place, thereby enabling those in any location to take up the examination of sample sent from anywhere, allowing improvement in operational efficiency.

(C) Expenditure incurred on Research and Development: ₹ 36 Million**(D) Foreign exchange earnings and outgo**

Particulars	Amount* (In ₹ Million)
Foreign Exchange Earnings	220.22
Foreign Exchange Outgo	101.37

(*) Item representing Profit & Loss A/c for the year

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 2022-23, 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 Financial Year 2022-23.

COMPLIANCE OF SECRETARIAL APPRECIATION STANDARDS

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

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.

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

For and on behalf of Board of Directors

Place: Gurugram
Date: July 27, 2023

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

Policy on Dividend Distribution

1. Introduction

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

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

2. Objectives & Scope

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

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

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

3. Definitions

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

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

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

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

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

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

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

4. Parameters for declaration of Dividend

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

4.1 Financial Parameters

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

4.2 Internal Factors

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

4.3 External Factors

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

Post consideration of the above factors, the Board

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

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

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

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

6. Utilization of retained earnings

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

- Market expansion plan;
- Product/Service expansion plan;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital assets;
- Where the cost of debt is expensive;

- Such other criteria as the Board may deem fit from time to time.

7. Provision with regard to various classes of shares

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

8. Amendment(s)

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

9. Disclosures

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

FORM AOC-1

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

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

(All amount in ₹ Million)

S. No.	Name of Subsidiary	Date on which subsidiary was acquired	Country of Incorporation	Reporting Currency	Closing exchange rate against Indian Rupee as on Mar 31, 2023	% of Holding	Capital	Other Equity	Total Assets	Total Liabilities	Investments (in subsidiaries)	Turnover	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Paliwal Diagnostics Private Limited	14/08/2008	India	₹	1	80%	0.16	297.61	356.23	58.46	0	375.48	118.66	30.60	88.06	40.00
2	Paliwal Medicare Private Limited	14/08/2008	India	₹	1	80%	0.10	78.67	83.07	4.30	0	45.30	7.16	1.80	5.36	0
3	Dr. Lal Ventures Private Limited	10/12/2018	India	₹	1	100%	10.00	(4.40)	11.96	6.36	0	32.57	(0.35)	(0.08)	(0.27)	0
4	Suburban Diagnostics (India) Private Limited	12/11/2021	India	₹	1	100%	40.23	1209.28	1599.02	349.51	0	1547.40	10.34	3.34	7.00	0
5	PathLabs Unifiers Private Limited	12/12/2018	India	₹	1	100%	713.08	143.26	885.04	28.70	704.01	67.11	0.13	0.20	(0.07)	0
	i. APRL PathLabs Private Limited [^]	13/11/2019	India	₹	1	80%	0.63	83.50	92.50	8.37	0	85.21	4.43	1.26	3.17	0
	ii. Centrapath Labs Private Limited [^]	07/08/2019	India	₹	1	70%	6.27	570.65	645.76	68.84	0	168.72	22.08	6.11	15.97	30.00
	iii. Chanre Laboratory Private Limited [^]	25/01/2021	India	₹	1	70%	1.67	198.92	228.27	27.68	0	120.98	0.11	0.09	0.02	0
6	Dr. Lal PathLabs Nepal Private Limited	23/08/2016	Nepal	**	0.617971	100%	25.05	(0.60)	64.91	40.46	0	79.74	(1.95)	(1.49)	(0.46)	0
7	Dr. Lal Path Labs Bangladesh Pvt Ltd.	16/10/2017	Bangladesh	***	0.758201	71.83%	31.90	(9.74)	93.26	71.10	0	58.42	(5.47)	1.00	(6.47)	0
8	Dr. Lal PathLabs Kenya Private Limited	06/08/2019	Kenya	****	0.616156	100%	47.16	(42.01)	5.37	0.22	0	0	(0.09)	0	(0.09)	0

** Functional Currency is NPR

*** Functional Currency is BDT

**** Functional Currency is KSH

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

Notes:

- 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 01 April, 2021, the appointed date. As per the said scheme, the undertaking of PMPL shall stand transferred to and vest in PDPL on a going concern basis without any further act, deed of matter. The scheme of amalgamation is subject to approval by the shareholders of the respective companies, National Company Law Tribunal and other statutory approvals.
- The reporting period for all the subsidiaries is March 31, 2023.
- The Board of Directors of the Company in their meeting held on February 3, 2020 approved the "Scheme of Amalgamation" of APL Institute of Clinical Laboratory & Research Private Limited (APL), a wholly owned subsidiary, with the Company w.e.f. April 1, 2020 (the appointed date). As per the said scheme the undertaking of this Company shall stand transferred to and vested in the Company on a going concern basis without any further act, deed of matter. The said subsidiary company has been amalgamated with the company w.e.f 27 March, 2023.

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, 2023:

- 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	53:1
3.	Dr. Archana Lal Erdmann	Non-Executive Director	3:1
4.	Dr. Om Prakash Manchanda	Managing Director	105:1
5.	Mr. Rahul Sharma	Non-Executive Director	4:1
6.	Dr. Saurabh Srivastava	Non-Executive Independent Director	6:1
7.	Mr. Sunil Varma	Non-Executive Independent Director	7:1
8.	Mr. Anoop Mahendra Singh	Non-Executive Independent Director	6:1
9.	Mr. Harneet Singh Chandhoke	Non-Executive Independent Director	4:1
10.	Ms. Somya Satsangi	Non-Executive Independent Director	5:1
11.	Mr. Rohit Bhasin*	Non-Executive Independent Director	2:1
12.	Mr. Arun Duggal**	Non-Executive Independent Director	1:1

*Appointed w.e.f November 08, 2022

**Appointed w.e.f February 02, 2023

- 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	7%
2.	Dr. Vandana Lal	Executive Director	7%
3.	Dr. Archana Lal Erdmann	Non-Executive Director	10%
4.	Dr. Om Prakash Manchanda	Managing Director	7%
5.	Mr. Rahul Sharma	Non-Executive Director	10%
6.	Dr. Saurabh Srivastava	Non-Executive Independent Director	10%
7.	Mr. Sunil Varma	Non-Executive Independent Director	10%
8.	Mr. Anoop Mahendra Singh	Non-Executive Independent Director	10%
9.	Mr. Harneet Singh Chandhoke	Non-Executive Independent Director	10%
10.	Ms. Somya Satsangi	Non-Executive Independent Director	10%
11.	Mr. Rohit Bhasin*	Non-Executive Independent Director	-
12.	Mr. Arun Duggal**	Non-Executive Independent Director	-
13.	Mr. Bharath U	Chief Executive Officer	7%
14.	Mr. Ved Prakash Goel	Group Chief Financial Officer	7%
15.	Mr. Rajat Kalra***	Company Secretary	10%

* Appointed w.e.f. November 08, 2022

** Appointed w.e.f. February 02, 2023

*** Resigned w.e.f March 31, 2023 (Closing of Business Hours)

- 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 7.32 %.

- 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, 2023 is 4048.

- 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 7.14 % while for others it is about 8.18 %. 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

Place: Gurugram
Date: July 27, 2023

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

Nomination and Remuneration Policy

1. Introduction

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

2. Policy Objective

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

to the working of the Company and its goals.

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

3. Definitions

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

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

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

4. Constitution

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

5. Policy

This policy is divided into three parts:

5.1 Appointment & Removal

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

appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other applicable enactment for the time being in force.

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

b. Term / Tenure:

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

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

c. Removal:

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

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

d. Retirement:

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

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

5.2 Remuneration

The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the quality required to run the Company successfully. The relationship

of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

1. Whole Time Director(s)/ Managing Director

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

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

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

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

2. Non-Executive / Independent Directors

i) Remuneration / Commission:

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

ii) Sitting Fee:

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

iii) Commission:

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

iv) Stock Options:

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

3. Senior Management Personnel / KMPs

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

4. Other Employees

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

5.3 Evaluation

1. Criteria for evaluation of Directors:

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

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

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

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

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

3. Criteria for evaluating performance of Other Employees:

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

6. Disclosures

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

7. Amendment(s)

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

Secretarial Audit Report

For the Financial Year ended March 31, 2023

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable during audit period:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period).**

We further report that having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, as informed and certified by the management of the Company, the following other laws are specifically applicable to the Company based on its sectors/ businesses:

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

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

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

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further

information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

1. Hon'ble National Company Law Tribunal ('NCLT'), New Delhi Bench, vide its order dated May 13, 2022 and Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad Bench, vide its order dated March 17, 2023 sanctioned the Scheme of Amalgamation between Dr. Lal PathLabs Limited (the Transferee Company) with its wholly-owned subsidiary, APL Institute of Clinical Laboratory & Research Private Limited (the Transferor Company) and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.
2. The Company has made allotment of 23,000 (Twenty Three Thousand) equity shares having face value of ₹ 10/- (Rupees Ten) each under the ESOP 2010 Plan of the Company at an issue price of ₹ 311.30 (Rupees Three Hundred Eleven and Thirty Paise) per equity share (including a premium of ₹ 301.30 per equity share).
3. The shareholders of the Company at their Annual General Meeting held on June 30, 2022 has, inter alia, approved the following Special Resolutions in terms of the provisions of Section 62(1)(b) of the Companies Act, 2013 read with the relevant rules made thereunder and provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021:

- a) Approval of the "Dr. Lal PathLabs Employee Stock Option Plan 2022";
- b) Approval for grant of employee stock Options to the employees of subsidiary company(ies) of the Company under "Dr. Lal PathLabs Employee Stock Option Plan 2022";
- c) Approval of secondary acquisition of shares through Trust route for the implementation of "Dr. Lal PathLabs Employee Stock Option Plan 2022";
- d) Provision of money by the Company for subscription of its shares by the Trust under the 'Dr. Lal PathLabs Employee Stock Option Plan 2022' ("ESOP 2022" or the "Plan").

For PDS & CO.
Company Secretaries
FRN: P2015DE045400

Prashant Kumar Balodia
(Partner)
Membership No. F6047
Certificate of Practice No. 6153
PR Certificate No. 1068/2021
UDIN: F006047E000287394

Date: May 11, 2023
Place: Delhi

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

Annexure A

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

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

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

For PDS & CO.
Company Secretaries
FRN: P2015DE045400

Prashant Kumar Balodia
(Partner)
Membership No. F6047
Certificate of Practice No. 6153
PR Certificate No. 1068/2021
UDIN: F006047E000287394

Date: May 11, 2023
Place: Delhi

Secretarial Audit Report

of Suburban Diagnostics (India) Private Limited
For the Financial Year ended March 31, 2023

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

To,
The Members,
Suburban Diagnostics (India) Private Limited
2nd Floor, Aston, Sundervan Complex,
Lokhandwala Road, Andheri (West),
Mumbai- 400053

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suburban Diagnostics (India) Private Limited (hereinafter called 'the Company')**. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Auditor's Responsibility:

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

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

Based on my 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 the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 **(hereinafter called the "Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, and returns filed, and other records maintained by the Company for the financial year that ended on March 31, 2023, according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the Rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under **(Not applicable to the Company during the Audit period)**.
3. The Depositories Act, 1996, and the Regulations and Byelaws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment **(Overseas Direct Investment and External Commercial Borrowings are Not Applicable to the Company during the Audit period)**.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit period)**.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit period)**.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit period)**.
 - d) The Securities and Exchange Board of India (Share-Based Employee Benefits) Regulations,

2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the company during the Audit period).**

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the Audit period).**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with clients, to the extent applicable .
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit period)** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018. **(Not applicable to the Company during the Audit period).**

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

- (i) Secretarial Standards on the meeting of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company during the Audit period).**

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

As per the representation given by the management, I report that having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on the test-check basis, the Company has complied with the following laws apply specifically to the Company:

- The Clinical Establishments (Registration and Regulation) Act, 2010 and rules made thereunder;
- The Preconception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and rules made thereunder;

- The Atomic Energy Act 1962 and rules made there under;
- The Bio-Medical Waste (Management and Handling) Rules, 2016;
- Drugs and Cosmetics Act, 1940, and rules made there under;
- The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder.

During the Audit Period under review and as per the representations and clarifications made, the Company had complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that the Company's Board of Directors is duly constituted. There was no change in the composition of the Board of Directors during the period under review.

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

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

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

I further report that during the audit period, the following specific events/actions had a major bearing on the Company's affairs which had taken place are as follows:

- i. Dr. Sanjay Surinder Arora, Managing Director of the Company was re-designated as Non-Executive Director W.e.f. April 1, 2022.
- ii. In the Twentieth Annual General Meeting held on June 29, 2022, M/s Deloitte Haskins & Sells LLP, Chartered Accountant, (FRN 117366W/W-100018) were appointed as Statutory Auditors of the Company to hold the office for a period of five (5) years from the conclusion of 20th AGM till the conclusion of 25th AGM of the Company to be held in the calendar year 2027.
- iii. In the Twentieth Annual General Meeting held on June 29, 2022, the Authorised share capital of the

company was re-classified from ₹ 16,09,39,750/- (Rupees Sixteen crore Nine Lakh Thirty-Nine Thousand Seven Hundred and Fifty Only) divided into (a) 45,61,265 (Forty-Five Lakh Sixty-One Thousand Two Hundred and Sixty-Five) Equity shares of the face value ₹ 10/- (Rupees Ten Only) each; (b) 6,50,000 (Six Lakh and Fifty Thousand) Series A Fully and Compulsory Convertible Cumulative Preference Shares ("Series A CCPS") of ₹ 100/- (Rupees One Hundred only) each; (c) 1,70,000 (One Lakh and Seventy Thousand) Series B Fully and Compulsory Convertible Cumulative Preference Shares ("Series B CCPS") of ₹ 100/- (Rupees One Hundred Only) each and; (d) 3,33,271 (Three Lakh Thirty-Three Thousand Two Hundred and Seventy-One) Series C Fully and Compulsorily Convertible Cumulative Preference Shares ("Series C CCPS") of ₹ 100/- (Rupees One Hundred only) each to ₹ 16,09,39,750/- (Rupees Sixteen crore Nine Lakh Thirty-Nine Thousand Seven Hundred and Fifty Only) divided into 1,60,93,975 (One Crore Sixty Lakh Ninety-Three Thousand Nine Hundred and Seventy-Five) Equity shares of the face value of ₹ 10/- (Rupees Ten Only) each.

- iv. During the Audit Period, the Company allotted 24,017 (Twenty-Four Thousand Seventeen) equity shares at a face value of ₹ 10/- (Rupees Ten Only) each pursuant to the exercise of employee stock options under Suburban Diagnostics (India) Private

Limited- Employee Stock Option Plan 2013 on June 14, 2022.

- v. During the Audit Period, the Company allotted 18,858 (Eighteen Thousand Eight Hundred Fifty-Eight) equity shares at a face value of ₹ 10/- (Rupees Ten Only) each pursuant to the exercise of employee stock options under Suburban Diagnostics (India) Private Limited - Employee Stock Option Plan 2013 on July 11, 2022.

This report is to be read with an Annexure which forms an integral part of this report.

**For HRU & Associates
Company Secretaries**

Hemanshu Upadhyay
Proprietor
Membership No. 46800
C.P Number: 20259
UDIN: A046800E000252491

Date: May 04, 2023
Place: Mumbai

Annexure to the Secretarial Audit Report

To,
The Members
Suburban Diagnostics (India) Private Limited
2nd Floor, Aston, Sundervan Complex,
Lokhandwala Road, Andheri (West),
Mumbai- 400053

Secretarial Audit Report of even date is to be read along with this letter:

1. Compliance with provisions of all laws, rules, regulations, and standards applicable to Suburban Diagnostics (India) Private Limited ("Company") is the responsibility of the management of the Company. My examination was limited to verifying records and procedures on a test-check basis for the issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue a Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to me by the Company, along with explanations where so required.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanisms, and corporate conduct. Further, part of the verification was done based on electronic data provided to me by the Company and on a test check basis to ensure those correct facts as reflected in secretarial and other records produced to me. I believe that the processes and practices I followed, provide a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company
5. Wherever required, I have obtained management representation about the list of applicable laws, compliance with laws, rules, and regulations, and major events during the audit period.
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 HRU & Associates
Company Secretaries

Hemanshu Upadhyay
Proprietor
Membership No. 46800
C.P Number: 20259
UDIN: A046800E000252491

Date: May 04,2023
Place: Mumbai

Annual Report on CSR Activities

For The Financial Year Ended March 31, 2023

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.

2. Composition of CSR Committee:

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

3. Provide the web-link where Composition of CSR committee, 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: ₹ **3,873.17 Million**

b) Two percent of average net profit of the company as per sub-section 5 of Section 135: ₹ **77.46 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): ₹ **77.46 Million**

6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project): ₹ **75.92 Million**

(b) Amount spent in administrative overheads: **NIL**

(c) Amount spent on Impact Assessment, if applicable: **NIL**

(d) Total amount spent for the financial year (a+b+c): ₹ **75.92 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 subsection (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
75.92	3.00*	April 28, 2023	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	77.46
(ii)	Total amount spent for the Financial Year	75.92
(iii)	Excess amount spent for the financial year [(ii)-(i)]* Shortfall on ongoing project: ₹ (3.00) Million Excess expenditure other than ongoing project: ₹ 1.46 Million	(1.54)*
(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)]	NIL

*Total Unspent amount for an ongoing project is ₹ 3.00 million which has been transferred to 'separate CSR unspent account' on April 28, 2023 and Board has approved an excess amount of ₹ 1.46 million with respect to other than ongoing projects. Therefore, the total net amount of the year ended March 31, 2023 is ₹ 1.54 million.

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

(₹ 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	NIL	NIL	NIL	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	NIL	NIL	NIL	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: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

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
NA							

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 :

Three years ongoing project is being implemented by a prestigious government institute, Indian Institute of Management, Ahmedabad (IIMA). The first inception year was the time to hire a professor to lead the project, finalize staff, conceptualize and initiate many research project with proper due diligence, the project got delayed as communicated by IIMA and budgeted amount could not be fully spent.

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

Dr. Om Prakash Manchanda
Managing Director
DIN: 02099404

Date: July 27, 2023
Place: Gurugram

Management Discussion and Analysis

Economic overview

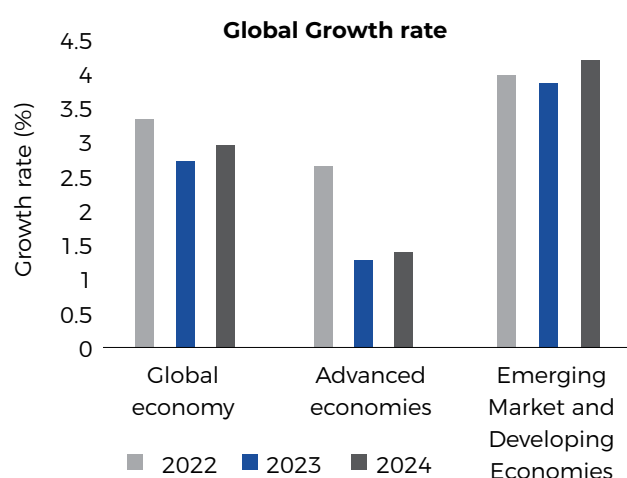
Global economy

In the fiscal year 2023, the global economy encountered several headwinds, including geopolitical conflicts and mounting inflationary pressures, which had far-reaching effects on supply chains and impacted global trade and employment. The Russia-Ukraine war triggered further economic upheaval, leading to food insecurity concerns in several developing nations. Moreover, high inflation eroded real incomes, resulting in a global cost-of-living crisis and pushing millions into poverty and economic hardship.

However, there are early indicators offering hope about a possible rebound for the global economy, especially in emerging markets and developing economies (EMDEs). The EMDEs have demonstrated remarkable resilience amid global economic turmoil. Their demographic dividend, combined with sustained growth and attractive investment opportunities, makes them an attractive destination for businesses seeking expansion. Furthermore, substantial investments in infrastructure in emerging markets have spurred growth opportunities for various industries.¹

In the years ahead, advanced economies are anticipated to experience a resurgence owing to the fiscal and monetary policies implemented by central banks. A stronger boost from pent-up demand in numerous economies or a faster fall in inflation is likely in the course of 2023.

Global growth (%)



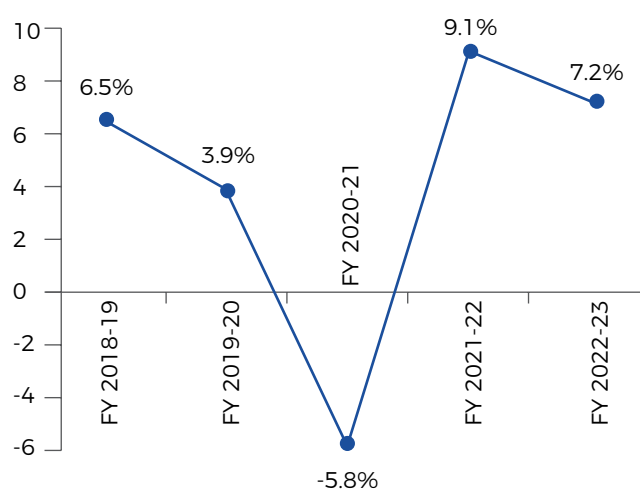
(Source- IMF World Economic Outlook, April 2023)

Indian economy

The Indian economy has emerged as one of the fastest-growing major economies, according to estimates by the National Statistical Office (NSO) in FY23. Based on NSO's latest advanced estimates, India has registered a growth of 7.2% during the year under review². This growth can be attributed to robust construction activity aided by increased infrastructure investment both by the Central Government and state governments, which paved the way for large-scale employment opportunities. The domestic economy's growth is also driven by rising private consumption, despite a projected headline inflation rate of 6.8% for FY23³. Private consumption accounted for 58.4% of the GDP in Q2 of FY23., reflecting reviving consumer sentiment.

Looking ahead, the Indian economy is anticipated to witness considerable expansion, supported by increased capital investment, a rebound in export trade post-pandemic and a reduction in global uncertainties. The strong rebound of the MSME sector, facilitated by government schemes bodes well for economic growth. The Indian economy is expected to benefit from increasing foreign investment and exports. However, challenges such as inflation and rising oil prices may also impact the economy's performance in the long run.⁴

GDP growth %



India's GDP Growth

(Source - National Statistical Office)

¹<https://desapublications.un.org/publications/world-economic-situation-and-prospects-2023>

²<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1928682>

³<https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>

⁴<https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>

Industry overview

Indian healthcare sector

India's healthcare sector has been growing at a compound annual growth rate (CAGR) of 22%⁵ driven by several factors including population demographics, a growing middle class, higher earnings, greater health awareness and an increase in lifestyle disorders. The increasing prevalence of non-communicable diseases (NCDs), making up 50% of the disease burden and 60% of total deaths in India⁶, is creating a demand for advanced healthcare services. The Indian healthcare market is expected to reach USD 367 billion by 2023⁷. Due to digitisation, innovation and novel hybrid business models that incorporate conventional and technology companies, the sector has experienced substantial growth over the last five years. The pandemic also sparked a long-lasting change in behaviour towards personal hygiene, health insurance, fitness and nutrition, as well as health surveillance and physical examinations.

Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), which was allocated ₹ 7,200 cr in FY24 (12% more than ₹ 6,412 cr in 2022-23), highlights the government's focus on extending the AB-PMJAY health coverage to more than 400 million additional people who are not currently covered under any government or private health insurance scheme.⁸

Rising insurance coverage, the growth of telemedicine and government initiatives like e-health, tax benefits and incentives have also contributed to the development of India's healthcare market. Investments of over USD 200 billion are expected in medical infrastructure by FY 2024, resulting in improved healthcare facilities nationwide.

Government initiatives

- In the recently released Union Budget 2023-24, the Government has encouraged the deployment of Artificial Intelligence (AI) in research and innovation in India. This targeted focus on the AI sector, which has strong connections to diagnostics has the potential to bring about substantial changes in the industry. The government's initiative to establish three AI

centres of excellence in leading Indian institutions will contribute to the development of sustainable healthcare solutions. Considering the critical role of AI research in diagnostics, these centres will aid in the creation of indigenous products for the industry⁹.

- Ensuring public health is a key focus area of the Indian government. The Government has allocated an amount of ₹ 88,956 crore in the Union Budget for the year 2023-24 for healthcare expenditure which marks a 2.71% increase compared to the previous year¹⁴.
- The Indian government has undertaken numerous initiatives to ensure universal healthcare coverage and insurance for its citizens through Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (AB-PMJAY). The AB-PMJAY scheme aims to provide benefits to an estimated 500 million beneficiaries, granting each family up to ₹ 5 lakh each year to cover hospitalisation expenses. The programme is recognised as the one of the largest government-funded healthcare initiative and has been allocated ₹ 7,200 crore in the India Budget 2023-24¹⁰.

Indian diagnostic sector

India's diagnostic sector has witnessed unprecedented growth in recent years. The pandemic has compelled companies to cater to the increasing demand for testing, faster results and precise diagnosis. The rapid adoption of technology, growing middle-class population, greater awareness of preventive healthcare and increased expenditure on healthcare are all acting as tailwinds for this sector.

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% share¹¹. Pathology testing, the preferred choice for diagnosing a wide range of diseases, accounts for nearly 60%¹² of the market, while radiology testing, which includes procedures like X-rays and ultrasounds, represents a little over 40%¹³.

⁵<https://www.medicalbuyer.co.in/indias-healthcare-industry-estimated-to-be-worth-usd-372-billion/>

⁶<https://www.investindia.gov.in/sector/healthcare>

⁷<https://www.india-briefing.com/news/indias-healthcare-ecosystem-key-segments-market-growth-prospects-26225.html/>

⁸<https://www.expresshealthcare.in/budget-2023/indian-union-budget-2023-24-key-announcements-for-healthcare-sector/438026/#:~:text=Ayushman%20Bharat%20Pradhan%20Mantri%20Jan,covered%20under%20any%20government%20or>

⁹Union Budget 2023-24

¹⁰<https://www.investindia.gov.in/team-india-blogs/indias-healthcare-industry-navigating-road-health-all-world-health-day>

¹¹<https://www.axiscapital.co.in/wp-content/uploads/India-Diagnostics-Sector-01-Mar-2023.pdf>

¹²<https://www.axiscapital.co.in/wp-content/uploads/India-Diagnostics-Sector-01-Mar-2023.pdf>

¹³<https://www.axiscapital.co.in/wp-content/uploads/India-Diagnostics-Sector-01-Mar-2023.pdf>

¹⁴<https://www.cnbc18.com/healthcare/union-budget-2023-health-sector-allocation-nirmala-sitharaman-15792051.htm>

¹⁵<https://timesofindia.indiatimes.com/blogs/voices/healthcare-sector-expects-long-term-affordable-credit-facilities-push-to-ppp-model-and-tax-reforms/>

¹⁶<https://www.indiainfoline.com/company/aspira-pathlab-diagnostics-ltd/management-discussions/23958>

The size of Indian diagnostics estimated at \$ 10 billion in FY 20 is expected to reach \$ 20 billion by FY26. Standalone centres and hospitals based labs account for 85% of this market. National and Regional diagnostics centre accounts for 15% of the market share.

Outlook

The outlook for the healthcare and diagnostic market in India appears promising with strong revenue growth projected for the upcoming years. It offers attractive margins and has room for expansion. Specialised tests and pathology are driving growth. The industry is fragmented however, it presents opportunities for new business models. Medical device manufacturers have also uncovered growth prospects in India. With considerable capital expenditure for cutting-edge diagnostic facilities, the nation has also emerged as one of the foremost locations for high-end diagnostic services, serving a larger section of the populace. Future demand for healthcare services is anticipated to increase due to factors such as improved income levels, an ageing population, rising health awareness and shifting attitudes towards preventive healthcare.

Risks and concerns

Regulatory headwinds

The diagnostics industry in India is subject to existing regulations and guidelines set forth by the Central Government and State governments. These regulations ensure that the industry adheres to specific standards and practices, thereby safeguarding the best interest of patients. In times of seasonal outbreaks or pandemics, the Government may intervene to protect public health.

The Company leaves no stone unturned to ensure compliance with all applicable regulations. As the Company is part of a largely unorganised industry, it is aware of the unique challenges that may emerge due to sudden changes in regulations. However, its well-established infrastructure and robust operational capabilities position it favourably to navigate such changes and restore normalcy faster.

Evolving competition

The diagnostics industry in India is predominantly unorganised, presenting a significant opportunity for businesses to enter the market. The industry has witnessed the emergence of online portals and web aggregators, who have integrated themselves into certain aspects of the diagnostic business value chain. To gain traction faster, these new players are not hesitant to leverage pricing as a marketing strategy.

In response to the intense competition, the Company has adopted a comprehensive approach that focuses on brand building and network expansion. By prioritising the delivery of high-quality services, it has managed to

differentiate itself from industry peers. Additionally, the Company has made consistent investments in digital technologies, which has enabled it to create a distinct identity in the market.

Investment in building capacities and newer tests

The Company has been expanding its laboratory network to meet the growing demands of existing and emerging sampling requirements. This includes establishing patient touch points through franchisee partnerships, integrating home collection services, and continuously evaluating and introducing new tests to its portfolio. These initiatives ensure that the Company remains agile, adaptable, and well-positioned to meet the demands of its customers while maintaining a competitive edge in the diagnostic sector.

Technology paradigm

In certain situations, diagnostic testing is becoming more accessible to a wider population. Point-of-care testing is gaining popularity due to its affordability and convenience. While the Company's established testing infrastructure provides comprehensive and reliable diagnostic outputs, it recognises the potential of integrating such technologies into its service delivery framework. The Company is actively exploring ways to incorporate these advancements to enhance its offerings and improve the patient experience.

At the test menu level, a dedicated team of specialists plays a crucial role in evaluating and advising on new developments. This diligent approach ensures that the Company stays at the forefront of technological advancements in the field of diagnostics, providing accurate diagnoses and trend analysis for patients. The integration of advanced diagnostic tools and techniques allows for improved patient care and reinforces the Company's position as a trusted provider of accurate and reliable diagnostics.

Further, we are actively managing the risks, emanating from Technology also. To that end, we've deployed cutting edge cyber security technologies using defence-in-depth model. Further, we periodically perform the cyber security assessments across our IT ecosystem to evaluate the control effectiveness. In addition to that, we follow industry reputed Information Security Mgmt System such as ISO 27001.

Other risk factors

The Company has been diligent in monitoring and addressing risk factors associated with its operations since its IPO in December 2015. It has implemented robust mechanisms to ensure ongoing mitigation and is vigilant in identifying any potential challenges. Through regular assessment and analysis, the Company strives to safeguard its operations and maintain a resilient and sustainable business model. This commitment to risk mitigation underscores the Company's dedication to maintaining a secure and stable foundation for its stakeholders and ensuring long-term success.

Targeted business expansion and future strategy

The Company reached a significant milestone in January 2023 with the inauguration of its Reference Lab at Vidyavihar, in Mumbai. This advanced facility has not only expanded high-end testing capabilities but also holds the distinction of being the first private lab in West India to feature a BSL Level-III biocontainment lab. By establishing this advanced facility, the Company reaffirmed its commitment to delivering cutting-edge diagnostic services.

Dr. Lal PathLabs has expanded its National Reference Lab in Rohini, Delhi, by adding a second electron microscope, an upgraded lab information system and advanced tools such as artificial intelligence and data mining. These technological advancements have substantially enhanced the accuracy and efficiency of diagnostic outcomes. Staying true to its culture of innovation, the Company consistently expands its test menu to offer a comprehensive range of diagnostic solutions. Moreover, efforts are underway to widen the franchise network and extend the reach of patient service centres, ensuring more individuals have access to high-quality healthcare services. With 277 labs across the country, including 70 labs in Tier-III towns, the Company has established a strong geographic footprint.

The Company is investing in scalable and profitable digital programmes to improve healthcare accessibility in Tier-III and Tier-IV cities by setting up 10 to 15 labs in these cities. Recognising the increasing importance of digital solutions, the Company is integrating medical excellence with digital and analytical capabilities to enhance the patient journey and elevate the overall customer experience. This commitment to digital transformation is reflected in the launch of Chips, a recommendation engine and patient wallet. These initiatives will provide personalised and scalable digital customer relationship management programmes.

To optimise revenue growth and gain market share in the Western region particularly in Maharashtra. The Company will execute a dual-brand strategy, with Dr. Lal PathLabs focusing on the B2B side of the business and Suburban Diagnostics, its subsidiary, expanding its footprint in the B2C segment. By prudently investing in consumer-facing elements such as technology integration and home collections, the Company aims to expand its reach in West India and maximise capacity and infrastructure utilisation for both entities. As part of its growth strategy, the Company's expansion not only includes a diversified portfolio of services, but also involves the enhancement of technology infrastructure.

The Company has implemented several initiatives to boost productivity in key areas such as reagents and chemicals, rentals, repair and maintenance, logistics, and home collections. These measures include exploring alternative testing platforms, implementing a differentiated equipment strategy, and enhancing the productivity of field executives.

To optimize rental expenses, the Company has successfully renegotiated lease agreements, relocated certain spaces, and surrendered partial spaces, all aimed at improving overall productivity. Additionally, efforts have been made to optimize electricity consumption and annual maintenance contracts for equipment, effectively managing costs in these areas.

The Company is actively focused on improving its technological capabilities. It has initiated the upgradation of a lab information system along with advanced tools such as artificial intelligence and data mining. These technological enhancements have significantly contributed to enhancing operational efficiencies. The Company has successfully reduced its debtor outstanding and inventory to a remarkable 28 days. Moreover, the implementation of these advanced technologies has led to quicker turnaround times, further streamlining and improving the Company's overall performance.

Return to growth

During the fiscal year under review, the Company operated a vast network of clinical laboratories, including the prestigious National Reference Lab in Delhi and Regional Reference Labs in Kolkata, Bangalore and Mumbai. Additionally, the Company established a nationwide presence through Patient Service Centres (PSCs) and Pick-up Points (PUPs). The Company's comprehensive range of diagnostic services, including pathology, radiology and cardiology tests, enabled it to sustain its market leadership in the business-to-consumer (B2C) segment, even with reduced revenue from COVID-related testing.

Dr. Lal PathLabs also achieved remarkable growth in their non-COVID operations, with increased revenue, sample collection and patient numbers. This positive trend reflects their success in providing quality diagnostic services to a diverse customer base. One of the key growth drivers for the Company was its strategic expansion efforts, particularly in the Western region.

Dr. Lal PathLabs continues to make progress in the southern region. The company experienced a growth rate in the South that was on par with its overall growth rate, indicating steady expansion. Dr. Lal PathLabs remains focused on further expanding its presence and market penetration in the South and other geographical areas where it currently operates.

Opportunities and threats

For the Indian healthcare industry, the pandemic was a shocking revelation. There was an immense lack of adequate testing, accessibility and report delivery in the wake of an unprecedented medical crisis. The diagnostics industry endured an emergency, but it was able to emerge from it due to breakthroughs in technology and innovation.

Today, people are increasingly interested in preventive healthcare and a majority of medical practitioners around the world rely on tests before prescribing treatment. Furthermore, the proliferation of healthcare services and insurance has elevated the diagnostic industry to a critical sector.

The Indian diagnostics market is its highly fragmented, with large chains, hospital laboratories, and standalone centres. This poses a major threat to the sector. The lack of entry barriers and absence of strict regulations

in the business have also resulted in higher number of unaccredited labs and unorganised players, which form a key component of this fragmented market.

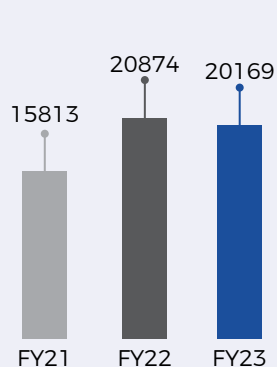
This affects the quality and credibility of the industry, which is dominated by a few large chains besides various small and regional players. Therefore, the industry runs on a high-volume, low-cost testing model adopted by most companies. The lack of regulations also leads to a gap in pricing, especially between urban and rural cities, and therefore demands an urgent look into stricter laws. The COVID has also raised the challenge for several small players who struggle to offer fast and accurate tests simultaneously.

However, players who adapt intelligent solutions will aid in bridging the gap between hospitals and patients, improving access to care, especially in smaller Indian cities. These improvements coupled with stringent regulations, and a people-friendly approach and policies, will help the sector achieve immense growth in the years ahead.

Financial performance (Consolidated)

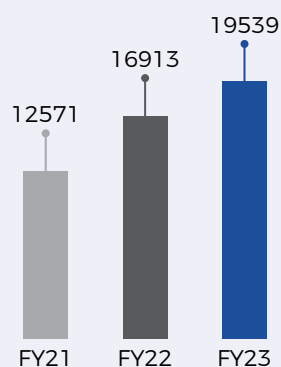
Revenue

(in ₹ million)



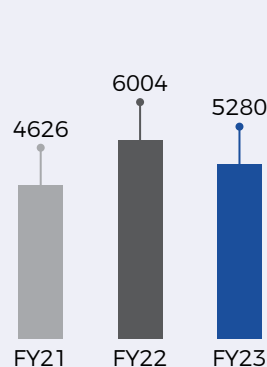
Non-COVID Revenue

(in ₹ million)



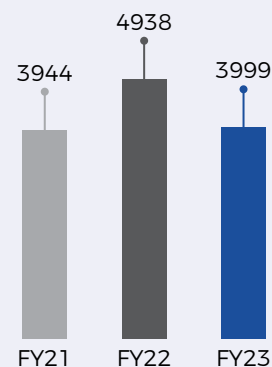
Normalised EBITDA

(in ₹ million)



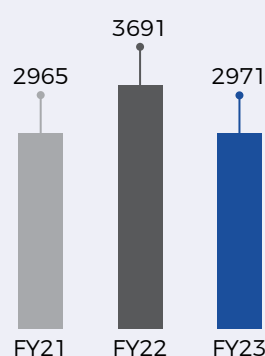
Normalised PBT

(in ₹ million)



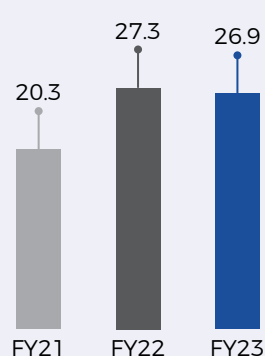
Normalised PAT

(in ₹ million)



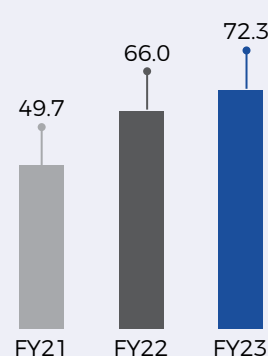
Patients

(in million)



Tests

(in million)



Geographywise Breakup

Particulars	FY 2021	FY 2022	FY 2023
DNCR	578	714	636
Rest of North India	465	597	610
East India	264	306	287
West	153	287	309
South	88	139	127
CTL & Intl.	34	44	47
Total	1,581	2,087	2,017

Year	RPP	TPP
FY 21	781	2.46
FY 22	765	2.42
FY 23	750	2.69

Revenue

The Company's consolidated revenues totalled ₹ 2,017 crore for the financial year ending March 31, 2023. Non-Covid revenue stood at ₹ 1954 crore, representing a growth of 15.5%.

Costs

Cost Management is a key focus area for Dr. Lal Pathlabs. The Company's Operating expenditure for the financial year ending March 31, 2023 is in line with last year. The major cost line items for the company are cost of reagents and chemicals, personnel costs, fees to collection centres, cost associated with logistics, information technology and infrastructure among others.

EBITDA

Normalised EBITDA margins (excluding notional depreciation, RSU, CSR and exceptional expenses) totalled ₹ 528 crore during FY23, recording a margin of 26.2% .

PBT and PAT

PBT for FY23 was ₹ 344 crore and Normalised PBT (excluding notional depreciation and exceptional expenses) stood at ₹ 400 crore at a margin of 19.8%.

PAT margin reported at 12.0% year-on-year at ₹ 241 crore. Normalised PAT (excluding notional depreciation and exceptional expenses) stood at ₹ 297 crore at a margin of 14.7%.

Cash and Bank

Cash and Cash Equivalents as of March 31, 2023, is ₹ 838 crore, cash balance after netting of borrowings is ₹ 601 crore.

Key financial ratios

According to the SEBI (Listing Obligation and Disclosure Requirements) Regulation of 2015, the Company is obligated to provide information about significant changes in key financial ratios. These changes are considered significant if they show a difference of 25% or more compared to the previous financial year. The Company has identified the following ratios as key financial indicators:

Particulars	FY 2023	FY 2022	(%) Variance	Reason for variance
Debtors Turnover-	25.8	27.4	-5.9%	-
Inventory Turnover	10.4	10.6	-1.9%	-
Interest Coverage Ratio	11.5	17.4	-33.9%	Interest Cost in FY22 is for part of the year while it is for full year in FY23.
Current Ratio	2.1	1.8	18.3%	-
Debt Equity Ratio	0.2	0.3	-28.8%	Improved due to reduction in borrowings
Operating Profit Margin (%)	19.3%	22.6%	-14.7%	
Net Profit Margin (%)	12%	17%	-28.8%	Decline due to significantly high base of Covid in FY22 and increase in notional depreciation on consolidation of Suburban
Normalised Net Profit Margin	15%	18%	-16.7%	

Revenue growth declines due to lower contribution from Covid (3%) as compared to last year (19%) whereas non-COVID revenue registered a growth of 16%. While the revenue per patient has reduced compared to last year, as a result of lower contribution from Covid test portfolio. The inventory turnover ratio has improved due to efficient inventory management during the year ending March 2023.

Operational highlights

During the course of FY 2023, Dr. Lal PathLabs successfully operated a network of 277 clinical labs, which includes the prestigious National Reference Lab in Delhi and the Regional Reference Lab in Kolkata, Bangalore and Mumbai. Additionally, with 5,102 Patient Service Centres (PSCs) and 10,938 Pick-up Points (PUPs), the Company has established a nationwide presence. This extensive infrastructure enabled the Company to offer a comprehensive range of diagnostic services, consisting of 481 test panels, 2,763 pathology tests, along with 1,947 radiology and cardiology tests.

The Company's revenue mix remained skewed towards business-to-consumer (B2C) channels, which accounted for 72% of the total revenue. Dr. Lal PathLabs served 26.9 million patients in the year under review, with a total of 72.3 million samples collected and processed. Despite a considerable reduction in revenue from COVID-related testing, which predominantly belonged to the B2C segment, Dr. Lal PathLabs has maintained its market leadership in the B2C space.

Moreover, the Company achieved remarkable growth in the Western region, primarily driven by strategic initiatives aimed at expanding its presence. This region contributed 16% of the Company's overall revenue, demonstrating the effectiveness of targeted expansion efforts. The Company's consistent expansion of clinical labs, the wide network of PSCs and PUPs and the diverse range of tests offered have

positioned it as a trusted provider of high-quality and precise diagnostic services across India.¹⁴

Human resource management

Dr. Lal PathLabs has a workforce of 4048 employees (onroll) as of March 31, 2023. The Company considers its people to be the true contributors to its success. It, therefore, aims to implement policies that foster employee well-being and professional growth. The Company continuously strives to nurture a positive work culture and believes in maintaining a diverse yet cordial workforce. The Company's hiring and retention policies are also aimed at creating a team of experts that can further aid the Company to sustain its market leadership.

Internal control systems and their adequacy

The Company has implemented a robust internal controls system that encompasses policies and procedures across all financial and operating functions. These policies and procedures are well-documented. This system ensures the maintenance of accurate accounting records and provides reasonable assurance in terms of the reliability of financial reporting, effective monitoring of operations, safeguarding of assets against unauthorised use or losses, and compliance with applicable regulations.

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.

¹⁴<https://www.bseindia.com/xml-data/corpfiling/AttachHis/0bc2fb57-f2d0-4a25-895f-4806f0cb8929.pdf>

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1995PLC065388
2.	Name of the Listed Entity	Dr. Lal PathLabs Limited
3.	Year of incorporation	1995
4.	Registered office address	Block E, Sector-18, Rohini, New Delhi-110085
5.	Corporate address	12th Floor, Tower B, SAS Tower, Medicity, Sector-38, Gurugram-122001
6.	E-mail	cs@lalpathlabs.com
7.	Telephone	+91-124-3016-500
8.	Website	www.lalpathlabs.com
9.	Financial year for which reporting is being done	FY 2022-23
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	₹ 83,36,78,770 divided into 8,33,67,877 Equity Shares of ₹ 10/- each
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Manoj Garg, Group Chief Human Resource Officer, Tel: + 91-124-3016-500, Email: manoj.garg@lalpathlabs.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	Standalone basis

II. Products/services

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

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

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

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

III. Operations

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

Location	Number of Plants	Number of Offices/ Labs	Total
National	Not Applicable as the Company provides Diagnostic Services in the area of Pathology and Radiology	196	196
International		02	02

(* Standalone Number)

17. Markets served by the entity:

a) Number of locations:

Locations	Number
National (No. of States)	27 States and 5 Union Territories
International (No. of Countries)	India, Nepal and Bangladesh. Besides the above, the Company also receives samples from International Locations like Kenya, Bhutan, Sri Lanka, Malaysia, Cambodia, Maldives, UAE, Saudi Arabia, Bahrain, Qatar, Kuwait, Ethiopia, Tanzania, Uganda, Malawi, Zambia, Nigeria, Ghana, Sierra Leone & Mauritius for testing in India.

b) What is the contribution of exports as a percentage of the total turnover of the entity: 1.24%

c) A brief on types of customers:

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

IV. Employees

18. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1,289	1,032	80.06	257	19.94
2.	Other than Permanent (E)	140	69	49.29	71	50.71
3.	Total employees (D + E)	1,429	1,101	77.04	328	22.95
WORKERS*						
4.	Permanent (F)	2,759	2,111	76.51	648	23.49
5.	Other than Permanent (G)	3	2	66.67	1	33.33
6.	Total workers (F + G)	2,762	2,113	76.50	649	23.49

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

Note: Workers and Employees includes all people who were on the payrolls of the Company as of March 31, 2023.

b) Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	1	1	100	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	11	11	100	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	11	11	100	0	0

19. Participation/ Inclusion/ Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	3	25
Key Management Personnel (KMP)*	6	1	17

* Includes Board Members, who are designated as KMP

20. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

Particulars	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	33.37	22.43	30.81	25.17	21.69	24.53	16.90	17.05	16.93
Permanent Workers	10.61	13.49	11.24	12.49	15.56	13.21	10.95	12.56	11.33

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

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

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1	Paliwal Diagnostics Private Limited	Subsidiary	80.00	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

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)
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

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

(ii) Turnover: ₹ 17,690.30 Million

(iii) Net worth: ₹ 16,419.25 Million

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2022-23			FY 2021-22		
	(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 https://www.lalpathlabs.com/investor/investor-contact.aspx	There were no complaints that were received.					
Shareholders	Yes https://www.lalpathlabs.com/investor/investor-contact.aspx	177	3	3 (Three) Shareholders Complaints were unresolved as of March 31, 2023. Those 3 have been resolved as of date.	187	5	5 (Five) Shareholders Complaints were unresolved as of March 31, 2022. Those 5 have been resolved as of date.
Employees and workers	The Company does have a specific internal Grievance Redressal Policy in place.	There weren't any complaints / grievances received from any employee / worker during the period under review.					

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2022-23			FY 2021-22		
	(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
Customers	Yes https://www.lalpathlabs.com/general-enquiry-revmap/general-enquiry.aspx	43722	546	All the unresolved complaints as of March 31, 2023 have been subsequently resolved.	79,274	237	All the unresolved complaints as of March 31, 2022 have 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)	-	-	-	-	-	-	-

VIII.

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Workplace Safety	Risk	Insufficient implementation of proper safety measures can result in work-related safety incidents, leading to adverse consequences such as increased absenteeism and a higher Lost Time Rate (LTR)	The organization has implemented a comprehensive safety manual that outlines guidelines applicable to all labs within the company. Regular health check-ups are conducted, particularly for individuals in technical or sample handling roles, to proactively monitor their well-being. - Necessary safety equipment are provided to staff, including items such as eye wash stations, gloves, lab coats, goggles, fire sprinklers, and fire extinguishers.	Risk - Lost Time, resulting from workplace accidents or injuries, can lead to additional challenges for a laboratory, including the need to pay overtime to compensate for work completion.

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)
			Control Board (CPCB) guidelines. -Rigorous disinfection protocols are implemented within the laboratories, ensuring a clean and hygienic working environment.	- Periodic fire drills are conducted to ensure that employees are familiar with evacuation procedures and understand their roles in emergency situations. - Adheres to the BMW (Biomedical Waste) management rules established by the Central Pollution Control Board (CPCB) guidelines. - Rigorous disinfection protocols are implemented within the laboratories, ensuring a clean and hygienic working environment.	
		Opportunity	By prioritizing workplace safety, the Company can optimise employee performance and achieve higher levels of productivity	-	-
2	Training and development of employee	Risk	Inadequate structuring and communication of Standard Operating Procedures (SOPs) and process guidelines can pose significant challenges for the laboratory. Clear and well-defined SOPs are crucial for ensuring consistency, accuracy, and efficiency in laboratory operations.	The Company provides a comprehensive range of training programs to its employees, including induction training, functional training, compliance trainings, online training modules, and Management Development Programs (MDPs).	Risk -Insufficient or inadequate training can adversely impact employee performance, leading to decreased productivity and 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	Prioritizing employee welfare fosters a positive work environment, leading to higher job satisfaction, improved morale, and increased motivation to perform at their best. The Company Provides Medclaim Policy for employees,Discount policy that helps employees undergo diagnostic tests on subsidized cost. and also accident Insurance for Front line roles The Company also has a welfare fund which caters to employee support in case of critical injury or death.		Employee welfare initiatives leads to cost savings and ensures the continuity of operations.
4	Energy Management	Opportunity	Solar power systems have a long lifespan and require minimal maintenance. Investing in solar infrastructure provides a long-term energy solution, reducing reliance on fluctuating electricity prices and offering a stable source of energy	-	Reduce cost

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)
5.	Community development- CSR	Opportunity	CSR provides us with the opportunity to actively contribute to the betterment and upliftment of the community and society at large. By addressing social, economic, and environmental challenges, we can make a positive and lasting impact.	-	Allocated a significant fund of ₹ 7.89 Crore for Corporate Social Responsibility (CSR) initiatives during the FY 22-23.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	YES								
	b. Has the policy been approved by the Board? (Yes/No)	YES								
	c. Has the policy been approved by the Board? (Yes/No)	https://www.lalpathlabs.com/pdf/brochures/Business-Responsibility-Policy.pdf								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	YES								
3.	Do the enlisted policies extend to your value chain partners? (Yes / No)	NO								
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	CAP: National Reference Lab, Delhi is accredited by College of American Pathologists (CAP) as per CAP checklist(2020). NABL: 36 Satellite laboratories are accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) as per 15189: 2012 standard. DSIR: The Department of Scientific & Industrial Research (DSIR) granted recognition & registration to in-house R&D unit of Dr Lal PathLabs Limited. The in-house R&D unit is engaged in innovative research & development activities related to the line of business of the Company. 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.								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is determined to follow the path envisioned under the 9 principles laid down in the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company shall continue to monitor its performance against the said principle(s) and take necessary action as and when the need arises.								

Governance, leadership and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Given the industry in which the Company operates, the ESG paradigm assumes higher importance; the Company has consistently been helping multiple initiatives to thrive within and yet be fully responsible of its immediate environment. Commitment to sustainability is at the heart of every corporate endeavour and initiative towards growth, prudently nurturing its human quotient, building social capital, while being responsible towards consumption of resources. Over the years, the Company has enhanced the salience to ESG best practices and has made meaningful and noticeable strides forward in several spheres. Core teams have been entrusted with ensuring sustainability of approach across key corporate functions; in instances addressing key issues like proper disposal and treatment of bio-medical waste, replacing plastic bags with biodegradable bags, water conservation through water saving reducers, integrating to e-billing to curb usage of paper, solar panel usage and rainwater harvesting among others. The Company remains mindful of its moral responsibilities as a corporate citizen, and acts in an ethical manner. Being an undisputed leader in the branded diagnostics space, the Company has a long history of transparency in governance practices, and it keenly reviews this to make a positive impact on the society and its stakeholders. At Dr. Lal PathLabs, our ethos of providing affordable diagnostic tests with easy accessibility endures, with best-in-class service offerings and accurate diagnoses. While doing so, we will continue our focus of scaling our ESG performance parameters with global best practices.																	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	CSR Committee is responsible for implementation and oversight of the Business Responsibility Policies. The constitution of the CSR Committee is as follows: <table><tr><th>Name of Director</th><th>DIN No.</th><th>Designation</th></tr><tr><td>(Hony) Brig. Dr. Arvind Lal</td><td>00576638</td><td>Executive Chairman</td></tr><tr><td>Dr. Om Prakash Manchanda</td><td>02099404</td><td>Managing Director</td></tr><tr><td>Mr. Sunil Varma</td><td>01020611</td><td>Lead Independent Director</td></tr><tr><td>Mr. Harneet Singh Chandhoke</td><td>02758084</td><td>Independent Director</td></tr></table>		Name of Director	DIN No.	Designation	(Hony) Brig. Dr. Arvind Lal	00576638	Executive Chairman	Dr. Om Prakash Manchanda	02099404	Managing Director	Mr. Sunil Varma	01020611	Lead Independent Director	Mr. Harneet Singh Chandhoke	02758084	Independent Director
Name of Director	DIN No.	Designation																
(Hony) Brig. Dr. Arvind Lal	00576638	Executive Chairman																
Dr. Om Prakash Manchanda	02099404	Managing Director																
Mr. Sunil Varma	01020611	Lead Independent Director																
Mr. Harneet Singh Chandhoke	02758084	Independent Director																
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	As mentioned above, CSR Committee is responsible for taking decisions on sustainability related issues																

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	CSR Committee									Annual*								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	CSR Committee									Annual*								

* CSR Committee in its meeting on July 27, 2023 reviewed the performance against policies.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	No, however policies are subject to internal review by the Company from time to time.								

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

PRINCIPLE 1

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

Essential Indicators

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	Two	1. Regulatory Updates 2. IT Updates including Data Privacy, Information Security and Cyber Security	100%
Key Managerial Personnel	Two	1. Regulatory Updates 2. IT Update including Data Privacy, Information Security and Cyber Security	100%
Employees other than BOD and KMP's	Four	1. Compliance a. POSH b. COC c. Info-security d. Data Privacy	92%
		2. Health & Safety	65%
		3. Skill upgradation	56%
		4. Human Rights	68%
Workers	Four	1. Compliance a. POSH b. COC c. Info-security d. Data Privacy	95%
		2. Health & Safety	90%
		3. Skill upgradation	68%
		4. Human Rights	86%

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	-	-	-	-
Punishment	-	-	-	-

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

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

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

The Company complies with all applicable statutory obligations and fully supports the law of the land. It has internal policies and procedures in place for ensuring compliance in letter and spirit.

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

Particulars	FY 2022-23	FY 2021-22
Director	-	-
KMP's	-	-
Employees	-	-
Worker	-	-

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

Particulars	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of Interest of the Director	-	-	-	-
Number of complaints received in relation to issues of conflict of Interest of the KMP's	-	-	-	-

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

None

Leadership Indicators

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, we have covered the employees and workers under the various Awareness programs w.r.t. the BRSR principles. We will strive to include its Value Chain Partners as well.

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

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R & D	-	-	-
Capex	2%	3.4%	Capex on Solar Plant

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

The company takes proactive measures to effectively communicate its expectations to vendors, ensuring that social and environmental performance permeates its entire supply chain. This commitment reflects the company's dedication to sustainable sourcing practices. Moreover, the company places a strong emphasis on supporting local vendors, thereby fostering business localization and contributing to the growth of local economies. In selecting vendors, the company actively seeks out environmentally responsible partners who share its commitment to safeguarding communities, the environment, natural resources, and public health and safety. By engaging with such vendors, the company promotes sustainable practices and contributes to a more responsible and sustainable business ecosystem.

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

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

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:

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

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

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

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 2022-23	FY 2021-22

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:

	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other	-	-	-	-	-	-

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
Not Applicable	

PRINCIPLE 3

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1032	1030	99.81	608	58.91	0	0.00	1032	100	0	0
Female	257	257	100	30	11.67	257	100	0	0	0	0
Total	1289	1287	99.84%	638	49.49	257	19.94	1032	80.06	0	0
Other than permanent employees											
Male	69	0	0	0	0	0	0	69	100	0	0
Female	71	0	0	0	0	71	100	0	0	0	0
Total	140	0	0	0	0	71	50.71	69	49.29	0	0

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

Category	% of worker covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	2111	1689	80.01	169	8.01	0	0	2111	100	0	0
Female	648	477	73.61	10	1.54	648	100	0	0	0	0
Total	2759	2166	78.51	179	6.49	648	23.49	2111	76.51	0	0
Other than permanent worker											
Male	2	0	0	0	0	0	0	2	100	0	0
Female	1	0	0	0	0	1	100	0	0	0	0
Total	3	0	0	0	0	1	33.33	2	66.66	0	0

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

Benefits	FY 2022-23			FY 2021-22		
	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	100.00	100.00	Y
Gratuity	100	100	Y	100.00	100.00	Y
ESI	0.16	21.49	Y	1.24	34.99	Y
Other- please specify	-	-	-	-	-	-

3. Accessibility of workplaces

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

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

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

The company is dedicated to promoting equality and embracing diversity through its Equal Opportunity Policy, which is internally available to its employees. This policy reaffirms the company's pledge to provide equal opportunities to all employees, mitigate discrimination and harassment, and ensure 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	66.67	100	96.05
Female	70.37	66.67	68.63	82.98
Total	89.74	66.67	91.16	92.96

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:

Type	Yes/ No (If yes, then give details of mechanism in brief)
Permanent workers	2759
Other than Permanent workers	3
Permanent Employees	1289
Other than Permanent Employees	140

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

- Any kind of discrimination on account of disability, gender, race, sexual orientation, religion, marital status and social class
- Violation of human rights
- Bullying / workplace harassment
- Denial of applicable benefits
- Working conditions and Health & Safety Issues Employees need to report to all/any grievance at - resolve.grievance@lalpathlabs.com for the grievance redressal process to get activated

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

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) of union (B)	%(B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) of union (D)	%(D/C)
Total Permanent Employees	4	4	100	4	4	100
Male	4	4	100	4	4	100
Female	-	-	-	-	-	-
Total Permanent Workers	96	96	100	98	98	100
Male	29	29	100	30	30	100
Female	67	67	100	68	68	100

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		Number (B)	%(B/A)	Number (C)	%(C/A)		Number (E)	%(E/D)	Number (F)	%(F/D)
Employee										
Male	1,032	654	63.37	620	60.07	1,042	-	-	695	66.69
Female	257	180	70.03	102	39.69	247	1	0.40	147	59.51
Total	1,289	834	64.70	722	56.01	1,289	1	0.07	842	65.32
Worker										
Male	2,111	1,906	90.29	1,461	69.21	2,158	20	0.92	1,972	91.38
Female	648	574	88.58	416	64.20	663	1	0.15	623	93.96
Total	2,759	2,480	89.89	1,877	68.03	2,821	21	0.74	2,595	91.99

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	%(D/C)
Employee						
Male	1,032	1,032	100	1,042	1,042	100
Female	257	257	100	247	247	100
Total	1,289	1,289	100	1,289	1,289	100
Worker						
Male	2,111	2,111	100	2,158	2,158	100
Female	648	648	100	663	663	100
Total	2,759	2,759	100	2,821	2,821	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 encompasses guidelines that are applicable to all units and centers within the organization. Additionally, an occupational health and safety management system has been implemented to ensure the well-being and protection of 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 developed comprehensive policies and guidelines to effectively address various types of hazards and mitigate associated risks. These policies serve as a framework for identifying work-related hazards, following recommended guidelines, and conducting risk assessments. The procedures for risk assessment are detailed in the Safety manual, ensuring that employees have access to clear protocols and procedures. To ensure adherence to these policies, regular audits are conducted by the Quality department to monitor and evaluate compliance 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 includes specific procedures that users must follow in the event of any adverse safety incidents. These procedures outline the appropriate steps and actions to be taken to address the situation effectively. To ensure comprehensive incident documentation, a dedicated safety incident reporting tool has been developed. On this tool, each safety incident needs to be recorded by the employee supervisor / any lab staff enabling a systematic data capture of the incident & analysis. The use of this reporting tool helps to capture safety incidents, track trends, and can help in implementing necessary measures to prevent future incidents and promote 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

- Medclaim coverage is extended to all employees other than those under the ambit of the ESIC act.
- Those under ESI ambit get all applicable medical benefits under ESIC.
- Additionally, all employees are eligible for discounted diagnostic investigations.

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	0.33
	Workers	-	0.30
Total recordable work-related injuries	Employees	1 (Minor Injury)	5 (1 major and 4 minor)
	Workers	12 (Minor Injury)	31 (2 major and 29 minor)
No. of fatalities	Employees	-	-
	Workers	-	-
High Consequence work related injury or ill health (excluding fatalities)	Employees	-	1
	Workers	-	2

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

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

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

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

Particulars	FY 2022-23			FY 2021-22		
	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 Working Conditions	1. Periodic internal audits are conducted by the Quality team of health and safety practices. (100%) 2. Before all the new labs are made operational, the project and lab operations teams conduct a safety audit of the setups. There are safety trainings conducted regularly. (100%) 3. Fire drills are undertaken to make all employees aware of the safety requirements and what needs to be done in case of non-compliance. (100%) 4. Accrediting bodies like NABL, CAP, ISO audit our various labs and evaluate the health & safety practices / policies and the overall working conditions every year. (100%)

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

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

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N): Yes.

- The organization has maintained a welfare fund through which benefit is provided to employees and workers in the event of death.
- Additionally, we also provide a Personal Accident Insurance to employees and workers in the 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:

- Regular audits are conducted ensuring all statutory dues have been deposited.
- Contractually the Company also obligates third parties to ensure that all such dues are timely deposited.

3. Provide the number of employees/ workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	1 (Minor)	5 (1 Major and 4 Minor)	-	1
Workers	12 (Minor)	31 (2 Major and 29 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	-
Working Conditions	-

The Company shall strive to initiate the assessment program during Financial Year 2023-24.

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 commitment to responsible and sustainable business practices entails regular engagement with both internal and external stakeholders. This engagement serves as a vital means to measure the company's performance, assess the value it brings to stakeholders, and prioritize key sustainability issues that are relevant to both its business and stakeholders. Through ongoing stakeholder engagement, the company not only identifies opportunities but also evaluates emerging risks that may potentially grow in significance over time.

The company's process for identifying key stakeholders is guided by several factors, including:

- i. **Mission and Vision Statement/Policy:** The company aligns its stakeholder identification process with its Mission and Vision statement or policy. This ensures that stakeholders who are critical to achieving the company's strategic objectives are given due consideration.
- ii. **Key Decision Makers:** The company recognizes the importance of engaging with key decision makers who have significant influence over the company's operations, direction, and outcomes. These decision makers play a crucial role in shaping the company's approach to sustainability and responsible business practices.
- iii. **Stakeholder Power and Influence:** The company considers individual stakeholders and evaluates their power and influence on the decision-making process. This assessment helps prioritize engagement efforts by focusing on stakeholders who have the ability to impact the company's sustainability performance and outcomes.

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

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

Leadership Indicators

- 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 apprises the Board Members of feedback received from various stakeholders on environmental, social, and governance (ESG) matters during Board Meetings. This regular communication ensures that the Board stays informed about stakeholder perspectives and concerns related to ESG issues.

The initial level dialogue on ESG matters takes place between the relevant Business Head or Functional Head and the respective stakeholders. These discussions are summarized and then shared with the Key Managerial Personnel. From there, the summary is escalated to the Board Members, providing them with a comprehensive overview of the key points discussed and the insights gained during the stakeholder engagements.

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

The feedback received from relevant stakeholders, as described earlier, undergoes periodic discussion during the Board Meetings. These discussions provide an opportunity for the Board Members to review the feedback and consider any necessary actions that may arise as a result.

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 2022-23			FY 2021-22		
	Total (A)	No. of employees / worker covered (B)	%(B/A)	Total (C)	No. of employees/ workers covered (D)	%(D/C)
Employee						
Permanent	1,289	871	67.57	1,289	317	24.59
Other than permanent	140	65	46.43	120	36	30.00
Total Employees	1,429	936	65.50	1,409	353	25.05
Worker						
Permanent	2,759	2,372	85.97	2,821	1,876	66.50
Other than permanent	3	2	66.66	11	3	27.27
Total Workers	2,762	2,374	85.95	2,832	1,879	66.35

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

Category	FY 2022-23					FY 2021-22				
	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)
Employee										
Permanent	1,289	675	52.36	614	47.63	1,289	749	58.10	540	41.89
Male	1,032	636	61.62	396	38.37	1,042	687	65.93	355	34.07
Female	257	39	15.18	218	84.82	247	62	25.10	185	74.90
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	-	-	-	-	-	-	-	-	-	-
Worker										
Permanent	2,759	1,909	69.19	850	30.81	2,821	2,279	80.79	542	19.21
Male	2,111	1,501	71.10	610	28.90	2,158	1,774	82.21	384	17.79
Female	648	408	62.96	240	37.04	663	505	76.17	158	23.83
Other than permanent	The Company employees, Trainees or Consultants to whom Minimum Wages are not applicable. Trainees are paid Stipend whereas the Consultants are governed by their respective Contracts									
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

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

	Male		Female	
	Number	Median *remuneration/ salary / wages of respective category (in ₹)	Number	Median *remuneration/ salary / wages of respective category (in ₹)
Board of Directors (BOD)	2	3,66,06,910	1	2,28,37,908
Key Managerial Personnel	3	1,87,25,004	-	-
Employees other than BOD and KMP's	1,027	6,30,012	256	16,86,000
Workers	2,111	3,89,628	648	3,69,114

*Remuneration means and includes cost to the Company CTC)

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

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

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

The Company has established a Grievance Redressal Policy, which outlines a structured framework for addressing and resolving grievances related to harassment or human rights violations. This policy demonstrates the organization's commitment to providing a safe and respectful work environment.

To ensure accessibility and ease of reporting, individuals can direct their complaints to the designated email address grievance.resolve@lalpathlabs.com. The Company is dedicated to prompt action, with a prescribed period of 90 days for addressing and resolving grievances. This timeframe underscores the Company's commitment to timely resolution and ensuring that grievances are handled effectively and efficiently

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

Particulars	FY 2022-23			FY 2021-22		
	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	7	-	All cases were closed	4*	-	*Out of the 4 complaints, 3 were pending for resolution at the end of the previous financial year, which was subsequently closed.
Discrimination at workplace	-	-	-	-	-	
Child Labour	-	-	-	-	-	
Forced Labour/Involuntary Labour	-	-	-	-	-	
Wages	-	-	-	-	-	
Other than Human rights related issue	-	-	-	-	-	

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

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

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

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

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

9. Assessment for the year:

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

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

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

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

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

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

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

The Company has not conducted any Human Rights due-diligence for the financial year ended March 31, 2023.

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

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

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

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

4. Details on assessment of value chain partners:

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. However, the Company shall strive to initiate the assessment program during Financial Year 2023-24.

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 2022-23	FY 2021-22
Total electricity consumption (A) (In Giga Joules; calculated at ₹ 11.5 per unit)	58,966	54,975
Total fuel consumption (B) (In Giga Joules; calculated at 0.3 KWH per litre)	140	154
Energy consumption through other sources (C) (In Giga Joules; Solar Energy)	405	221
Total energy consumption (A+B+C)	59,511	55,350
Energy intensity per rupee of turnover (Total energy on consumption/ turnover in rupees)	0.0000033	0.0000030
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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

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: No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	62,360	26,177
(iii) Third party water	62,676	96,139
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,25,036	1,22,316

Parameter	FY 2022-23	FY 2021-22
Total volume of water consumption (in kilolitres)*	1,25,036	1,22,316
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000071	0.0000065
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

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

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

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

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

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

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

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

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	370	366
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes Of CO ₂ equivalent	13,922	12,980
Total Scope 1 and Scope 2 emissions per rupee of turnover		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

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

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details:

No

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

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A) (Plastic Waste is included in the Bio Medical Waste)	-	-
E-waste (B)	4	-
Bio-medical waste (C)	450	462
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H) . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	454	462
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
Bio Medical generated by the Company in the course of its operations cannot be recovered through recycling or reusing by the Company		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	142	149
(ii) Landfilling	-	-
(iii) Other disposal operations – Shredding after disinfection	307	313
Total	449	462

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

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

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

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

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

The Company has no operations around ecologically sensitive areas

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

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

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

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

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

Leadership Indicators

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

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A) (In Giga Joules; Solar Energy)	405	221
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	405	221
From non-renewable sources		
Total electricity consumption (D) (In Giga Joules; calculated at ₹ 11.5 per unit)	58,966	54,975
Total fuel consumption (E) (In Giga Joules; calculated at 0.3 KWH per litre)	140	154
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	59,106	55,129

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. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment (intake effluent treated)	1,00,629	1,06,797
- With treatment – please specify level of Treatment (physio chemical based ETP Treatment)	24,407	15,519
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
Total water discharged (in kilolitres)	1,25,036	1,22,316

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

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

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

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

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

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the Entity	-	-

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

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

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

Parameter	Unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

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

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

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

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

S. 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 112 locations for minimizing impact of water pollution. 24,407 KL of effluent treated before being discharged.	Approx 15,519 KL of effluent treated before being discharged

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

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

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

- Timely Business Recovery:** The plan aims to recover business operations within the agreed-upon timeframe as per the policy terms. This ensures minimal disruption and allows the company to resume operations efficiently.
- Continuous IT System Functionality:** The BCP plan ensures that the IT systems continue to operate smoothly from the alternate location until the primary location is fully restored. This uninterrupted availability of IT services helps maintain business continuity and minimize the impact on critical operations.
- Crisis Response Guidelines:** The plan provides detailed guidelines on how the company should respond during times of crisis. These guidelines assist in managing and mitigating the potential risks and challenges associated with disruptive events.

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

While the current implementation of the Business Responsibility and Sustainability Reporting (BRSR) principles focuses on the company itself, the organization is strive to expanding its scope to include its Value Chain Partners. This strategic approach reflects the company's future aspirations to measure and mitigate environmental impacts throughout its value chain.

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

During the period under review, the implementation of the BRSR principles focused solely on the company itself, and no assessment was conducted for the value chain partners specifically in relation to environmental aspects. However, the Company recognizes the importance of extending the assessment to its value chain partners in order to comprehensively address 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)
2. b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

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

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

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

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

Leadership Indicators

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

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

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

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

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

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 ₹)
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 2022-23	FY 2021-22
Directly sourced from MSMEs/Small Producers	18%	16%
Sourced directly from within the district and neighboring districts	~8%	-

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
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 ₹)
1	Andhra Pradesh	Visakhapatnam	4.32 million
2	Haryana	Nuh, Mewat	1.28 million

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?

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

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

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

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

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

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

Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	%age of beneficiaries from vulnerable and marginalized groups
1	Skill Development Training and Livelihood in Healthcare Sector (LPL Academy for Laboratory Medicine)	1,508	90
2	Skill Development Training and Livelihood in Healthcare Sector (LPL Academy for Laboratory Medicine)	775	90
3	Health Education in Schools	1,200	25
4	Establishing a Professorial Chair in Healthcare at IIMA (A Project for Research in Healthcare)	NA	NA
5	Nutritional Support to TB Patients	222	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:

A customer can reach out to us via Omni channel (Voice call, email, Chat, Social Media). Complaints received via these channels are getting tagged in CRM. The details of complaint tagged in CRM and unique ID gets generated. DLPL complaint resolution team does coordination with the relevant authority to close the complaint to the satisfaction of the Customer. The average span of complaint is approx. 72 hours. In certain cases, where complaint cases may take more than 72 hours, the follow up is required directly with the concerned Manager for intervention.

For feedback, we send an SMS to the customer post registration and we ask for the feedback. This process is called NPS (Net Promoter Score).

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

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

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

3. Number of consumer complaints in respect of following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data Privacy	-	-	-	-	-	-
Advertising	23	-	-	929	10	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	8,713	224	-	18,684	108	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other (Technician Related/ Demographic Related)	34,986	322	-	59,661	119	-

Please refer to Q-23 of Section A for complaints/queries received for delivery/non-delivery of essential services.

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

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

The Privacy Policy of the Company can be accessed at <https://www.lalpathlabs.com/privacy-policy>

there was no penalty imposed / action taken by any regulatory authority during the period under review.

Leadership Indicators

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

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

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

Posters pertaining to safe and responsible usage of product/services are visible in all DLPL outlets. Home collection COVID - 19 videos are available on YouTube.

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

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

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.

- Sending alerts to customers in case of Repeat, Delay or Critical values
- SMS to customers for report completion
- Sending Phlebotomist details to customer for direct coordination in case of delays
- There weren't any material issues arising relating to cyber security and data privacy of customers which required corrective action to be taken. Also

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

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

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

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

- 5. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact -**

NIL

- b. Percentage of data breaches involving personally identifiable information of customers -**

NIL

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

- Systematic information flow to the Directors to enable them to effectively discharge their fiduciary duties;
- Ethical business conduct by the Management and Employees;
- Appropriate systems and processes for internal controls on all operations; and
- Timely and accurate disclosure of all material, operational and financial information to the stakeholders.

II. BOARD OF DIRECTORS

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

As on March 31, 2023, the Board of Directors of your Company comprised of 12 Directors out of which Three (3) were Executive, Two (2) were Non-Executive and Seven (7) were Independent Directors.

The names and categories of Directors on the Board during the Financial Year 2022-23, their attendance at Board Meetings held during the Financial Year 2022-23 and at the last Annual General Meeting and the number of Directorship and Committees Chairmanship/ Membership held by them as on March 31, 2023 are given hereunder:

Name of Director	Category [#]	Attendance Particulars		No. of other Directorships and Committee Memberships/ Chairmanships			Name of the Listed Companies where Company's Director is also a Director		
		Board Meetings Held	Attended	Last AGM held on 30.06.2022	Other Director ships*	Committee Member ships**	Committee Chairmanships**	Name of Listed Company	Category of Directorship
(Hony) Brig. Dr. Arvind Lal ¹ (DIN: 00576638)	Chairman & PED	4	4	Yes	8	1	Nil	-	-
Dr. Vandana Lal (DIN: 00472955)	PED	4	4	Yes	3	Nil	Nil	-	-
Dr. Archana Lal Erdmann (DIN: 08432506)	PGNE	4	4	Yes	1	Nil	Nil	-	-
Dr. Om Prakash Manchanda (DIN: 02099404)	ED	4	4	Yes	4	Nil	Nil	Kaya Limited	NEID
Mr. Rahul Sharma (DIN: 00956625)	NED	4	4	Yes	1	Nil	Nil	-	-
Mr. Anoop Mahendra Singh (DIN: 01963056)	NEID	4	4	Yes	Nil	Nil	Nil	-	-
Mr. Harneet Singh Chandhoke (DIN: 02758084)	NEID	4	4	Yes	Nil	Nil	Nil	-	-

Name of Director	Category [#]	Attendance Particulars			No. of other Directorships and Committee Memberships/ Chairmanships			Name of the Listed Companies where Company's Director is also a Director	
		Board Meetings Held	Attended	Last AGM held on 30.06.2022	Other Director ships*	Committee Member ships**	Committee Chairmanships**	Name of Listed Company	Category of Directorship
Mr. Sunil Varma (DIN: 01020611)	NEID	4	3	Yes	1	Nil	Nil	-	-
Dr. Saurabh Srivastava (DIN: 00380453)	NEID	4	4	Yes	7	2	Nil	1. Newgen Software Technologies Limited 2. Info Edge (India) Limited [§]	1. NEID 2. NEID
Ms. Somya Satsangi (DIN: 07275574)	NEID	4	4	Yes	3	Nil	Nil	-	-
Mr. Rohit Bhasin ² (DIN: 02478962)	NEID	1	1	N.A.	9	6	2	1. Star Health and Allied Insurance Company Limited 2. Tanla Platforms Limited	1. NEID 2. NEID
Mr. Arun Duggal ² (DIN: 00024262)	NEID	N.A.	N.A.	N.A.	3	3	1	1. ITC Limited 2. ICRA Limited	1. NEID 2. NEID

¹(Hony) Brig. Dr. Arvind Lal was reappointed as Executive Chairman and Whole Time Director w.e.f April 01,2022.

#PED - Promoter Executive Director, PGNE- Promoter Group Non -Executive Director, ED - Executive Director, NED - Non-Executive Director, NEID - Non Executive Independent Director.

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

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

² Mr. Rohit Bhasin and Mr. Arun Duggal were appointed as Non-Executive Independent Directors w.e.f. November 08, 2022 and February 02, 2023 respectively.

§ Dr. Saurabh Srivastava re-designated as Non-Executive Director in Info Edge (India) Limited w.e.f March 31, 2023 (Closing of business hours) 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 chairmanships and committee memberships 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 2022-23, four (4) meetings of the Board of Directors were held and the maximum time gap between two consecutive meetings did not exceed one hundred and twenty (120) days.

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

- May 17, 2022
- July 28, 2022
- November 08, 2022
- February 02, 2023

The shareholding of Non-Executive Directors as on March 31, 2023 is as follows:

Name of Director	Category	No. of Equity Shares held
Dr. Archana Lal Erdmann	Non-Executive Director (Promoter Group)	16,93,751
Mr. Rahul Sharma ¹	Non-Executive Director	2,000
Ms. Somya Satsangi	Independent Director	NIL
Mr. Anoop Mahendra Singh	Independent Director	NIL

Name of Director	Category	No. of Equity Shares held
Mr. Harneet Singh Chandhoke	Independent Director	NIL
Mr. Sunil Varma	Lead Independent Director	NIL
Dr. Saurabh Srivastava	Independent Director	NIL
Mr. Rohit Bhasin	Independent Director	NIL
Mr. Arun Duggal	Independent Director	NIL

¹ As on March 31, 2023, Mr. Rahul Sharma holds 1,18,983 fully vested stock options granted to him @ ₹ 311.30/- in February 2015 under the ESOP 2010 Plan of the Company.

Familiarisation Programme for the Independent Directors

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

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

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, 2023) who possess such core Skills/ Expertise/ Competencies as detailed below:

Name of Director	Skill/ Expertise/ Competencies					
	Communication & Relationship Skills	Comm- itment & 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
Mr. Anoop Mahendra Singh	Yes	Yes	Yes	Yes	Yes	Yes

Name of Director	Skill/ Expertise/ Competencies					
	Communication & Relationship Skills	Comm- itment & Engagement	Board and Governance Skills	Specialized Industry & Environment Knowledge	Financial Accounting, Financial Reporting & management of Financial Risk	Information Technology
Mr. Harneet Singh Chandhoke	Yes	Yes	Yes	-	-	-
Mr. Sunil Varma	Yes	Yes	Yes	-	Yes	Yes
Dr. Saurabh Srivastava	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	-

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 Securities and 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 2022-23, four (4) meetings of Audit Committee were held on May 17, 2022, July 28, 2022, November 08, 2022 and February 02, 2023.

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

Name of Member	#Category	Position	No. of meetings attended
Mr. Sunil Varma	NEID	Chairman	3
Dr. Saurabh Srivastava	NEID	Member	4
Mr. Anoop Mahendra Singh	NEID	Member	4
Ms. Somya Satsangi	NEID	Member	4
Mr. Rohit Bhasin ¹	NEID	Member	1
Mr. Arun Duggal ²	NEID	Member	N.A.

¹NEID – Non Executive Independent Director

¹Appointed as member w.e.f November 08, 2022

²Appointed as member w.e.f February 02, 2023

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:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Director's Report in terms of clause(C) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified Opinion in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and

seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

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 2022-23, four (4) meetings of Nomination and Remuneration Committee were held on May 17, 2022, July 28, 2022, November 08, 2022 and February 02, 2023.

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

Name of Member	#Category	Position	No. of meetings attended
Mr. Anoop Mahendra Singh	NEID	Chairman	4
Mr. Harneet Singh Chandhoke	NEID	Member	4
Mr. Rahul Sharma	NED	Member	4
Dr. Saurabh Srivastava	NEID	Member	4
Mr. Sunil Varma	NEID	Member	3
Mr. Arun Duggal ¹	NEID	Member	N.A.

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

¹Appointed as member w.e.f. February 02, 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.
 - 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, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and its employees, as applicable.
 9. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
 10. To evaluation, prepare a description of the role and capabilities required of an independent director.
 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 2022-23.

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 2022-23, two (2) meetings of Stakeholders Relationship Committee were held on May 17, 2022 and November 08, 2022.

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

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

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

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 are provided herein below:

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.
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

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

The details of shareholders' complaints received and resolved during the Financial Year ended March 31, 2023 are given in the table below:

Particulars	No. of Complaints
Number of Shareholders' complaints outstanding as at April 1, 2022	5
Number of shareholders' complaints received during the Financial Year	177
Number of shareholders' complaints resolved to the satisfaction of shareholders during the Financial Year	179
Number of pending shareholders' complaints as at March 31, 2023	3#

Complaints have been resolved as on the 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 2022-23, two (2) meetings of Corporate Social Responsibility Committee were held on May 17, 2022 and March 15, 2023.

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 attended
(Hony) Brig. Dr. Arvind Lal	Chairman & PED	Chairman	2
Mr. Harneet Singh Chandhoke	NEID	Member	2
Dr. Om Prakash Manchanda	ED	Member	2
Mr. Sunil Varma	NEID	Member	2

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

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.
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 2022-23, two (2) meetings of Risk Management Committee were held on July 26, 2022 and January 11, 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 attended
Ms. Somya Satsangi	NEID	Chairperson	2
Mr. Anoop Mahendra Singh	NEID	Member	2
Mr. Rahul Sharma	NED	Member	2
Mr. Rohit Bhasin ¹	NEID	Member	1
Mr. Sunil Varma	NEID	Member	1

Name of Member	#Category	Position	No. of meetings attended
Mr. Bharath U	CEO	Member	2
Mr. Munender Soperna	CIO	Member	2

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

¹ Appointed as member w.e.f. November 08, 2022.

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:

1. To formulate a detailed risk management policy which shall include:
 - i. 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.
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - iii. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. 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, 2023:

S. No	Name	Designation	Change (Appointment/Resignation) during FY 2022-23
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	Appointed w.e.f. April 01, 2022
5	Mr. Munender Soperna	Chief Information Officer	-
6	Mr. Manoj Kumar Garg	Group Chief Human Resource Officer	-
7	Mr. Rajat Kalra	Company Secretary	Resigned w.e.f March 31, 2023 (Closing of business hours)

IX. REMUNERATION OF DIRECTORS

The details of Remuneration of Directors for the Financial Year ended March 31, 2023 are given below:

₹ in million

Name of Director	Salary & Perquisites	Performance Linked Incentive	Commission	Contribution towards Provident Fund	Sitting Fees	Severance Fee	Service Contract	Notice Period	Total
(Hony) Brig. Dr. Arvind Lal	27.53	-	-	0.71	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	28.24*
Dr. Vandana Lal	22.08	-	-	0.57	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	22.65*
Dr. Archana Lal Erdmann	-	-	1.27	-	0.20	-	-	-	1.47
Dr. Om Prakash Manchanda**	35.21	7.11	-	2.10	-	None, unless otherwise agreed by Board of Directors	5 years	3 months	44.42*
Mr. Rahul Sharma ***	-	-	1.27	-	0.60	-	-	-	1.87
Mr. Harneet Singh Chandhoke	-	-	1.27	-	0.55	-	-	-	1.82
Mr. Sunil Varma	-	-	1.58	-	1.50	-	-	-	3.08
Dr. Saurabh Srivastava	-	-	1.58	-	0.75	-	-	-	2.33
Mr. Anoop Mahendra Singh	-	-	1.58	-	0.75	-	-	-	2.33
Ms. Somya Satsangi	-	-	1.58	-	0.55	-	-	-	2.13
Mr. Rohit Bhasin	-	-	0.62	-	0.15	-	-	-	0.77
Mr. Arun Duggal	-	-	0.25	-	-	-	-	-	0.25

* Does not include retiral benefits.

** Does not include a non-cash (stock related) perk of ₹ 137.59 Million arising on exercise of Stock options.

***Does not include a non-cash (stock related) perk of ₹ 42.29 Million arising on exercise of Stock options.

Dr. Om Prakash Manchanda was granted 50,000 stock options under the Dr. Lal PathLabs Employee Stock Option Plan 2022 on July 29, 2022 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 Resolutions approved
2021-22	June 30, 2022 at 10:30 A.M.	Meeting held through Video Conferencing	1. Approval of the "Dr. Lal PathLabs Employee Stock Option Plan 2022" 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" 3. Approval of secondary acquisition of shares through Trust route for the implementation of "Dr. Lal PathLabs Employee Stock Option Plan 2022" 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" 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
2020-21	July 29, 2021 at 10:30 A.M.	Meeting held through Video Conferencing	1. 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 2. Increase in the Commission payable to Non-Executive Directors of the Company, to a maximum of ₹ 20,00,000/- (Rupees Twenty Lakhs only) per annum per Director beginning from Financial Year 2021-22
2019-20	July 30, 2020 at 10:30 A.M.	Meeting held through Video Conferencing	1. Re-designate (Hony) Brig. Dr. Arvind Lal (DIN: 00576638) by appointing him as Executive Chairman and Whole-Time Director of the Company, for a period of two (2) years commencing from April 01, 2020 2. Payment of remuneration to Mr. Rahul Sharma (DIN: 00956625), Non-Executive Director, for the financial year 2020-21 exceeding fifty percent of the total remuneration payable to all Non-Executive Directors

XI. POSTAL BALLOT

During the Financial Year 2022-23, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") your Company passed the following Special Resolutions through postal ballot via remote e-voting facility:

A. Special Resolution(s) passed on December 14, 2022:

- i. Appointment of Mr. Rohit Bhasin (DIN: 02478962) as an Independent Director of the Company**
- ii. Payment of commission to Mr. Rohit Bhasin (DIN: 02478962) as an Independent Director of the Company**

Date of Postal Ballot Notice	November 08, 2022
Cut-off Date of register of members for dispatch of notice	November 04, 2022
Voting Period	November 15, 2022 at 9:00 A.M. to December 14, 2022 at 5:00 P.M.
Date of passing resolution	December 14, 2022
Date of declaration of voting result	December 15, 2022

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

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

i. Appointment of Mr. Rohit Bhasin (DIN: 02478962) as an Independent Director of the Company

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)] *100	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Promoter and Promoter Group	E-Voting	4,58,81,135	4,58,81,135	100.0000	4,58,81,135	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0	0
	Total	4,58,81,135	4,58,81,135	100.0000	4,58,81,135	0	100.0000	0.0000
Public-Institutions	E-Voting	2,47,21,967	2,06,58,751	83.5643	2,06,58,751	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0	0
	Total	2,47,21,967	2,06,58,751	83.5643	2,06,58,751	0	100.0000	0.0000
Public- Non Institutions	E-Voting	1,27,48,775	14,13,840	11.0900	14,13,253	587	99.9585	0.0415
	Poll		0	0.0000	0	0	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0	0
	Total	1,27,48,775	14,13,840	11.0900	14,13,253	587	99.9585	0.0415
Grand Total		8,33,51,877	6,79,53,726	81.5263	6,79,53,139	587	99.9991	0.0009

ii. Payment of commission to Mr. Rohit Bhasin (DIN: 02478962) as an Independent Director of the Company

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Promoter and Promoter Group	E-Voting	4,58,81,135	4,58,81,135	100.0000	4,58,81,135	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0	0
	Total	4,58,81,135	4,58,81,135	100.0000	4,58,81,135	0	100.0000	0.0000
Public-Institutions	E-Voting	2,47,21,967	2,06,58,751	83.5643	2,06,18,277	40,474	99.8041	0.1959
	Poll		0	0.0000	0	0	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0	0
	Total	2,47,21,967	2,06,58,751	83.5643	2,06,18,277	40,474	99.8041	0.1959

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Public- Non Institutions	E-Voting	1,27,48,775	14,13,834	11.0900	14,12,740	1,094	99.9226	0.0774
	Poll		0	0.0000	0	0	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0	0
	Total	1,27,48,775	14,13,834	11.0900	14,12,740	1,094	99.9226	0.0774
	Grand Total	8,33,51,877	6,79,53,720	81.5263	6,79,12,152	41,568	99.9388	0.0612

Procedure for Postal Ballot:

Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014, ("Rules") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company provided e-voting facility to its shareholders to cast their votes electronically through e-voting platform by CDSL. The Company completed dispatch (through e-mail only) of Postal Ballot Notice dated November 08, 2022 on November 14, 2022 to all the shareholders whose names appeared in the Register of Members / List of Beneficial Owners maintained by the Company/Depositories respectively as at close of business hours on Friday, November 04, 2022, (the "Cut-off date") and whose e-mail addresses were registered with the Company / Depositories. The e-Voting commenced at 9:00 A.M. (IST) on Tuesday, November 15, 2022 and ended on Wednesday, December 14, 2022 at 5:00 P.M. (IST). The Company also published a notice in Newspapers regarding completion of dispatch of postal ballot notice. The scrutinizer submitted the report after completion of the scrutiny and the results of voting by postal ballot were then announced on December 15, 2022.

The voting results were communicated to the Stock Exchanges besides being displayed on the website of the Company, i.e. www.lalpathlabs.com and on the website of CDSL at www.evotingindia.com.

B. Special Resolution(s) passed on March 10, 2023:

- Appointment of Mr. Arun Duggal (DIN: 00024262) as an Independent Director of the Company**
- Payment of commission to Mr. Arun Duggal (DIN: 00024262) as an Independent Director of the Company**

Date of Postal Ballot Notice	February 02, 2023
Cut-off Date of register of members for dispatch of notice	January 27, 2023
Voting Period	February 09, 2023 at 9:00 A.M. to March 10, 2023 at 5:00 P.M.
Date of passing resolution	March 10, 2023
Date of declaration of voting result	March 13, 2023

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

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

i. Appointment of Mr. Arun Duggal (DIN: 00024262) as an Independent Director of the Company

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)] *100	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Promoter and Promoter Group	E-Voting	4,58,81,135	45,88,1135	100.0000	4,58,81,135	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total	4,58,81,135	4,58,81,135	100.0000	4,58,81,135	0	100.0000	0.0000

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)] *100	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Public- Institutions	E-Voting	2,48,50,930	2,11,44,685	85.0861	2,11,40,756	3,929	99.9814	0.0186
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total	2,48,50,930	2,11,44,685	85.0861	2,11,40,756	3,929	99.9814	0.0186
Public- Non Institutions	E-Voting	1,26,21,812	39,89,131	31.6051	39,88,513	618	99.9845	0.0155
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total	1,26,21,812	39,89,131	31.6051	39,88,513	618	99.9845	0.0155
	Grand Total	8,33,53,877	7,10,14,951	85.1969	7,10,10,404	4,547	99.9936	0.0064

ii. **Payment of commission to Mr. Arun Duggal (DIN: 00024262) as an Independent Director of the Company**

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)] *100	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Promoter and Promoter Group	E-Voting	4,58,81,135	4,58,81,135	100.0000	4,58,81,135	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total	4,58,81,135	4,58,81,135	100.0000	4,58,81,135	0	100.0000	0.0000
Public- Institutions	E-Voting	2,48,50,930	2,11,44,685	85.0861	2,11,34,167	10,518	99.9503	0.0497
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total	2,48,50,930	2,11,44,685	85.0861	2,11,34,167	10,518	99.9503	0.0497
Public- Non Institutions	E-Voting	1,26,21,812	39,89,131	31.6051	39,88,158	973	99.9756	0.0244
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	Total	1,26,21,812	39,89,131	31.6051	39,88,158	973	99.9756	0.0244
	Grand Total	8,33,53,877	7,10,14,951	85.1969	7,10,03,460	11,491	99.9838	0.0162

Procedure for Postal Ballot:

Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014, (“Rules”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company provided e-voting facility to its shareholders to cast their votes electronically through e-voting platform by CDSL. The Company completed dispatch (through email only) of Postal Ballot Notice dated February 02, 2023 on February 08, 2023 to all the shareholders whose names appeared in the Register of Members / List of Beneficial Owners maintained by the Company/ Depositories respectively as at close of business

hours on Friday, January 27, 2023, (the “Cut-off date”) and whose e-mail addresses were registered with the Company / Depositories. The e-Voting commenced at 9:00 A.M. (IST) on Thursday, February 09, 2023 and ended on Friday, March 10, 2023 at 5:00 P.M. (IST). The Company also published a notice in Newspapers regarding completion of dispatch of postal ballot notice. The scrutinizer submitted the report after completion of the scrutiny and the results of voting by postal ballot were then announced on March 13, 2023.

The voting results were communicated to the Stock Exchanges besides being displayed on the website of the Company, i.e. www.lalpathlabs.com and on the website of CDSL at www.evotingindia.com.

None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of special 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 results along with presentations made by the Company to Analysts/Investors are also posted on the website of the Company viz. www.lalpathlabs.com. The Company's website also displays all official news releases.

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

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

XIII. GENERAL SHAREHOLDER INFORMATION

a) Corporate Identification Number: L74899DL1995PLC065388

b) Annual General Meeting: The 29th Annual General Meeting of the Company is scheduled to be held as under:

Date and Time	September 12, 2023 10:30 A.M. (IST)
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated December 28, 2022, May 5, 2020 and all other relevant circulars issued from time to time (hereinafter referred as MCA Circulars) thus venue requirements are not applicable for this AGM. For other details please refer to the Notice of 29 th 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, 2022 to March 31, 2023.

d) Final Dividend Payment: On or before October 11, 2023

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

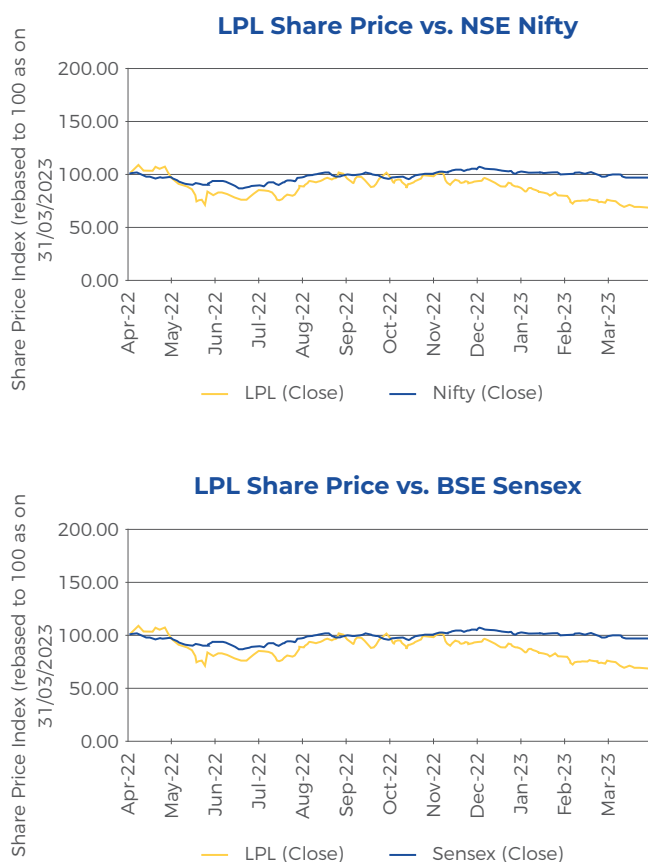
Listing fees for the Financial Year 2022-23 & 2023-24 have been paid to both the Stock Exchange.

f) Market Price Data & Share price performance:

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

Month	₹ Per Share)			
	BSE		NSE	
	High	Low	High	Low
Apr-22	2870.00	2580.40	2878.55	2580.00
May-22	2580.00	1805.10	2610.65	1805.55
Jun-22	2253.95	1946.25	2258.00	1946.10
Jul-22	2332.80	1958.45	2343.70	1958.05
Aug-22	2697.90	2268.25	2690.00	2266.60
Sep-22	2752.15	2265.00	2750.00	2265.00
Oct-22	2671.90	2256.30	2672.70	2251.50
Nov-22	2684.80	2317.00	2684.65	2316.05
Dec-22	2507.95	2242.20	2510.00	2241.15
Jan-23	2280.00	2025.00	2276.10	2023.65
Feb-23	2163.75	1872.45	2118.00	1872.20
Mar-23	2010.30	1762.70	2005.25	1762.05

g) Company's equity share price comparison with BSE Sensex and NSE Nifty:



h) Registrar and Share Transfer Agent:

Link Intime India Private Limited

Noble Heights, 1st Floor,
Plot NH 2, C-1 Block LSC,
Near Savitri Market, Janakpuri,
New Delhi - 110058,
Contact No. +91 11 49411000
Email id delhi@linkintime.co.in

i) Share Transfer System:

SEBI has mandated that, effective April 1, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. As on March 31, 2023, all shareholders are holding equity shares in demat form.

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, 2023:

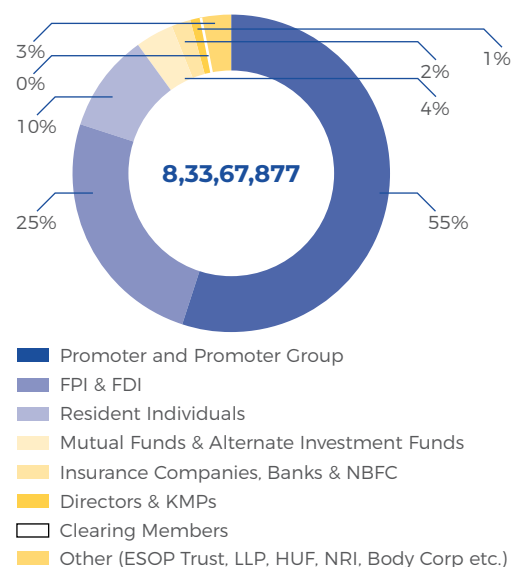
a) Distribution of Shareholding

Slab	Shareholders		No. of Shares	
	Number	% to total	Shares	% to total
1 - 500	1,83,860	98.65	60,79,698	7.29
501 - 1,000	1415	0.76	9,91,872	1.19
1,001 - 2,000	524	0.28	7,33,321	0.88
2,001 - 3,000	160	0.08	3,88,157	0.47
3,001 - 4,000	72	0.04	2,52,120	0.30
4,001 - 5,000	35	0.02	1,59,149	0.19
5,001 - 10,000	100	0.05	7,22,685	0.87
10,001 - Above	219	0.12	7,40,40,875	88.81
Total	1,86,385	100.00	8,33,67,877	100.00

b) Categories of Equity Shareholders as on March 31, 2023

Sl. No.	Category of Shareholder	No. of Shares	% of Share holding
1	Promoter and Promoter Group	4,58,81,135	55.04
2	FPI & FDI	2,07,50,263	24.89
3	Resident Individuals	79,15,782	9.50
4	Mutual Funds & Alternate Investment Funds	35,64,881	4.27
5	Insurance Companies, Banks & NBFC	18,98,878	2.28
6	Directors & KMPs	11,93,590	1.43
7	Clearing Members	80,359	0.09
8	Other (ESOP Trust, LLP, HUF, NRI, Body Corp etc.)	20,82,989	2.50
	TOTAL	8,33,67,877	100.00

Graphic presentation of the Shareholding pattern as on March 31, 2023



k) Dematerialisation of Shares and Liquidity:

The shares of the Company are compulsorily traded in dematerialized form. All equity shares are in dematerialized form only as on March 31, 2023. The equity shares of the Company are actively traded at BSE & NSE.

l) Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments:

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

m) Commodity price risk or foreign risk and hedging activities:

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

n) Plant Locations:

The Company does not have any manufacturing or processing plants.

o) Address for Correspondence:

Registered Office	Corporate Office
Dr. Lal PathLabs Limited Block E, Sector-18, Rohini, New Delhi - 110085 Ph: +91-11-4988-5050 E-mail: cs@lalpathlabs.com	Dr. Lal PathLabs Limited 12 th Floor, Tower-B, SAS Tower, Medicity, Sector-38, Gurugram - 122001 Ph: +91 124 3016500 E-mail: cs@lalpathlabs.com

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

p) List of Credit Ratings:

CRISIL	
Total Bank Loan Facilities Rated	₹ 60 Crore
Long - Term Rating	CRISIL AA-/Positive
Short - Term Rating	CRISIL A1+

CARE		
Facilities	Amount (₹ Crores)	Rating
Long Term Bank Facilities	229.00	CARE AA; Stable (Double A; Outlook: Stable)

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. 49 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 through the following link: <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 through the following link: <https://uat-cdn.drlallab.com/2023-06/Policy-for-determining-Material-Subsidiaries.pdf>

Details of Material Subsidiary:

Particulars	Details
Name of Subsidiary	Suburban Diagnostics (India) Private Limited
Date of Incorporation	June 06, 2002
Place of Incorporation	Maharashtra
Name of Statutory Auditors	Deloitte Haskins & Sells LLP
Date of appointment of Statutory Auditors	June 29, 2022 (Annual General Meeting)

f) Practicing CS Certification

A certificate from a Company Secretary in Practice that as on March 31, 2023, 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 2022-23 is ₹ 27.77 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 2022-23 is detailed below:

Particulars	Number of Complaints
Compliant pending at beginning of Financial Year	0
Complaint received during Financial Year	7
Compliant resolved during Financial Year	7
Compliant pending at end of Financial Year	0

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 Regulations and Disclosure Requirements) Regulations, 2015

The Company is in compliance with the applicable corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, securities of the Company have not been suspended for trading at any point of time during the financial year ended March 31, 2023.

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 17, 2022 without the presence of Non-Independent Directors and wherein all Independent Directors were present in person.

The Company Secretary was an invitee to the said meeting and facilitated the conduct of the meeting.

o) Non- mandatory requirements

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

i. Chairman's Office

Since your Company did not have a Non-Executive Chairman during the Financial Year 2022-23, 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 impacting management or control

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.

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 2022-23.

An annual declaration signed by the Chief Executive Officer of the Company affirming compliance to the Code by the Board of Directors and the Senior Management is annexed to this Report as **Annexure - B**. The Code of Conduct is available on website of the Company and can be accessed through the following link: <https://www.lalpathlabs.com/pdf/brochures/Code-of-Conduct-for-Directors-and-Senior-Management.pdf>

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 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. SHAREHOLDERS SATISFACTION SURVEY

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

The feedback in the form of a questionnaire is attached along with Notice of convening 29th Annual General Meeting.

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

Annexures to Report on Corporate Governance for the Financial Year Ended March 31, 2023

Annexure - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dr. Lal PathLabs Limited and having CIN L74899DL1995PLC065388 and having registered office at Block E, Sector-18, Rohini, New Delhi - 110 085 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, or the Ministry of Corporate Affairs or any such other statutory authority.

S. No.	Name of Director	DIN	Date of appointment in Company
1.	(Hony) Brig. Dr. Arvind Lal	00576638	14/02/1995
2.	Dr. Vandana Lal	00472955	14/02/1995
3.	Mr. Anoop Mahendra Singh	01963056	21/08/2015
4.	Dr. Archana Lal Erdmann	08432506	17/05/2019
5.	Mr. Arun Duggal	00024262	02/02/2023
6.	Mr. Harneet Singh Chandhoke	02758084	21/08/2015
7.	Dr. Om Prakash Manchanda	02099404	01/02/2011
8.	Mr. Rahul Sharma	00956625	22/07/2005
9.	Mr. Rohit Bhasin	02478962	08/11/2022
10.	Dr. Saurabh Srivastava	00380453	21/08/2015
11.	Ms. Somya Satsangi	07275574	08/02/2019
12.	Mr. Sunil Varma	01020611	21/08/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PDS & CO.

Company Secretaries
FRN: P2015DE045400

Prashant Kumar Balodia

(Partner)

Membership No. F6047

Certificate of Practice No. 6153

Date: July 15, 2023

Place: Delhi

UDIN: F006047E000618087

PR Certificate No.: 1068/2021

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, 2023.

Date: July 27, 2023

Place: Gurugram

Bharath U

Chief Executive Officer

Annexure - C

Annexure - D

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 2022-23 and that to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading.
 - II. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee:
 - 1) significant changes in the internal control over financial reporting during this year;
 - 2) significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements; and
 - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Bharath U

Chief Executive Officer

Ved Prakash Goel

Group Chief Financial Officer

Date: July 27, 2023

Place: Gurugram

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
Dr. Lal PathLabs Limited

We have examined the compliance of conditions of Corporate Governance by Dr. Lal PathLabs Limited ("the Company"), for the Financial Year ended March 31, 2023 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PDS & CO.

Company Secretaries
FRN: P2015DE045400

Prashant Kumar Balodia

(Partner)

Membership No. 6047

Certificate of Practice No. 6153

UDIN: F006047E000686848

PR Certificate No. 1068/2021

Date: July 27, 2023

Place: Delhi

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 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, 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	Revenue recognition – Reliance on information technology and system for controls over pricing master file We identified reliance on information technology and system for controls over pricing master file as a key audit matter due to likelihood of material misstatement in revenue recognition, resulting from unauthorised alterations to the pricing master file, on account of high volume of patient transactions. Refer to note 2.3 and note 27 to the standalone Ind AS financial statements.	Principal audit procedures performed: - Obtained an understanding of and assessed and tested the design, implementation and operating effectiveness of relevant internal controls relating to authorisation of alterations to the pricing master file. - Tested the controls around the access rights to the price masters by involving information technology specialists. - Tested the automated controls for auto pick of the prices defined in the system based on the tests selected. - Tested the reports of changes in the pricing master files for completeness and accuracy by involving information technology specialists and for the selected samples of alterations during the year, verified that the changes were authorised. - Selected samples of the invoices and verified the billed price in respect thereof, to the underlying agreements.

Independent Auditor's Report (Contd..)

Sr. No.	Key Audit Matter	Auditor's Response
2	Impairment of investment in Suburban Diagnostics (India) Private Limited ('SDIPL'): (Refer to note 6 to the standalone financial statements) The Company has investments in SDIPL amounting to Rs. 9,590.91 million as at 31 March 2023 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.	Principal audit procedures performed: - Evaluated the design, implementation and tested operating effectiveness of internal controls relating to review of impairment of the investment in SDIPL performed by the Management; - Validated the underlying cash flow forecasts prepared by the Company's management in their valuation and compared the same with the Company's approved budgets; - With the involvement of our valuation experts, verified the mathematical accuracy of the model and evaluated the appropriateness of the key assumptions viz. discount rate, terminal growth rate and methodology used; - Evaluated the sensitivity analysis performed by the management on the projections by varying key assumptions such as discount and growth rates (including terminal growth rate); - We have also assessed the adequacy of the related disclosure to be made in the standalone financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including annexures to Director's Report, Business Responsibility 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. The Management Discussion and Analysis Director's Report, including annexures to Director's Report, Business Responsibility and Sustainability Report and Report on Corporate Governance is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 identified above when it becomes available 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.
- When we read the Management Discussion and Analysis, Director's Report, Business Responsibility and Sustainability Report and Report on Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to

Other Information'.

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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report (Contd..)

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial

Independent Auditor's Report (Contd..)

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.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 37 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer note 52 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 53 to the standalone financial statements.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 48h 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 48i to the financial statements, no funds have been received by the Company from any persons or entities,

including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in note 20 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. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Jitendra Agarwal
Partner

(Membership No. 087104)
(UDIN: 23087104BCYKXH7058)

Place: New Delhi
Date: 11 May, 2023

“Annexure A” To The Independent Auditor’s Report

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

Report on the Internal Financial Controls 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 of 31 March, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls 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, 2023, 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)

Place: New Delhi
Date: 11 May, 2023

Jitendra Agarwal
Partner
(Membership No. 087104)
(UDIN: 23087104BCYKXH7058)

“Annexure B” To The Independent Auditor’s Report

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) The Company has a program of verification of property, plant and equipment, capital work- in-progress, and right-of-use assets so as to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

Pursuant to the program, certain property, plant and equipment, capital work- in-progress, and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (i) (c) With respect to immovable properties (other than properties where the Company is the lessee) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed/ conveyance deed/ 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 (Rs. Million)	Carrying value in the financial statements (Rs. Million)				
Flat No 4A, First Floor, 11 B.T. Road, Baranagar, Parganas (North), Kolkata.	0.18	0.09	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.
Flat No 4, First Floor, 11 B.T. Road, Baranagar, Parganas (North), Kolkata.	0.18	0.09	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 (Rs. Million)	Carrying value in the financial statements (Rs. Million)				
Flat no. 3, Premises no. 11, Mouza Nainan, B.T. Road, Baranagar, Parganas (North), Kolkata along with garage.	0.18	0.09	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 (Rs. Million)	Carrying value in the financial statements (Rs. Million)				
Leasehold building situated at Sector 18, Block E, Rohini, Delhi.	130.27	68.64	Dr. Lal PathLabs Private Limited	No	8 April, 2005	The lease deed was signed on 8 April, 2005 in the name of Dr. Lal PathLabs Private Limited. Subsequently, the Company was converted into a public company and the Registrar of Companies NCT of Delhi & Haryana issued a fresh certificate of incorporation w.e.f August 19, 2015.

- (i) (d) The Company has not revalued any of its property, plant, and equipment (including right-of-use assets) and intangible assets during the year.
- (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.
- (i) (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

“Annexure B” To The Independent Auditor’s Report (Contd..)

- (ii) (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 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)

		Loans
A.	Aggregate amount granted / provided during the year:	
	- Others	25.76
B.	Balance outstanding as at balance sheet date in respect of above cases:	
	- Others	12.95

- (b) The investments made and the terms and conditions of the grant of all the above mentioned loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation and no interest is charged based on stipulation in respect thereof.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

The Company has not made investments in firms, Limited Liability Partnerships or any other parties and has not provided any guarantee or security, and granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and has not granted any loans to companies, firms and Limited Liability Partnerships during the year.

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of loans granted, investments made and guarantees and securities provided, as applicable.

- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 related to running of laboratories for carrying out pathological investigations. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a slight delay in a few cases in respect of remittance of Provident Fund dues.

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 Service tax, Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

The operations of the Company did not give rise to any liability of Sales Tax, duty of Excise and Value Added Tax.

- (vii) (b) There are no statutory dues in respect of Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, duty of Custom, cess and other material statutory dues applicable to the Company which have not been deposited on account of disputes as on 31 March, 2023.

The operations of the Company did not give rise to any liability of Sales Tax, duty of Excise and Value Added Tax.

- (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.

“Annexure B” To The Independent Auditor’s Report (Contd..)

- (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 and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company, associate company, as applicable, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In respect of other than ongoing projects, the Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

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

Jitendra Agarwal
Partner

Place: New Delhi
Date: 11 May, 2023

(Membership No. 087104)
(UDIN: 23087104BGYKXH7058)

Standalone Balance Sheet

as at March 31st, 2023

(in ₹ million, unless otherwise stated)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
1 Non - Current Assets			
(a) Property, plant and equipment	3a	1,660.58	1,670.87
(b) Capital work-in-progress	3a	29.67	144.48
(c) Right-of-use assets	3b	1,791.13	1,851.51
(d) Goodwill	4	10.80	10.80
(e) Other intangible assets	5	152.25	176.30
(f) Intangible assets under development	5	19.71	-
(g) Financial assets			
(i) Investments	6	10,720.29	10,618.07
(ii) Loans	7	0.56	1.07
(iii) Other financial assets	8	249.48	146.76
(h) Non-current tax assets (net)	9	130.34	178.57
(i) Deferred tax assets (net)	10	325.52	302.30
(j) Other non-current assets	11	9.66	13.98
Total Non- Current Assets		15,099.99	15,114.71
2 Current Assets			
(a) Inventories	12	233.36	398.37
(b) Financial assets			
(i) Investments	13	1,413.80	-
(ii) Trade receivables	14	633.24	670.18
(iii) Cash and cash equivalents	15a	2,203.18	3,513.06
(iv) Bank balances other than (iii) above	15b	3,138.99	1,915.99
(v) Loans	16	12.39	9.37
(vi) Other financial assets	17	313.87	325.66
(c) Other current assets	18	152.90	160.50
Total current assets		8,101.73	6,993.13
Total assets		23,201.72	22,107.84
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	19	833.68	833.45
(b) Other equity	20	16,064.96	13,887.71
Total Equity		16,898.64	14,721.16
2 LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	833.34	1,666.67
(ia) Lease liabilities		1,148.13	1,209.64
Total Non- Current Liabilities		1,981.47	2,876.31
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	1,533.37	1,787.56
(ia) Lease liabilities		439.64	393.51
(ii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		60.54	73.45
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,341.02	1,161.29
sub-total		1,401.56	1,234.74
(iii) Other financial liabilities	24	428.59	568.10
(b) Provisions	25	232.40	206.34
(c) Current tax liabilities (net)	9	4.92	29.98
(d) Other current liabilities	26	281.13	290.14
Total Current Liabilities		4,321.61	4,510.37
Total liabilities		6,303.08	7,386.68
Total Equity and liabilities		23,201.72	22,107.84
See accompanying notes to the Standalone Financial Statements	1-54		

In terms of our report of even date attached

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

Jitendra Agarwal
Partner
Place: New Delhi
Date: 11 May, 2023

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 00576638)
[Executive Chairman]
Place: Gurugram
Date: 11 May, 2023

Ved Prakash Goel
[Chief Financial Officer]
Place: Gurugram
Date: 11 May, 2023

Vinay Gujral
[Company Secretary]
Place: Gurugram
Date: 11 May, 2023

Dr. Om Prakash Manchanda
(DIN: 002099404)
[Managing Director]
Place: Gurugram
Date: 11 May, 2023

Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 11 May, 2023

Standalone Statement of Profit & Loss

for the year ended March 31st, 2023

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
1. Income			
(a) Revenue from operations	27	17,690.30	18,787.89
(b) Other income	28	466.00	531.00
Total Income		18,156.30	19,318.89
2. Expenses			
(a) Cost of materials consumed	29	3,896.36	4,476.51
(b) Employee benefits expense	30	3,155.00	3,214.38
(c) Finance costs	31	343.83	286.30
(d) Depreciation and amortisation expense	32	820.91	759.44
(e) Fees to collection centers/channel partners		2,664.54	2,740.43
(f) Other expenses	33	3,367.39	3,231.91
Total expenses		14,248.03	14,708.97
3. Profit before tax		3,908.27	4,609.92
4. Tax expense			
(a) Current tax	34	1,014.43	1,184.19
(b) Deferred tax	10	(29.74)	(26.80)
Total tax expense		984.69	1,157.39
5. Profit for the year (A)		2,923.58	3,452.53
6. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss		25.91	(17.68)
- Remeasurement of the defined benefit obligations			
- Income tax in relation to items that will not be reclassified to profit or loss	10	(6.52)	4.45
Total other comprehensive income/ (loss) (B)		19.39	(13.23)
7. Total comprehensive income for the year (A+B)		2,942.97	3,439.30
8. Earnings per equity share	35		
- Basic earnings per share (Face value of ₹ 10 each)		35.28	41.75
- Diluted earnings per share (Face value of ₹ 10 each)		35.17	41.63
See accompanying notes to the Standalone Financial Statements	1-54		

In terms of our report of even date attached

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

Jitendra Agarwal
Partner
Place: New Delhi
Date: 11 May, 2023

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 00576638)
[Executive Chairman]
Place: Gurugram
Date: 11 May, 2023

Dr. Om Prakash Manchanda
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Date: 11 May, 2023

Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 11 May, 2023

Vinay Gujral
[Company Secretary]
Place: Gurugram
Date: 11 May, 2023

Standalone Cash Flow Statement

for the year ended March 31st, 2023

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Cash flows from operating activities			
Profit for the year		2,923.58	3,452.53
Adjustments for :			
Tax expense		984.69	1,157.39
Interest income		(274.67)	(448.82)
Dividend income from a subsidiary company		(120.00)	(16.00)
Gain on sale or fair valuation of investments (at FVTPL)		(48.36)	(20.23)
Provisions/ liabilities written back		-	(36.96)
Surrender value of keyman insurance policy (at FVTPL)		(6.96)	(4.95)
(Profit)/Loss on disposal/discard of property, plant and equipment (net)		(15.04)	(2.71)
Expense recognised in respect of employee share based compensation		212.46	315.13
Finance costs		343.83	286.30
Depreciation and amortisation expense		820.91	759.44
Provision for impairment of trade receivables and advances		15.09	-
Provision for impairment of non current investment in subsidiary		-	48.31
Bad debts / advances written off (net)		2.19	8.54
Security deposits amortisation		7.73	7.73
Remeasurement of the defined benefit obligation		25.91	(17.68)
Operating profit before working capital and other changes		4,871.36	5,488.02
Changes in working capital:			
Adjustment for (increase)/decrease in operating assets:			
(Increase)/decrease in inventories		165.01	(7.55)
(Increase) in trade receivables		19.66	(4.30)
(Increase)/decrease in loans		(2.51)	(1.82)
(Increase)/decrease in other financial assets		6.97	(27.35)
(Increase)/decrease in other assets		6.94	(45.96)
Adjustment for increase/(decrease) in operating liabilities:			
Increase/(decrease) in trade payables		166.82	(121.83)
Increase/(decrease) in other financial liabilities		15.27	37.67
Increase/(decrease) in provisions		26.06	46.14
Increase/(decrease) in other liabilities		(9.01)	69.52
Cash generated from operations		5,266.57	5,432.54
Income taxes paid (net)		(991.26)	(1,175.28)
Net cash generated from operating activities (a)		4,275.31	4,257.26
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(317.05)	(630.92)
Proceeds from disposal of property, plant and equipment		0.90	3.89
Payments for purchase of other intangible assets		(62.65)	(54.43)
Dividend received from a subsidiary company		120.00	16.00
Interest received		274.48	478.61
Net cash outflow for investment in subsidiaries		(219.51)	(9,417.41)
Payments for purchase of investments in mutual funds		(3,075.59)	(3,161.34)
Proceeds from sale of investments in mutual funds		1,710.15	3,683.71
Bank deposits placed with the banks		(6,765.05)	(4,194.20)
Bank deposits with banks encashed		5,449.61	8,790.75
Net cash used in investing activities (b)		(2,884.71)	(4,485.34)

Standalone Cash Flow Statement

for the year ended March 31st, 2023

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Cash flows from financing activities			
Proceeds from exercise of share options		8.72	1.38
Repayment of application money received at the time of IPO		1.43	-
Repayment of borrowings		(1,087.52)	-
Proceeds from borrowings		-	3,454.23
Interest paid		(151.87)	(102.26)
Repayment of lease liability		(285.15)	(598.90)
Interest paid on lease liability		(191.96)	(185.08)
Dividend paid on equity shares including dividend tax		(994.13)	(1,156.96)
Net cash flow (used in)/from financing activities (c)		(2,700.48)	1,412.41
Net increase in cash and cash equivalents (a+b+c)		(1,309.88)	1,184.33
Cash and cash equivalents at the beginning of the year	15a	3,513.06	2,328.73
Cash and cash equivalents at the end of the year	15a	2,203.18	3,513.06
Components of cash and cash equivalents			
Cash on hand		8.52	10.20
Balance with scheduled banks:			
-on current accounts		43.84	52.43
-on cash credit accounts		4.86	21.87
-deposits with maturity of less than 3 months		2,145.96	3,428.56
Cash and cash equivalents in Cash Flow Statement	15a	2,203.18	3,513.06
See accompanying notes to the Standalone Financial Statements	1-54		

In terms of our report of even date attached

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

Jitendra Agarwal
Partner
Place: New Delhi
Date: 11 May, 2023

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 00576638)
[Executive Chairman]
Place: Gurugram
Date: 11 May, 2023

Dr. Om Prakash Manchanda
(DIN: 002099404)
[Managing Director]
Place: Gurugram
Date: 11 May, 2023

Ved Prakash Goel
[Chief Financial Officer]
Place: Gurugram
Date: 11 May, 2023

Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 11 May, 2023

Vinay Gujral
[Company Secretary]
Place: Gurugram
Date: 11 May, 2023

Standalone Statement of Changes In Equity

for the year ended 31 March, 2023

a. Equity share capital

Particulars	(in ₹ million, unless otherwise stated)	Amount
Balance as at 1 April, 2021		833.45
Add/(Less): Changes in equity share capital due to prior period errors		-
Equity share capital issued against share options		-
Balance as at 31 March, 2022		833.45
Balance as at 1 April, 2022		833.45
Add/(Less): Changes in equity share capital due to prior period errors		-
Equity share capital issued against share options		0.23
Balance as at 31 March, 2023		833.68

b. Other equity

(in ₹ million, unless otherwise stated)

Particulars	Capital reserve	Capital redemption reserve account	Securities premium	General reserve	Share options outstanding account	Treasury shares	Retained earnings	Total other equity
Balance as at 1 April, 2021	(105.25)	4.45	927.95	701.59	398.00	(200.03)	9,555.62	11,282.33
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	3,452.53	3,452.53
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	(13.23)	(13.23)
Total comprehensive income for the year	-	-	-	-	-	-	3,439.30	3,439.30
Movement during the year on account of issue of equity shares	-	-	-	-	-	-	-	-
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(1,157.05)	(1,157.05)
Share options exercised during the year (Refer to note 20 and 45)	-	-	-	108.42	(145.35)	38.31	-	1.38
Employee share based compensation expense (Refer to note 30)	-	-	-	-	321.75	-	-	321.75
Balance as at 31 March, 2022	(105.25)	4.45	927.95	810.01	574.40	(161.72)	11,837.87	13,887.71
Balance as at 1 April, 2022	(105.25)	4.45	927.95	810.01	574.40	(161.72)	11,837.87	13,887.71

Standalone Statement of Changes In Equity

for the year ended 31 March, 2023

b. Other equity (Contd..)

(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
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	2,923.58
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	19.39
Total comprehensive income for the year	-	-	-	-	-	-	2,942.97
Movement during the year on account of issue of equity shares	-	-	6.93	-	-	-	6.93
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(994.25)
Share options exercised during the year (Refer to note 20 and 45)	-	-	-	172.62	(206.67)	43.19	-
Employee share based compensation expense (Refer to note 30)	-	-	-	-	212.46	-	-
Balance as at 31 March, 2023	(105.25)	4.45	934.88	982.63	580.19	(118.53)	13,786.59
							16,064.96

See accompanying notes to the Standalone Financial Statements

1-54

In terms of our report of even date attached

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

Jitendra Agarwal
Partner
Place: New Delhi
Date: 11 May, 2023

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 00576638)
[Executive Chairman]
Place: Gurugram
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Dr. Om Prakash Manchanda
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Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 11 May, 2023

Vinay Gujral
[Company Secretary]
Place: Gurugram
Date: 11 May, 2023

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 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). Accordingly, the comparative figures as at and for the year ended March 31, 2022, included in these financial statements are restated to give effect of the Scheme of Amalgamation, 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 categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

2.3 Revenue recognition

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

Effective 1 April, 2018, the Company had adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 had been insignificant.

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

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.

Notes to the Standalone Financial Statements

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 27.

The Company disaggregates revenue from contracts with customers by geography.

2.4 Leasing

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

2.4.1 The Company as lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2.4.2 The Company as lessee

On 1 April, 2019, The Company had adopted Ind AS 116 "Leases" using the modified retrospective approach by applying the standard to all leases existing at the date of initial application. The Company also elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option ("short-term leases") and lease contracts for which the underlying asset is of low value other than land. ("low value assets").

The standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves use of an identified asset, (ii) the Company has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company as a lessee

The Company determines whether an arrangement is a lease at contract inception by establishing if the contract conveys the right to control the use of

identified asset for a period of time in exchange for consideration. On commencement date, it recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short term leases and low value assets. For these short-term and low value leases, the Company recognises the lease payments on straight-line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

The ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at present value of the future lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if it is not readily determinable, using the incremental borrowing rate. For leases with similar characteristics, the Company, on a lease by lease basis, adopts either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The interest cost on lease liability (computed using effective interest method), is expensed in the Statement of Profit and Loss.

ROU assets and lease liability includes the options to extend / terminate the lease before the end of the lease term when it is reasonably certain that this option will be exercised.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments have been classified as financing cash flows.

2.5 Functional and presentation currency

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

2.6 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

Notes to the Standalone Financial Statements

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 Standalone Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

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

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

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

The gratuity benefit obligation recognised in the Standalone Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is

limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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

Short-term employee benefits

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

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

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

Long-term employee benefits

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

2.7 Taxation

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

2.7.1 Current tax

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

Effective 1 April, 2019, the Company has adopted Appendix C to Ind AS 12 – Income taxes, which clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments.

2.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Notes to the Standalone Financial Statements

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

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

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

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

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

2.7.3 Current and deferred tax for the year

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

2.8 Property, plant and equipment

2.8.1 Property, plant and equipment acquired separately

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

The cost of Property, plant and equipment (PPE) comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, present value of decommissioning costs (where there is a

legal or constructive obligation to decommission) and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

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

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

2.8.2 Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements

2.8.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill such as trademark, non-compete fee and customer relationship are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Significant estimates are required to be made in determining the value of these intangible assets as per Ind AS 103. These valuations are conducted by independent valuation experts. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.8.4 Deemed cost on transition to Ind AS

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

2.8.5 Derecognition of tangible asset

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

2.9 Intangible assets

2.9.1 Intangible assets acquired separately

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

2.9.2 Amortisation methods and useful lives

Trademarks and softwares are amortised on a straight-line basis over its estimated useful life i.e 5 years. An intangible asset is derecognised when no future economic benefits are expected from use.

2.9.3 Deemed cost on transition to Ind AS

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

2.9.4 Derecognition of intangible asset

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

2.10 Impairment of tangible and intangible assets other than goodwill

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

2.11 Inventories

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

Notes to the Standalone Financial Statements

2.12 Provisions, contingent liability and contingent asset

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

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

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

Contingent liabilities are disclosed in the Standalone 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 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.

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

Notes to the Standalone Financial Statements

collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.14.3 Financial assets at fair value through other comprehensive income

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

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

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

2.14.5 Investments in subsidiaries

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

2.14.6 Foreign exchange gain and losses

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

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

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

2.14.7 Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit

losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

2.14.8 Derecognition of financial assets

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

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

2.14.9 Income recognition

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

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

2.15 Financial liabilities and equity instruments

2.15.1 Classification of debt or equity

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

2.15.2 Equity instruments

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

2.15.3 Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement

Notes to the Standalone Financial Statements

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

2.16 Finance costs

Finance costs comprise interest cost on borrowings, lease liabilities and net defined benefit liability, gains or losses arising on re-measurement of financial assets measured at FVTPL, gains/ (losses), net, on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

2.17 Goodwill

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

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

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

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

2.18 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 45.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.19 Earnings per share

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

2.20 Operating cycle

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

Notes to the Standalone Financial Statements

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).

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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements -

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Standalone Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone Financial Statements.

Ind AS 12 - Income Taxes -

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone Financial Statement.

Notes to the Standalone Financial Statements

Note 3a: Property, plant and equipment

(Refer to Note 2.8)

Particulars	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2023	As at 31 March, 2022
Carrying amounts of:		
Freehold land	109.57	109.57
Freehold buildings	11.46	12.74
Leasehold buildings	286.61	312.73
Plant and equipment	910.07	905.69
Computers	67.23	77.99
Furniture and fixtures	27.93	30.14
Vehicles	17.78	25.84
Leasehold improvements	229.93	196.17
	1,660.58	1,670.87
Capital work-in-progress	29.67	144.48
	1,690.25	1,815.35

	Freehold land	Freehold buildings	Leasehold buildings	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost or deemed cost									
Balance as at 1 April, 2021	109.57	18.14	505.93	1,329.17	317.18	70.10	37.71	362.12	2,749.92
Additions	-	0.52	1.21	421.67	45.29	21.08	15.40	84.67	589.84
Disposals/ adjustments	-	-	-	(5.53)	(0.66)	(1.27)	(8.22)	(0.46)	(16.14)
Balance as at 31 March, 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
Accumulated depreciation									
Balance as at 1 April, 2021	-	-	160.10	645.00	235.48	49.31	20.79	199.08	1,313.90
Elimination on disposal of assets	-	-	(5.51)	(5.51)	(0.66)	(1.27)	(7.06)	(0.46)	(14.96)
Depreciation expense	-	1.78	34.31	200.13	49.00	11.73	5.32	51.54	353.81
Balance as at 31 March, 2022	-	5.92	194.41	839.62	283.82	59.77	19.05	250.16	1,652.75
Elimination on disposal 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
Carrying amount									
Balance as at 1 April, 2021	109.57	14.00	345.83	684.17	81.70	20.79	16.92	163.04	1,436.02
Additions	-	0.52	1.21	421.67	45.29	21.08	15.40	84.67	589.84
Disposals/adjustments	-	-	-	(0.02)	-	-	(1.16)	-	(1.18)
Depreciation expense	-	(1.78)	(34.31)	(200.13)	(49.00)	(11.73)	(5.32)	(51.54)	(353.81)
Balance as at 31 March, 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

Notes:

- The Company had not revalued its property, plant and equipment during the year ended 31 March, 2023 and 31 March, 2022
- Refer note 49 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
Gross carrying value			
Balance as at 1 April, 2021	160.26	1,833.00	1,993.26
Additions	-	434.60	434.60
Disposals	-	(2.08)	(2.08)
Balance as at 31 March, 2022	160.26	2,265.52	2,425.78
Additions	-	398.12	398.12
Disposals	-	(110.56)	(110.56)
Balance as at 31 March, 2023	160.26	2,553.08	2,713.34
Accumulated depreciation			
Balance as at 1 April, 2021	3.28	580.74	584.02
Elimination on disposals of assets	-	-	-
Depreciation expense	1.64	332.62	334.26
Balance as at 31 March, 2022	4.92	913.36	918.28
Elimination on disposals of assets	-	-	-
Depreciation expense	1.64	346.30	347.94
Balance as at 31 March, 2023	6.56	1,259.66	1,266.22
Net carrying value			
Balance as at 1 April, 2021	156.98	1,252.26	1,409.24
Additions	-	778.61	778.61
Disposals	-	(2.08)	(2.08)
Depreciation expense	(1.64)	(332.62)	(334.26)
Balance as at 31 March, 2022	155.34	1,696.17	1,851.51
Additions	-	398.12	398.12
Disposals	-	(110.56)	(110.56)
Depreciation expense	(1.64)	(346.30)	(347.94)
Balance as at 31 March, 2023	153.70	1,637.43	1,791.13

Notes:

- The Company had not revalued its right-of use assets during the year ending 31 March, 2023 and 31 March, 2022
- Refer to note 49 in respect of immovable properties that have been taken on lease and the lease agreements are not duly executed in favour of the Company.

Note 3c: Capital-Work-in Progress ('CWIP)

(a) CWIP ageing schedule

CWIP Ageing Schedule

(in ₹ million, unless otherwise stated)

	As at 31 March , 2023	As at 31 March , 2022
Projects in progress		
- Less than 1 year	29.67	144.48
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(A)	29.67	144.48
Projects temporarily suspended		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(B)	-	-
Total (A+B)	29.67	144.48

- (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 4: Goodwill

(Refer to note 2.17)

(in ₹ million, unless otherwise stated)

	As at 31 March , 2023	As at 31 March , 2022
Cost or deemed cost	10.80	10.80
Accumulated impairment loss	-	-
	10.80	10.80

	Year ended 31 March, 2023	Year ended 31 March, 2022
Cost or deemed cost		
Balance at the beginning of year	10.80	10.80
Additions on account of acquisitions	-	-
	10.80	10.80

	Year ended 31 March, 2023	Year ended 31 March, 2022
Accumulated impairment loss		
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
	-	-

The Company had, in the earlier years purchased the business of "Dr.Bhanudas Yashwant Shinagare" engaged in the business of providing pathological diagnostics services in Pune, on a going concern basis for a purchase consideration of ₹ 15.00 million (including goodwill of ₹ 10.80 million).

Impairment of goodwill

For the purpose of impairment testing, goodwill has been allocated to the cash generating unit - 'Labs CGU'. The recoverable amount of cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial forecasts covering a five-year period, and a discount rate of 12.50% per annum (as at 31 March, 2022: 14.50% per annum).

Cash flow projections during the forecast period are based on the same expected gross margins and inflation throughout the forecast period. The cash flows beyond that five-year period have been extrapolated using a steady growth rate of 5% per annum (as at March 31, 2022: 10% per annum;), which is the projected long-term average growth rate for Labs CGU. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. Based on impairment testing as above, the management believes that the recoverable amounts of goodwill are higher than their respective carrying amounts and hence no amounts are required to be recorded for impairment in the carrying amounts of goodwill.

Note 5: Other intangible assets

(in ₹ million, unless otherwise stated)

	As at 31 March , 2023	As at 31 March , 2022
Carrying amounts of :		
Computer software	150.80	174.27
Trademarks	1.45	2.03
	152.25	176.30
Intangible assets under development	19.71	-
	171.96	176.30

Notes to the Standalone Financial Statements

Note 5: Other intangible assets (Contd..)

	Computer software	Trademarks	Total
Cost or deemed cost			
Balance as at 1 April, 2021	463.80	14.06	477.86
Additions	89.21	-	89.21
Disposals	-	-	-
Balance as at 31 March, 2022	553.01	14.06	567.07
Additions	42.94	-	42.94
Disposals	-	-	-
Balance as at 31 March, 2023	595.95	14.06	610.01
Accumulated amortisation			
Balance as at 1 April, 2021	307.94	11.45	319.39
Amortisation expense	70.80	0.58	71.38
Elimination on disposals of assets	-	-	-
Balance as at 31 March, 2022	378.74	12.03	390.77
Amortisation expense	66.41	0.58	66.99
Elimination on disposals of assets	-	-	-
Balance as at 31 March, 2023	445.15	12.61	457.76
Carrying amount			
Balance as at 1 April, 2021	155.86	2.61	158.47
Additions	89.21	-	89.21
Amortisation expense	(70.80)	(0.58)	(71.38)
Balance as at 31 March, 2022	174.27	2.03	176.30
Additions	42.94	-	42.94
Amortisation expense	(66.41)	(0.58)	(66.99)
Balance as at 31 March, 2023	150.80	1.45	152.25

Note: The Company had not revalued its Intangible Assets during the year ending 31 March, 2023 and 31 March, 2022

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 , 2023	As at 31 March , 2022
Projects in progress		
- Less than 1 year	19.71	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(A)	19.71	-
Projects temporarily suspended		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(B)	-	-

Notes to the Standalone Financial Statements

Financial assets (non-current)

Note 6: Investments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
In Shares (unquoted)		
In subsidiary companies		
12,800 (31 March, 2022: 12,800) equity shares of ₹ 10 each fully paid up in Paliwal Diagnostics Private Limited.	129.48	129.48
8,000 (31 March, 2022: 8,000) equity shares of ₹ 10 each fully paid up in Paliwal Medicare Private Limited.	52.18	52.18
4,022,668 (31 March, 2022: 39,79,793) equity shares of ₹ 10 each fully paid up in Suburban Diagnostics (India) Private Limited (Refer to note 41)	9,590.91	9,488.69
400,000 (31 March, 2022: 400,000) equity shares of NPR 100 each fully paid up in Dr Lal PathLabs Nepal Private Limited.	25.05	25.05
276,811 (31 March, 2022: 276,811) equity shares of BDT 100 each fully paid up in Dr. Lal PathLabs Bangladesh Private Limited.	42.67	42.67
1,000,000 (31 March, 2022: 1,000,000) equity shares of ₹ 10 each fully paid up in Dr. Lal Ventures Private Limited.	10.00	10.00
71,307,692 (31 March, 2022: 69,576,923) equity shares of ₹ 10 each fully paid up in PathLabs Unifiers Private Limited (Refer to note 39)	870.00	870.00
69,953 (31 March, 2022: 68,478) equity shares of KES 1000 each fully paid up in Dr. Lal PathLabs Kenya Private Limited (Refer to note 40)	48.31	48.31
Less: Provision for impairment (Refer to note 40b)	(48.31)	(48.31)
	10,720.29	10,618.07
Aggregate carrying value of unquoted investments	10,720.29	10,618.07
Aggregate amount of impairment in value of investments	48.31	48.31

Note 7: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Loans to employees (unsecured, considered good)*	0.56	1.07
	0.56	1.07

*includes loan given to related parties, refer to note 50

Note 8: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Security deposits	59.24	49.93
Surrender value of keyman insurance policy	41.64	36.89
Non-current bank balances*	148.50	57.36
Interest accrued on loans, fixed deposits and others	0.10	2.58
	249.48	146.76

* 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 , 2023	As at 31 March , 2022
Tax assets		
Taxes paid (net)	130.34	178.57
Tax liabilities		
Income tax payable (net)	(4.92)	(29.98)
	125.42	148.59

Note 10: Deferred tax assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Deferred tax assets	345.78	311.58
Deferred tax liabilities	(20.26)	(9.28)
	325.52	302.30

(in ₹ million, unless otherwise stated)

2022-23	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Deferred tax assets on:				
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
Deferred tax liabilities on:				
Surrender value of keyman insurance policy	(9.28)	(1.20)	-	(10.48)
Fair valuation gains on mutual funds	-	(9.78)	-	(9.78)
Total	302.30	29.74	(6.52)	325.52

(in ₹ million, unless otherwise stated)

2021-22	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Deferred tax assets on:				
Property, plant and equipment	129.23	24.83	-	154.06
Short-term provisions- compensated absences	27.74	(4.38)	-	23.36
Short-term provisions- gratuity	12.58	11.53	4.45	28.56
Provision for impairment of trade receivables, advances	53.05	(11.78)	-	41.27
Disallowed expenditure	57.92	6.41	-	64.33
Deferred tax liabilities on:				
Surrender value of keyman insurance policy	(8.54)	(0.74)	-	(9.28)
Fair valuation gains on mutual funds	(0.93)	0.93	-	-
Total	271.05	26.80	4.45	302.30

Notes to the Standalone Financial Statements

Note 11: Other non-current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital advances	8.53	13.51
Advances to related parties (corpus) (Refer to note 50)	0.24	0.24
Others	0.89	0.23
	9.66	13.98

Note 12: Inventories

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Reagents, chemicals, surgicals and laboratory supplies	231.51	390.30
Stores and others	1.85	8.07
	233.36	398.37

The Company's business does not involve any conversion process for materials. Reagents and chemicals are used to conduct various pathology and radiology tests and are consumed in the process. The mode of valuation of inventories has been stated in note 2.11.

Financial assets (current)

Note 13: Investments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investment in mutual funds (unquoted) carried at fair value through profit or loss		
UTI Liquid Cash Plan Direct Growth 16,699.01 (31 March, 2022: Nil) units of ₹ 1,000 each	61.61	-
Axis Liquid Fund Direct Growth 62,337.01 (31 March, 2022: Nil) units of ₹ 1,000 each	155.90	-
Axis Money Market Fund Direct Plan Growth 143,247.07 (31 March, 2022: Nil) units of ₹ 1000 each	174.42	-
Invesco India Money Market fund Direct Plan Growth 38,009.56 (31 March, 2022: Nil) units of ₹ 1,000 each	101.45	-
Invesco India Liquid fund Direct Growth 41,784.26 (31 March, 2022: Nil) units of ₹ 1,000 each	129.12	-
Mahindra Manulife Liquid fund Direct Growth 67,441.59 (31 March, 2022: Nil) units of ₹ 1,000 each	98.78	-
Kotak Money Market Fund Direct Growth 13,519.05 (31 March, 2022: Nil) units of ₹ 1,000 each	51.76	-
SBI Savings Fund Direct Plan Growth 30,35,157.26 (31 March, 2022: Nil) units of ₹ 10 each	114.03	-
JM Liquid Fund Direct Growth 11,84,069.07 (31 March, 2022: Nil) units of ₹ 10 each	72.87	-
Nippon India Money Market Fund Direct Growth 72,376.83 (31 March, 2022: Nil) units of ₹ 1,000 each	256.76	-
HDFC Money Market Fund Direct Plan Growth Option 40,047.84 (31 March, 2022: Nil) units of ₹ 1,000 each	197.10	-
Total	1,413.80	-

Notes to the Standalone Financial Statements

Note 14: Trade receivables

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Trade receivables		
Secured, considered good	174.45	160.54
Unsecured, considered good	458.79	509.64
Credit impaired	161.03	161.03
	794.27	831.21
Less: Allowance for doubtful debts (expected credit loss allowance)	(161.03)	(161.03)
	633.24	670.18

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 , 2023	As at 31 March , 2022
0-90 days	534.18	581.97
90-180 days	116.22	116.22
180-360 days	68.76	48.78
More than 360 days	75.11	84.24
	794.27	831.21

Movement in the expected credit loss allowance	As at 31 March , 2023	As at 31 March , 2022
Balance at beginning of the year	161.03	199.21
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	(38.18)
Balance at end of the year	161.03	161.03

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

Note 14: Trade receivables (Contd..)

Trade receivables ageing schedule

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Undisputed trade receivables, considered good		
- Less than 6 months	629.43	662.20
- 6 months - 1 year	3.81	7.98
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	633.24	670.18
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	20.97	35.99
- 6 months - 1 year	64.95	39.88
- 1-2 years	64.70	76.73
- 2-3 years	-	-
- More than 3 years	-	-
	150.62	152.60
	(A) 783.86	822.78
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	-	0.92
- 1-2 years	0.39	7.51
- 2-3 years	10.02	-
- More than 3 years	-	-
	10.41	8.43
	(B)	
Total (A+B)	794.27	831.21

Notes to the Standalone Financial Statements

Note 15a: Cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Balances with banks		
- in current accounts	43.84	52.43
- in cash credit accounts*	4.86	21.87
Deposit with maturity of less than 3 months **	2,145.96	3,428.56
Cash on hand	8.52	10.20
Total	2,203.18	3,513.06

*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 , 2023	As at 31 March , 2022
Balance in unclaimed dividend accounts	1.03	0.91
Balance in escrow account*	-	1.43
Deposit with banks held as margin money deposits against guarantees	9.46	11.61
Deposit with maturity of 3-12 months **	3,128.50	1,902.04
Total	3,138.99	1,915.99

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

** Refer note 22 for disclosure of assets held as security.

Note 16: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Loans to employees*	12.39	9.37
Total	12.39	9.37

*includes loan given to related parties, refer to note 50

Note 17: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Deposit with others	132.47	137.48
Interest accrued on deposits	181.40	188.18
Total	313.87	325.66

Note 18: Other current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Balances with government authorities	3.77	3.43
Advances to suppliers	14.80	18.12
Other advances	6.85	6.44
Other receivables from related party	14.19	6.61
Prepaid expenses	112.43	113.44
Prepaid rent	0.86	12.46
Total	152.90	160.50

Notes to the Standalone Financial Statements

Financial liabilities

Note 19: Equity share capital

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Equity share capital	833.68	833.45
Authorised		
107,960,000 equity shares of ₹ 10 each (as at 31 March, 2022: 107,960,000 equity shares of ₹ 10 each)*	1,079.60	1,079.60
Issued, subscribed and fully paid-up		
83,367,877 equity shares of ₹ 10 each (as at 31 March, 2022: 83,344,877 equity shares of ₹ 10 each)	833.68	833.45

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, 2023 and 31 March, 2022 is set out below:

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023		As at 31 March , 2022	
	Number of shares	Amount	Number of shares	Amount
Equity share capital				
At the beginning of the year	8,33,44,877	833.45	8,33,44,877	833.45
Issued during the year	23,000	0.23	-	-
Others				
Outstanding at the end of the year	8,33,67,877	833.68	8,33,44,877	833.45

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

Particulars	As at 31 March , 2023		As at 31 March , 2022	
	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	2,64,15,443	31.69%	2,64,15,443	31.69%
(ii) Dr Vandana Lal	1,60,82,327	19.29%	1,60,82,327	19.30%

(iii) Details of shares held by Promoters*

Particulars	As at 31 March , 2023		As at 31 March , 2022		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
(i) Dr Arvind Lal	2,64,15,443	31.69%	2,64,15,443	31.69%	0%
(ii) Dr Vandana Lal	1,60,82,327	19.29%	1,60,82,327	19.30%	0%
(iii) Archana Lal Erdmann	18,43,751	2.21%	18,43,751	2.21%	0%
(iv) Anjaneya Lal	16,89,614	2.03%	16,89,614	2.03%	0%

* 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 31 March , 2023	As at 31 March , 2022
Proposed dividend on equity shares for the year ended on 31 March 2023: ₹ 6 per share (31 March 2022: ₹ 6 per share)	500.21	500.07
	500.21	500.07

(vi) There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date including the current year.

(vii) Share options granted under the Company's employee share options plans

- The shareholders of the Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2010' ('ESOP 2010') at the Annual General Meeting held on 20 August, 2010 to grant a maximum of 3,808,960 options (after considering bonus shares issued during the previous year and subdivision of shares of ₹ 100 each into 10 shares of ₹ 10 each) to specified categories of employees of the Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. As per resolution passed on 21 August, 2015, the Company approved to cease further grants under the ESOP 2010. Refer to note 45 for details of options granted, vested and issued under the ESOP 2010.
- The shareholders of the Company approved 'Dr. Lal PathLabs Employees Restricted Stock Unit Plan 2016' ('RSU 2016') at the Annual General Meeting held on 28 July, 2016 to grant a maximum of 1,244,155 Restricted Stock Units ("RSUs") to key employees and directors of the Company and its subsidiaries. Each RSU granted and vested shall entitle the holder to acquire 1 equity share of ₹ 10 each. Refer to note 45 for details of RSUs granted, vested and issued under RSU 2016.
- 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 1,250,278 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 31 March , 2023	As at 31 March , 2022
General reserve	982.63	810.01
Securities premium	934.88	927.95
Share option outstanding account	580.19	574.40
Retained earnings	13,786.59	11,837.87
Capital redemption reserve account	4.45	4.45
Treasury shares	(118.53)	(161.72)
Capital reserve	(105.25)	(105.25)
Total	16,064.96	13,887.71

(i) General reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	810.01	701.59
Addition on share options exercised*	172.62	108.42
Balance at the end of the year	982.63	810.01

Represents difference between the employee share based compensation cost booked and the average cost of equity shares issued under the share options scheme to the eligible employees of the Company and its subsidiaries.

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

Notes to the Standalone Financial Statements

Note 20: Other equity (Contd..)

(ii) Securities premium

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	927.95	927.95
Additions during the year	6.93	-
Balance at the end of the year	934.88	927.95

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(iii) Share option outstanding account

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	574.40	398.00
Compensation options granted during the year	212.46	321.75
Options exercised/adjusted	(206.67)	(145.35)
Balance at the end of the year	580.19	574.40

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, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	11,837.87	9,555.62
Profit for the year	2,923.58	3,452.53
Remeasurement of defined benefit obligation, net of income tax	19.39	(13.23)
Less: Appropriations		
Final dividend on equity shares ₹ 6.00 per share for the year ended 31 March 2022	(497.10)	-
Interim dividend on equity shares ₹ 6.00 per share (Previous year ₹ 14 per share)	(497.15)	(1,157.05)
Balance at the end of the year	13,786.59	11,837.87

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 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 share for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

(v) Capital redemption reserve account

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	4.45	4.45
Additions during the year	-	-
Balance at the end of the year	4.45	4.45

The Company in the previous years had bought back its equity shares and as per requirement of erstwhile section 77 of Companies Act, 1956, nominal value of the shares so purchased was transferred to the capital redemption reserve account.

Notes to the Standalone Financial Statements

Note 20: Other equity (Contd..)

(vi) Treasury shares

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	(161.72)	(200.03)
Change during the year	43.19	38.31
Balance at the end of the year	(118.53)	(161.72)

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, 2023 aggregated to 427,299 equity shares (31 March, 2022: 582,964 equity shares) of face value ₹ 10 each.

(vii) Capital reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	(105.25)	(105.25)
Balance at the end of the year	(105.25)	(105.25)

₹ 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.

Financial liabilities- non-current

Note 21: Borrowings

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Term loans from Banks		
Secured		
HDFC Bank Limited (HDFC)	833.34	1,666.67
Total	833.34	1,666.67
Current maturities of long-term borrowings (included in note 22)	833.33	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

Notes to the Standalone Financial Statements

Note 21: Borrowings (Contd..)

ii) Terms of repayment and interest rate

Term loan from HDFC Bank Limited (including current maturities) is repayable in 36 quarterly installments of ₹ 208.33 Million starting from May 2022 and ending on March 2025, with put call option (applicable after 6 months) and carries interest which is linked to 3 month T-Bill and presently the effective rate is 7.03% 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 31 March , 2023	As at 31 March , 2022
Current maturities of long term borrowings (Refer note 21)	833.33	833.33
Bank overdraft	700.04	954.23
Total	1,533.37	1,787.56

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 31 March , 2023	As at 31 March , 2022
Total outstanding dues of micro enterprises and small enterprises	60.54	73.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,341.02	1,161.29
Total	1,401.56	1,234.74

Trade payables are non- interest bearing and are normally settled within a period of 30 days.

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is ₹ 60.54 million (₹ 73.45 million on 31 March, 2022) 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

Note 23: Trade payables (Contd..)

Trade payables ageing schedule

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Outstanding dues of micro enterprises and small enterprises		
- Less than 1 year	60.54	73.45
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	60.54	73.45
Outstanding disputed dues of micro enterprises and small enterprises		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(A)	60.54	73.45
Outstanding dues of other than micro enterprises and small enterprises		
- Less than 1 year	675.22	589.98
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	675.22	589.98
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)	675.22	589.98
Unbilled dues	(C)	
	665.80	571.31
Total (A+B +C)	1,401.56	1,234.74

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 , 2023	As at 31 March , 2022
a. Amounts payable to suppliers under MSMED (suppliers) as on last day		
Principal	60.54	73.45
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 31 March , 2023	As at 31 March , 2022
Payable towards capital goods	54.38	91.87
Creditors against business purchase	-	117.29
Share application money refundable	-	1.43
Security deposits received	372.62	356.16
Other payables	1.59	1.35
Total	428.59	568.10

Note 25: Provisions

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Provision for employee benefits		
- Provision for compensated absences	89.62	92.83
- Provision for gratuity (Refer note 43)	142.78	113.51
Total	232.40	206.34

Note 26: Other current liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Advances from customers	97.42	94.71
Statutory dues	96.22	111.00
Unearned revenue	84.54	84.43
Deferred revenue	2.95	-
Total	281.13	290.14

Note 27: Revenue from operations

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March , 2023	Year ended 31 March , 2022
Sale of services	17,687.91	18,786.60
Other operating revenues	2.39	1.29
Total	17,690.30	18,787.89

Revenue disaggregation as per geography has been included in segment information (Refer to note 38).

(i) The Company generates its entire revenue from contracts with customers for the services at a point in time. The Company is engaged mainly in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations.

(ii) Transaction price allocated to the remaining performance obligations

The Company has applied practical expedient in Ind AS 115 and has accordingly not disclosed information about remaining performance obligations which are part of the contracts that have original expected duration of one year or less and where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

Notes to the Standalone Financial Statements

Note 27: Revenue from operations (Contd..)

iii) Disclosure of contract balances

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Trade receivables (Refer to note 14)	633.24	670.18
Advances from customers (Refer to note 26)	97.42	94.71
Unearned revenue (Refer to note 26)	84.54	84.43

iv) Movement in contract liabilities during the year:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at beginning of the year	84.43	85.76
Add: Addition during the year	84.54	84.43
Less: Deletion during the year	(84.43)	(85.76)
Balance at end of the year	84.54	84.43

Note 28: Other income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a) Interest income from		
- Bank deposits (at amortised cost)	265.22	438.73
- Income-tax refund	-	0.64
- Others	9.45	9.45
b) Dividend income from		
- Dividend income from a subsidiary company	120.00	16.00
c) Others		
- Gain on sale or fair valuation of investments (at FVTPL)	48.36	20.23
- Surrender value of keyman insurance policy (at FVTPL)	6.96	4.95
- Profit on disposal of property, plant and equipment (net)	15.04	2.71
- Provisions/ liabilities written back	-	36.96
- Miscellaneous non operating income	0.97	1.33
	466.00	531.00

Note 29: Cost of materials consumed

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventories at the beginning of the year	390.30	382.75
Add : Purchases	3,737.57	4,484.06
Less : Inventories at the end of the year	(231.51)	(390.30)
Total	3,896.36	4,476.51

Note 30: Employee benefits expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries, wages and bonus	2,706.39	2,679.93
Employee share based compensation (Net of reimbursement)	212.46	315.13
Contribution to provident and other funds	107.85	110.26
Gratuity expense (Refer to Note 43)	55.14	47.33
Staff welfare expenses	73.16	61.73
Total	3,155.00	3,214.38

Notes to the Standalone Financial Statements

Note 31: Finance costs

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest on lease liability	191.96	185.08
Interest on:		
- Term loan	119.05	12.05
- overdraft facilities	16.70	88.41
Interest others [Including tax deducted at source Nil (31 March 2022: ₹ 0.76 million)]	16.12	0.76
Total	343.83	286.30

Note 31a : 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 *	
Borrowings					
Non-current borrowings	833.34	(833.33)	-	-	1,666.67
Current borrowings	1,533.37	(254.19)	-	-	1,787.56
Lease liabilities					
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
Total liabilities from financing activities	3,954.48	(1,879.03)	778.60	(2.47)	5,057.38

* 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, 2022	Cash flows	Non cash changes		As at 31 March, 2021
			New leases	Other *	
Borrowings					
Non-current borrowings	1,666.67	1,666.67	-	-	-
Current borrowings	1,787.56	1,787.56	-	-	-
Lease liabilities					
Non-current lease liabilities	1,209.64	(494.90)	664.28	(2.47)	1,042.73
Current lease liabilities	393.51	(104.00)	114.32	-	383.19
Total liabilities from financing activities	5,057.38	2,855.33	778.60	(2.47)	1,425.92

* the effect of derecognition of lease liabilities.

Note 32: Depreciation and amortisation expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation of property, plant and equipment	405.98	353.80
Depreciation of right-of-use assets	347.94	334.26
Amortisation of intangible assets	66.99	71.38
Total	820.91	759.44

Notes to the Standalone Financial Statements

Note 33: Other expenses

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Electricity and water charges	213.07	196.57
Rent	127.96	134.48
Rates and taxes	11.94	11.25
Insurance	73.60	66.34
Repairs and maintenance		
- Building	34.09	33.86
- Plant and equipment	103.82	85.41
- Others	500.95	386.64
Advertisement and sales promotion	426.91	324.72
Travelling and conveyance	374.46	338.63
Postage and courier	497.53	510.20
Communication costs	47.63	63.72
Commission to directors	13.45	10.38
Printing and stationery	126.50	115.78
Retainership fees to technical consultants	138.11	117.44
Director sitting fees	5.96	7.26
Legal and professional charges	123.74	294.10
Laboratory test charges	140.67	72.55
Payment to auditors (Refer note below)	14.72	10.93
Donation other than to political parties	0.70	0.47
Corporate social responsibility expense (Refer note 42)	75.92	66.07
Provision for impairment of trade receivables and advances	15.09	-
Bad debts / advances written off (net)	2.19	8.54
Miscellaneous expenses	298.38	328.26
Total	3,367.39	3,231.91

Note:

- (i) Payments to the auditors comprise *

As auditors:

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Audit fees	8.42	7.63
Limited review	1.77	1.77
Tax audit fees	3.30	0.59
Other services	0.30	0.30
Reimbursement of expenses	0.93	0.65
Total	14.72	10.93

*including indirect taxes and Nil (31 March, 2022, ₹ 0.14 million) paid to auditors of the Transferor Company (Refer to note 42A).

Notes to the Standalone Financial Statements

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% (2021-22: 22%) plus a surcharge and education cess. The combined Indian statutory tax rate for the fiscal year 2021-22 and for the fiscal year 2022-23 was 25.168%.

Income tax returns submitted by companies are regularly subjected to a comprehensive review and challenge by the tax authorities.

Note 34.1: Income tax recognised in Statement of Profit And Loss

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Current tax		
In respect of the current year	1,015.15	1,214.57
In respect of the prior years	(0.72)	(30.38)
	1,014.43	1,184.19
Deferred tax		
In respect of the current year	(42.92)	(52.60)
In respect of the prior years	13.18	25.80
	(29.74)	(26.80)
Total income tax expenses recognised in the current year	984.69	1,157.39

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, 2023	Year ended 31 March, 2022
Profit before tax	3,908.27	4,609.92
Statutory tax rate	25.168%	25.168%
Income tax expenses calculated at 25.168%	983.63	1,160.22
Effect of expenses that are not deductible in determining taxable profit	17.44	15.63
Tax difference on account of deduction under chapter VI-A	(38.90)	(9.27)
Adjustments recognised in the current year in relation to taxes of previous years	12.46	(4.58)
Deferred tax on defined benefit obligation recognised in OCI	6.52	(4.45)
Income taxable at different rate	3.00	3.85
Others	0.54	(4.01)
Income tax expenses recognised in profit or loss	984.69	1,157.39

Note 34.2: Income tax recognised in other comprehensive income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(6.52)	4.45
	(6.52)	4.45

Notes to the Standalone Financial Statements

Note 35: Earnings per equity share

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Profit for the year - (in ₹ million)	2,923.58	3,452.53
Number of equity shares	8,33,67,877	8,33,44,877
Weighted average number of equity shares outstanding during the year	8,33,53,145	8,33,44,877
Weighted average shares held with the "Dr. Lal PathLabs Employee Welfare Trust"	4,88,702	6,56,207
Dilutive impact of share options outstanding	2,53,499	2,53,937
Basic earnings per share of ₹ 10 each	35.28	41.75
Diluted earnings per share of ₹ 10 each	35.17	41.63
Face value per share - (in ₹)	10	10

Note 35.1 Reconciliation of weighted average number of ordinary shares used as denominator in calculating basic and diluted earnings per share

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Weighted average number of shares for calculating basic earnings per share	8,28,64,443	8,26,88,670
Add : share options outstanding	2,53,499	2,53,937
Weighted average number of shares for calculating dilutive earnings per share	8,31,17,942	8,29,42,607

Note 36: Capital and other commitments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	43.72	115.57

* 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, 2023	As at 31 March, 2022
i) Claims against the Company not acknowledged as debts*	136.36	130.58
ii) Other claims against the Company not acknowledged as debts	-	-

* Based on the discussions with the solicitor/ expert opinions taken/status of the case, the management believes that the Company has strong chances of success in above mentioned cases and hence no provision is considered necessary at this point in time as the likelihood of liability devolving on the Company is less than probable.

Note 37A

The Company has received notices for reassessment under section 148 of the Income Tax Act 1961 dated 31 March 2023, for the assessment years 2016-17 and 2019-20 respectively on the grounds that income chargeable to tax amounting to Rs. 52.65 million and Rs. 2.83 million pertaining to assessment years 2016-17 and 2019-20 respectively have escaped assessment. Accordingly the Company was required to furnish returns in the prescribed form, within 30 days of the notices.

Subsequent to the year end, the Company has furnished the returns that were originally filed to the Deputy Commissioner of the Income Tax. The management believes that the grounds of the notices are not tenable and hence no provision is considered necessary.

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 31 March, 2023	Year ended 31 March, 2022
India	17,470.08	18,599.96
Outside India	220.22	187.93
Total	17,690.30	18,787.89

- 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, 2023	As at 31 March, 2022
India	3,803.01	4,046.04
Outside India	-	-
Total	3,803.01	4,046.04

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, 2023 and 31 March, 2022.

Note 39

During the year ended 31 March 2022, the Company has made a further investment of ₹ 45.00 million in its wholly owned subsidiary Company, PathLabs Unifiers Private Limited, through subscription of additional 1,730,769 equity shares of ₹ 10 each at a premium of ₹ 26 per share.

Note 40

- a) During the year ended 31 March, 2022, the Company has made a further investment of ₹ 1.01 million (KES 1.5 million) in its wholly owned subsidiary, Dr. Lal PathLabs Kenya Private Limited, through subscription of additional equity shares of 1,500 shares of KES 1,000.
- b) The Board of Directors of the Company in their meeting held on 28 March, 2022, had approved the closure of Dr. Lal PathLabs Kenya Private Limited, Kenya a subsidiary. Considering this decision, the Company has fully provided for the investment in Dr. Lal PathLabs Kenya Private Limited, Kenya as on 31 March, 2022.
- c) The Board of Directors of the subsidiaries, Paliwal Medicare Private Limited (PMPL) and Paliwal Diagnostics Private Limited (PDPL) in their meetings held on 25 October, 2021 and 25 October, 2021 respectively have approved the "Scheme of Amalgamation" of PMPL with PDPL w.e.f. 1 April, 2021, the appointed date. As per the said scheme, the undertaking of PMPL shall stand transferred to and vested in PDPL on a going concern basis without any further act, deed of matter. The scheme of amalgamation is subject to approval by the shareholders of the respective companies, National Company Law Tribunal and other statutory approvals

Notes to the Standalone Financial Statements

Note 41

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 Rs. 9,250.00 million plus certain performance linked payments capped at Rs. 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 options granted by SDIPL ("ESOP's") at Rs. 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 Rs. 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.

Note 42

In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹ 75.92 Million (Previous year ₹ 66.07 Million) for CSR activities.

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
(a) Amount required to be spent by the Company during year	77.46	66.07
(b) Amount approved by the board to be spent during the year**	78.92	66.07
(c) Amount of expenditure incurred	75.92	66.07
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above*	75.92	66.07
(d) Shortfall at the end of the year**		-
(i) Ongoing project (Refer note (a) below)	3.00	-
(ii) Other than ongoing project (Refer note (b) below)	(1.46)	-
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall***	Refer note (c) below	Not Applicable
(g) Details of related party transactions		
- Donations made to Lal PathLab Foundation	75.92	66.07
(h) Liability against contractual obligations for CSR	-	-

* The Company has contributed ₹ 75.92 Million (Previous year ₹ 66.07 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 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		10.00	7.00	Nil	3.00	Nil

Balance as on 1 April 2021		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2022	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil		Nil	Nil	Nil	Nil	Nil

Notes to the Standalone Financial Statements

Note 42 (Contd..)

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

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
Nil	Nil	67.46	68.92	-1.46

Balance as on 1 April 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2022
Nil	Nil	66.07	66.07	Nil

Details of excess CSR expenditure under Section 135(5) of the Act

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
Nil	Nil	Nil	-

Balance as on 1 April 2021	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2022
Nil	Nil	Nil	Nil

Notes

- Total unspent amount for an ongoing project 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.
- The company has spent an excess amount of ₹ 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 does not intend to carry forward this excess amount spent of ₹ 1.46 million with respect to other than ongoing projects to the next year.
- The shortfall 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
Assets	
Current assets	10.21
Non-current assets	6.94
Total Assets	17.15
Current liabilities	4.53
	0.53
Net Assets acquired on amalgamation	12.09
Other Equity	11.99
Share Capital (B)	0.10
Investment in books of transferee Company (A)	72.35
Transfer to Capital Reserve (A-B)	72.25

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 ₹ 101.68 million (for the year ended 31 March, 2022: ₹ 100.59 million) represents contributions payable to provident fund by the Company at rates specified in the rules of the plans. As at 31 March, 2023, contributions of ₹ 17.13 million (as at 31 March, 2022: ₹ 17.08 million) due in respect of the reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

43.2 Defined benefit plans

Gratuity: The Company operates a funded gratuity benefit plan. Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary for each completed year of service, subject to a maximum of ₹ 2.00 million. Vesting occurs upon completion of 4.5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date."

43.3 The Company is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan assets is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in Insurer managed funds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Standalone Financial Statements

43.4 Actuary assumptions - Gratuity:

(in ₹ million, unless otherwise stated)

Date of Valuation	Refer note below	As at 31 March, 2023	As at 31 March, 2022
Discount rate (per annum)	1	7.30%	6.35%-7.30%
Rate of salary increase (per annum)	2	10.00%	10.00%
Rate of return (per annum)	3	6.35%	6.35%
Retirement age		60 years	60 years
Attrition rate		3.93-20.00%	1.67-17.07%
Mortality table		Indian Assured Lives Mortality (2012-2014)	Indian Assured Lives Mortality (2012-2014)

Notes:

1. The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.
2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
3. The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

43.5 Amounts recognised in the Standalone Statement of Profit and Loss and other comprehensive income are as follows:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Service cost :		
Current service cost	47.94	43.86
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	7.20	3.47
Components of defined benefit costs recognised in employee benefit expenses	55.14	47.33
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	0.32	(0.54)
Actuarial (gains)/losses arising from changes in demographic assumptions	(9.21)	(9.67)
Actuarial (gains)/losses arising from changes in financial assumptions	(23.73)	9.28
Actuarial (gains)/losses arising from experience adjustments	6.71	18.61
Component of remeasurement of defined benefit obligations	(25.91)	17.68
Total	29.23	65.01

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, 2023	Year ended 31 March, 2022
Opening defined benefit obligation	341.89	277.27
Current service cost	47.94	43.86
Interest cost	21.70	19.23
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	(9.21)	(9.67)
Actuarial gains and losses arising from changes in financial assumptions	(23.73)	9.28
Actuarial gains and losses arising from experience adjustments	6.71	18.61
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(23.59)	(16.69)
Closing defined benefit obligation	361.71	341.89

Notes to the Standalone Financial Statements

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	Year ended 31 March, 2023	Year ended 31 March, 2022
Present value of funded defined benefit obligation	361.71	341.89
Fair value of plan assets	218.93	228.38
Net liability arising from defined benefit obligation	142.78	113.51

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

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening fair value of plan assets	228.38	227.29
Interest income	14.49	15.76
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.32)	0.54
Actuarial gain/ (loss) on plan assets	-	-
Contributions from the employer	-	1.50
Benefits paid	(23.62)	(16.71)
Closing fair value of plan assets	218.93	228.38

Expected contribution in respect of gratuity for the next year is ₹ 142.78 million (For the year ended 31 March, 2022 ₹ 113.51 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, 2023	As at 31 March, 2022
Insurer managed funds	218.93	228.38

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, 2023	As at 31 March, 2022
Discount rate		
- Impact due to increase of 100 basis points	(18.42)	(22.00)
- Impact due to decrease of 100 basis points	20.45	25.04
Salary increase		
- Impact due to increase of 100 basis points	17.99	21.14
- Impact due to decrease of 100 basis points	(17.03)	(19.81)
Withdrawal rate		
- Impact due to 25% increase	(9.04)	(12.23)
- Impact due to 25% decrease	13.44	18.53

Notes to the Standalone Financial Statements

Note 44 Financial instruments

(a) Capital management

The Company's objectives when managing capital is to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company adjusts the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company has investments in fixed deposits with banks and in mutual fund schemes wherein underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings.

The Company's strategy is to maintain a positive gearing ratio. The gearing ratios is as follows:

(in ₹ million, unless otherwise stated)

Particulars	31 March, 2023	31 March, 2022
Net debt *	1,751.30	1,544.32
Total equity	16,898.64	14,721.16
Net debt to equity ratio	10%	10%
* Net debt represents borrowings and lease liabilities less cash and cash equivalents computed as follows:		
Term loan from banks (including current maturities)	1,666.67	2,500.00
Bank overdraft	700.04	954.23
Less: Cash and cash equivalents	(2,203.18)	(3,513.06)
Debt	163.53	(58.83)
Lease liabilities		
Lease liabilities-Current	439.64	393.51
Lease liabilities-Non Current	1,148.13	1,209.64
Net debt(including lease liabilities)	1,751.30	1,544.32

(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.

Notes to the Standalone Financial Statements

Note 44 Financial instruments (Contd..)

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, 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
Total	1,455.44	-	6,510.07	7,965.51	7,965.51

Financial liabilities	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
Total	-	-	5,784.63	5,784.63	5,784.63

As at 31 March, 2022

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	-	-	-	-	-
Trade receivables	-	-	670.18	670.18	670.18
Cash and cash equivalents	-	-	3,513.06	3,513.06	3,513.06
Bank balances other than cash and cash equivalents above	-	-	1,915.99	1,915.99	1,915.99
Loans	-	-	10.44	10.44	10.44
Other financial assets	36.89	-	435.53	472.42	472.42
Total	36.89	-	6,545.20	6,582.09	6,582.09

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Borrowings			3,454.23	3,454.23	3,454.23
Lease liabilities			1,603.15	1,603.15	1,603.15
Trade payables	-	-	1,234.74	1,234.74	1,234.74
Other financial liabilities	-	-	568.10	568.10	568.10
Total	-	-	6,860.22	6,860.22	6,860.22

Investment in subsidiaries are financial assets, however they are not included in the above table, since they are measured at cost.

Notes to the Standalone Financial Statements

Note 44 Financial instruments (Contd..)

(c) Fair value measurement

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

(in ₹ million, unless otherwise stated)

Financial assets	Fair Value		Fair value hierarchy	Valuation technique(s) and key input(s)
	Year ended 31 March, 2023	Year ended 31 March, 2022		
Current investments:				
Investment in mutual funds*		-	Level II	NAV declared by respective Asset Management Companies.
Surrender value of keyman insurance policy		36.89	Level II	Surrender value declared by insurance companies

* Short-term marketable securities not traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Fair value of financial assets and financial liabilities that are not measured at fair value

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the Standalone Financial Statements, except note no. 6, are at approximate of their fair values.

(d) Risk management framework

The Company's business is subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company's risk management process is in line with the corporate policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximisation.

Notes to the Standalone Financial Statements

Note 44 Financial instruments (Contd..)

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.

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, 2023				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non-current					
Borrowings		1,666.67	-	-	1,666.67
Lease liabilities	-	763.08	512.68	606.53	1,882.29
Current					
Borrowings	1,787.56	-	-	-	1,787.56
Lease liabilities	387.16	-	-	-	387.16
Trade payables	1,233.49	-	-	-	1,233.49
Other current financial liabilities	566.70	-	-	-	566.70
Total	3,974.91	2,429.75	512.68	606.53	7,523.87

(in ₹ million, unless otherwise stated)

	As at 31 March, 2022				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non-current					
Borrowings	-	1,021.14	258.74	660.07	1,939.95
Lease liabilities					
Current					
Borrowings	1,787.56	-	-	-	1,787.56
Lease liabilities	393.51	-	-	-	393.51
Trade payables	1,234.74	-	-	-	1,234.74
Other current financial liabilities	568.10	-	-	-	568.10
Total	3,983.91	2,687.81	258.74	660.07	7,590.53

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
Total	1,267.60	700.04	567.56

As at 31 March, 2022, the Company had access to funding facilities of ₹ 4,483.96 million as set out below:

(in ₹ million, unless otherwise stated)

	Total Facility	Drawn	Undrawn
Secured cash credit facility at variable rate of interest, reviewed annually and payable at call	4,483.96	954.23	3,529.73
Total	4,483.96	954.23	3,529.73

Notes to the Standalone Financial Statements

Note 44 Financial instruments (Contd..)

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, 2023 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.56	0.56
Other financial assets	-	148.50	100.98	249.48
	-	148.50	101.54	250.04
Current				
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
	1,413.80	5,283.92	1,017.75	7,715.47
Total	1,413.80	5,432.42	1,119.29	7,965.51

Range of interest rate applicable 5.50% - 8.50% p.a.

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
Non-current				
Borrowings	833.34	-	-	833.34
Lease Liabilities	-	-	1,148.13	1,148.13
	833.34	-	1,148.13	1,981.47
Current				
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
	833.33	700.04	2,269.79	3,803.16
Total	1,666.67	700.04	3,417.92	5,784.63

Range of interest rate applicable 5.45%-6.00%

Notes to the Standalone Financial Statements

Note 44 Financial instruments (Contd..)

The exposure of the Company's financial assets as at 31 March, 2022 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	1.07	1.07
Other financial assets	-	57.36	89.40	146.76
	-	57.36	90.47	147.83
Current				
Investments	-	-	-	-
Trade receivables	-	-	670.18	670.18
Cash and cash equivalents	-	3,428.56	84.50	3,513.06
Bank balances other than cash and cash equivalents above	-	1,913.65	2.34	1,915.99
Loans	-	-	9.37	9.37
Other financial assets	-	-	325.66	325.66
	-	5,342.21	1,092.05	6,434.26
Total	-	5,399.57	1,182.52	6,582.09

Range of interest rate applicable 4.40% - 5.30% p.a.

The exposure of the Company's financial liabilities as at 31 March, 2022 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Borrowings	1,666.67	-	-	1,666.67
Lease Liabilities	-	-	1,209.64	1,209.64
	1,666.67	-	1,209.64	2,876.31
Current				
Borrowings	833.33	954.23	-	1,787.56
Lease liabilities	-	-	393.51	393.51
Trade payables	-	-	1,234.74	1,234.74
Other financial liabilities	-	-	568.10	568.10
	833.33	954.23	2,196.35	3,983.91
Total	2,500.00	954.23	3,405.99	6,860.22

Range of interest rate applicable 4.00% 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, 2023	Year ended 31 March, 2022
Impact on profit or loss for the year for increase in interest rate	10.07	9.97
Impact on profit or loss for the year for decrease in interest rate	(10.07)	(9.97)

Notes to the Standalone Financial Statements

Note 44 Financial instruments (Contd..)

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, 2023 and 31 March, 2022 based on expected probability of default.

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, 2023 would increase/decrease by ₹ 70.69 million (for the year ended 31 March, 2022 would increase/ decrease by ₹ Nil) as a result of the changes in net asset value of investment in mutual funds.

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 3,808,960 options to specified categories of employees of the Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. The Company had granted 3,730,340 options till the year ended 31 March, 2015, all of which have all been vested as at 31 March 2019. As per resolution passed on 21 August, 2015, the Company approved to cease any further grants under the ESOP 2010.

The following ESOP 2010 tranches were in existence during the current year:

Grant date	Number	Expiry date	Exercise price (in ₹)	Fair Value at grant date (in ₹)
23 January, 2015	1,62,180	Refer Note 1 below	311.30	490.42

Note 1: All options vest after 48-60 months from date of grant subject to satisfaction of vesting conditions. The exercise period is five years from the date on which the Company's shares were listed on a recognised stock exchange in India or a period of 10 years from date of respective vesting, whichever period ends later. Options not exercised within exercise period lapses.

Notes to the Standalone Financial Statements

Note 45.1 Employee Share Option Plan-2010 (Contd..)

45.1.2 Fair value of share options granted in the year

There were no options granted during the years ended 31 March, 2023 and 31 March, 2022.

45.1.3 Movements in share options during the year

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

Particulars	2022-23		2021-22	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	1,41,983	311.30	1,41,983	311.30
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	23,000	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	1,18,983	311.30	1,41,983	311.30

45.1.4 Share options exercised during the year

23,000 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, 2022: ₹ 311.30) and a weighted average remaining contractual life of years 4.13 years (as at 31 March, 2022: 5.13 years)

Note 45 Share based payments

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 225,000 out of which 6,225 options were forfeited on non satisfaction of vesting conditions. For the performance year 2017-18, options of ₹ 10 each granted to eligible employees is 225,716 and 9,602 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2018-19, options of ₹ 10 each granted to eligible employees is 219,132 and 28,498 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2019-20, options of ₹ 10 each granted to eligible employees is 213,841 and 27,631 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2020-21, options of ₹ 10 each granted to eligible employees is 1,12,200 and 12,468 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2021-22, options of ₹ 10 each granted to eligible employees is 131,594 and 11,793 options were forfeited on non satisfaction of vesting conditions

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. 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

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
Grant date share price	3,508.85	3,710.00	2,144.50
Exercise price (in ₹)	10	10	10
Expected volatility	33.72%	33.72%	34.30%-38.60%
Option life	6-9 Years	6-9 Years	6-9 Years
Dividend yield	0.56%	0.56%	0.50%
Risk-free interest rate	6.07%-6.35%	6.07%-6.35%	7.00%-7.40%

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	2022-23		2021-22	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	5,36,141	10.00	5,54,812	10.00
Granted during the year	21,200	10.00	1,31,594	10.00
Forfeited during the year	27,533	10.00	12,193	10.00
Exercised during the year	1,55,665	10.00	1,38,072	10.00
Expired during the year	-	-	-	-
Balance at end of year	3,74,143	10.00	5,36,141	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	1,121	Various dates	2167.63
Series 2	596	Various dates	2,167.63
Series 3	-	-	-
Series 4	-	-	-
Series 5	35,352	Various dates	2,062.27
Series 6	2,350	Various dates	2,062.27
Series 7	47,276	Various dates	2,174.62
Series 8	2,700	Various dates	1960.83
Series 9	21,723	Various dates	2,147.30
Series 10	20,830	Various dates	2,205.52
Series 11	21,966	Various dates	2,087.13
Series 12	188	Various dates	2,379.43
Series 13	188	Various dates	2,412.90
Series 14	1,375	Various dates	1,950.13
Total	1,55,665		

*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, 2022: ₹ 10) and a weighted average remaining contractual life of 5.08 years (as at 31 March, 2022: 5.62 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 1,250,278 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 211,400 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

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.

Notes to the Standalone Financial Statements

Note 45.3 'Dr Lal PathLabs Employee Stock Option Plan 2022 (Contd..)

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
Grant date share price	2,144.50
Exercise price (in ₹)	1,930.05
Expected volatility	34.30%-38.60%
Option life	6-9 Years
Dividend yield	0.50%
Risk-free interest rate	7.00%-7.40%

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	2022-23		2021-22	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	-	-	-	-
Granted during the year	2,11,400	1,930.05	-	-
Forfeited during the year	10,100	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	2,01,300	1,930.05	-	-

45.3.4 Share options exercised during the year

No share options were exercised during the year.

45.3.5 Share options outstanding at the end of the year

The share options in respect of this scheme (ESOP 2022) approved during the current year, that were outstanding at the end of the year had a weighted average exercise price of ₹ 1,930.05 and a weighted average remaining contractual life of years 6.83 years.

46 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 Rs. 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

Notes to the Standalone Financial Statements

46 (Contd..)

The Company has cash outflows for lease of underlying assets amounting to ₹ 546.42 (31 March, 2022: 855.26 million) out of which rent charges is amounting to ₹ 69.31 million (31 March, 2022: 71.28 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, 2023	As at 31 March, 2022
Short term lease	69.31	71.28
Low value assets	-	-

Details of lease liability:

The following is the movement in lease liabilities during the year:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance as at beginning of the year	1,603.15	1,425.92
Additions	398.12	778.60
Finance cost accrued during the period	191.96	185.08
Payment/adjustment of lease liabilities	(477.11)	(783.98)
Derecognition of lease liability	(128.35)	(2.47)
Balance as at end of the year	1,587.77	1,603.15
Current	439.64	393.51
Non-current	1,148.13	1,209.64

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Less than one year	439.64	393.51
One to five years	1,275.76	1,279.88
More than five years	606.53	660.07
Total	2,321.93	2,333.46

Details of right-of-use assets:

The following is the movement in right-of-use assets during the year ended:

(in ₹ million, unless otherwise stated)

Particulars	Land	Buildings
As at 1 April, 2021	156.98	1,252.26
Additions	-	778.61
Deletions	-	(2.08)
Depreciation expense	(1.64)	(332.62)
As at 31 March, 2022	155.34	1,696.17
Additions	-	398.12
Deletions	-	(110.56)
Depreciation expense	(1.64)	(346.30)
As at 31 March, 2023	153.70	1,637.43

- 47** The Indian Parliament has approved the Code on Social Security, 2020 ('the Code') which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

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	0.1	Dr. Lal PathLabs Private Limited	No	1 April, 2013	These properties were acquired pursuant to the amalgamation of Medicave Diagnostic Centre Private Limited with the Company with effect from 21 May, 2015 with the appointed date being 1 April, 2013. The title of these properties was mutated in the name of Dr. Lal PathLabs Private Limited on 19 February, 2018. Subsequently, the Company was converted into a public company and the Registrar of Companies NCT of Delhi & Haryana issued a fresh certificate of incorporation w.e.f August 19, 2015.
Property, plant and equipment - Building	Flat No 4, First Floor, 11 B.T. Road, Baranagar, Parganas (North), Kolkata.	0.18	0.1	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
Property, plant and equipment - Building	Flat no. 3, Premises no. 11, Mouza Nainan, B.T. Road, Baranagar, Parganas (North), Kolkata along with garage.	0.18	0.1	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
Property, plant and equipment - Building	Room No 7 & 8, 48B, B.T. Road, Baranagar, Parganas (North), Kolkata.	0.1	0.05	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
Property, plant and equipment - Building	Room No 11 & 13, 48B, B.T. Road, Baranagar, Parganas (North), Kolkata.	0.07	0.04	Dr. Lal PathLabs Private Limited	No	1 April, 2013	
Right-of-use-assets - Building	Leasehold building situated at Sector 18, Block E, Rohini, Delhi.	130.27	70.28	Dr. Lal PathLabs Private Limited	No	8 April, 2005	The lease deed was signed on 8 April, 2005 in the name of Dr. Lal PathLabs Private Limited. Subsequently, the Company was converted into a public company and the Registrar of Companies NCT of Delhi & Haryana issued a fresh certificate of incorporation w.e.f August 19, 2015.

- b. The Company had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- c. The Company was not holding any benami property and no proceedings were initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Notes to the Standalone Financial Statements

48. Additional disclosures with respect to amendments to Schedule III (Contd..)

- 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, 2023.
- 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.

Note 49. 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 PathLabs 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 (w.e.f 12 November, 2021)

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

Note 49. Related Party Disclosures (Contd..)

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
- 7 Harneet Singh Chandhoke- Independent Director
- 8 Saurabh Srivastava - Independent Director
- 9 Sunil Varma - Independent Director
- 10 Anoop Singh - Independent Director
- 11 Somya Satsangi - Independent Director
- 12 Rahul Sharma - Director
- 13 Dr. Archana Lal Erdmann - Director
- 14 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)

d. Relatives of key management personnel

- 1 "Mr. Anjaneya Lal
[Son of (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal]"

e. Other related parties

- 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)

Notes to the Standalone Financial Statements

Note 49. Related Party Disclosures (Contd..)

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

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

Particulars	Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
A. Transactions during the year						
i. Sale of services						
Paliwal Diagnostics Private Limited	7.12	-	-	-	-	7.12
	(6.46)	-	-	-	-	(6.46)
Dr. Lal PathLabs Nepal Private Limited	39.44	-	-	-	-	39.44
	(40.53)	-	-	-	-	(40.53)
Dr. Lal PathLabs Bangladesh Private Limited	23.99	-	-	-	-	23.99
	(13.32)	-	-	-	-	(13.32)
ALVL Foundation	-	-	-	-	-	-
	(-)	(0.08)	(-)	(-)	(-)	(0.08)
Pathlabs Unifiers Private Limited	4.56	-	-	-	-	4.56
	(8.01)	-	-	-	-	(8.01)
APRL PathLabs Private Limited	3.54	-	-	-	-	3.54
	(2.32)	(-)	(-)	(-)	(-)	(2.32)
Centrapath Labs Private Limited	1.64	-	-	-	-	1.64
	(2.05)	(-)	(-)	(-)	(-)	(2.05)
Dr. Lal Ventures Private Limited	4.51	-	-	-	-	4.51
	(3.56)	(-)	(-)	(-)	(-)	(3.56)
Chanre Laboratory Private Limited	0.90	-	-	-	-	0.90
	(0.78)	(-)	(-)	(-)	(-)	(0.78)
Suburban Diagnostics India Private Limited	5.93	-	-	-	-	5.93
	(-)	(-)	(-)	(-)	(-)	(-)
Total	91.63	-	-	-	-	91.63
	(77.03)	(0.08)	(-)	(-)	(-)	(77.11)
ii. Laboratory test charges						
Paliwal Diagnostics Private Limited	2.79	-	-	-	-	2.79
	(12.22)	(-)	(-)	(-)	(-)	(12.22)
APRL PathLabs Private Limited	7.75	-	-	-	-	7.75
	(1.77)	(-)	(-)	(-)	(-)	(1.77)
Centrapath Labs Private Limited	0.01	-	-	-	-	0.01
	(1.67)	(-)	(-)	(-)	(-)	(1.67)
Total	10.55	-	-	-	-	10.55
	(15.66)	(-)	(-)	(-)	(-)	(15.66)

Notes to the Standalone Financial Statements

Note 49. Related Party Disclosures (Contd..)

Particulars	Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
iii. Compensation of Key Managerial Personnel and their relatives						
The remuneration of key managerial personnel during the year was as follows:						
- Short term employee benefits	-	-	147.48	2.93	-	150.41
	(-)	(-)	(160.53)	(2.65)	(-)	(163.18)
- Post employment benefits*	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
- Share based payments to employees**	-	-	171.11	-	-	171.11
	(-)	(-)	(196.99)	(-)	(-)	(196.99)
Total	-	-	318.59	2.93	-	321.52
	(-)	(-)	(357.52)	(2.65)	(-)	(360.17)
iv. Contribution to Fund						
Lal PathLabs Foundation	-	-	-	-	75.92	75.92
(formerly Dr. Lal PathLabs Welfare Trust)	(-)	(-)	(-)	(-)	(66.07)	(66.07)
Dr. Lal PathLabs Limited Group Gratuity Trust	-	-	-	-	-	-
(formerly Dr. Lal PathLabs Private Limited Group Gratuity Trust)	(-)	(-)	(-)	(-)	(-)	(-)
Total	-	-	-	-	75.92	75.92
	(-)	(-)	(-)	(-)	(66.07)	(66.07)
v. Rent						
Dr. Vandana Lal	-	-	0.78	-	-	0.78
	(-)	(-)	(0.74)	(-)	(-)	(0.74)
Total	-	-	0.78	-	-	0.78
	(-)	(-)	(0.74)	(-)	(-)	(0.74)
vi. Dividend paid						
(Hony) Brig. Dr. Arvind Lal	-	-	316.99	-	-	316.99
	(-)	(-)	(369.82)	(-)	(-)	(369.82)
Dr. Vandana Lal	-	-	192.99	-	-	192.99
	(-)	(-)	(225.15)	(-)	(-)	(225.15)
Dr. Om Prakash Manchanda	-	-	16.51	-	-	16.51
	(-)	(-)	(20.62)	(-)	(-)	(20.62)
Mr. Bharath U	-	-	0.30	-	-	0.30
	(-)	(-)	(0.21)	(-)	(-)	(0.21)
Mr. Ved Prakash Goel	-	-	0.27	-	-	0.27
	(-)	(-)	(0.27)	(-)	(-)	(0.27)

Notes to the Standalone Financial Statements

Note 49. Related Party Disclosures (Contd..)

Particulars	Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
Dr. Archana Lal Erdmann	-	-	-	20.49	-	20.49
	(-)	(-)	(-)	(25.81)	(-)	(25.81)
Mr. Anjaneya Lal	-	-	-	20.28	-	20.28
(Son of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(-)	(-)	(23.65)	(-)	(23.65)
Mr. Rajat Kalra	-	-	0.11	-	-	-
	(-)	(-)	(0.03)	(-)	(-)	(-)
Rahul Sharma	-	-	0.08	-	-	0.08
	(-)	(-)	(-)	(-)	(-)	(-)
Total	-	-	527.25	40.77	-	568.02
	(-)	(-)	(616.10)	(49.46)	(-)	(665.56)
vii. Dividend received						
Paliwal Diagnostics Private Limited	120.00	-	-	-	-	120.00
	(16.00)	(-)	(-)	(-)	(-)	(16.00)
Total	120.00	-	-	-	-	120.00
	(16.00)	(-)	(-)	(-)	(-)	(16.00)
viii. Investment in equity shares						
PathLabs Unifiers Private Limited	-	-	-	-	-	-
	(45.00)	(-)	(-)	(-)	(-)	(45.00)
Dr Lal PathLabs Kenya Private Limited	-	-	-	-	-	-
	(1.01)	(-)	(-)	(-)	(-)	(1.01)
Total	-	-	-	-	-	-
	(46.01)	(-)	(-)	(-)	(-)	(46.01)
ix. Share options exercised***						
Dr. Om Prakash Manchanda	-	-	0.66	-	-	0.66
	(-)	(-)	(0.40)	(-)	(-)	(0.40)
Mr. Bharath U	-	-	0.12	-	-	0.12
	(-)	(-)	(0.08)	(-)	(-)	(0.08)
Mr. Ved Prakash Goel	-	-	0.03	-	-	0.03
	(-)	(-)	(0.03)	(-)	(-)	(0.03)
Mr. Rajat Kalra	-	-	0.02	-	-	0.02
	(-)	(-)	(0.08)	(-)	(-)	(0.08)
	-	-	0.83	-	-	0.83
	(-)	(-)	(0.59)	(-)	(-)	(0.59)
x. Issue of equity shares****						
Rahul Sharma	-	-	7.16	-	-	7.16
	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	7.16	-	-	7.16
	(-)	(-)	(-)	(-)	(-)	(-)
xi. Sitting fees						
Dr. Archana Lal Erdmann	-	-	-	0.20	-	0.20
	(-)	(-)	(-)	(0.35)	(-)	(0.35)
Anoop Mahendra Sigh	-	-	0.75	-	-	0.75
	(-)	(-)	(0.85)	(-)	(-)	(0.85)

Notes to the Standalone Financial Statements

Note 49. Related Party Disclosures (Contd..)

Particulars	Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
Harneet Singh Chandhoke	-	-	0.55	-	-	0.55
	(-)	(-)	(0.60)	(-)	(-)	(0.60)
Ms. Somya Satsangi	-	-	0.55	-	-	0.55
	(-)	(-)	(0.75)	(-)	(-)	(0.75)
Rahul Sharma	-	-	0.60	-	-	0.60
	(-)	(-)	(0.70)	(-)	(-)	(0.70)
Saurabh Srivastava	-	-	0.75	-	-	0.75
	(-)	(-)	(0.80)	(-)	(-)	(0.80)
Sunil Varma	-	-	1.50	-	-	1.50
	(-)	(-)	(2.10)	(-)	(-)	(2.10)
Rohit Bhasin	-	-	0.15	-	-	0.15
	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	4.85	0.20	-	5.05
	(-)	(-)	(5.80)	(0.35)	(-)	(6.15)
xii. Commission to Directors						
Dr. Archana Lal Erdmann	-	-	-	1.27	-	1.27
	(-)	(-)	(-)	(1.10)	(-)	(1.10)
Anoop Mahendra Singh	-	-	1.58	-	-	1.58
	(-)	(-)	(1.38)	(-)	(-)	(1.38)
Harneet Singh Chandhoke	-	-	1.27	-	-	1.27
	(-)	(-)	(1.10)	(-)	(-)	(1.10)
Ms. Somya Satsangi	-	-	1.58	-	-	1.58
	(-)	(-)	(1.38)	(-)	(-)	(1.38)
Rahul Sharma	-	-	1.27	-	-	1.27
	(-)	(-)	(1.10)	(-)	(-)	(1.10)
Saurabh Srivastava	-	-	1.58	-	-	1.58
	(-)	(-)	(1.38)	(-)	(-)	(1.38)
Sunil Varma	-	-	1.58	-	-	1.58
	(-)	(-)	(1.38)	(-)	(-)	(1.38)
Rohit Bhasin	-	-	0.62	-	-	0.62
	(-)	(-)	(-)	(-)	(-)	(-)
Arun Duggal	-	-	0.25	-	-	0.25
	(-)	(-)	(-)	(-)	(-)	(-)
	-	-	9.73	1.27	-	11.00
	(-)	(-)	(7.72)	(1.10)	(-)	(8.82)

Notes to the Standalone Financial Statements

Note 49. Related Party Disclosures (Contd..)

Particulars		Subsidiaries	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
B. Outstanding balances at the year end							
i. Other non-current/current assets							
Other advances*****							
Lal PathLabs Foundation	31 March, 2023	-	-	-	-	0.10	0.10
(formerly Dr. Lal PathLabs Welfare Trust)	31 March, 2022	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Dr. Lal PathLabs Limited Group Gratuity Trust	31 March, 2023	-	-	-	-	0.14	0.14
(formerly Dr. Lal PathLabs Private Limited Group Gratuity Trust)	31 March, 2022	(-)	(-)	(-)	(-)	(0.14)	(0.14)
Total	31 March, 2023	-	-	-	-	0.24	0.24
	31 March, 2022	(-)	(-)	(-)	(-)	(0.24)	(0.24)
ii. Trade receivables							
Dr. Lal PathLabs Nepal Private Limited	31 March, 2023	33.85	-	-	-	-	33.85
	31 March, 2022	(34.80)	(-)	(-)	(-)	(-)	(34.80)
Dr. Lal PathLabs Bangladesh Private Limited	31 March, 2023	56.09	-	-	-	-	56.09
	31 March, 2022	(37.23)	(-)	(-)	(-)	(-)	(37.23)
Total	31 March, 2023	89.94	-	-	-	-	89.94
	31 March, 2022	(72.03)	(-)	(-)	(-)	(-)	(72.03)
iii. Loans							
Mr. Ved Prakash Goel	31 March, 2023	-	-	-	-	-	-
	31 March, 2022	(-)	(-)	(0.60)	(-)	(-)	(0.60)
Total	31 March, 2023	-	-	-	-	-	-
	31 March, 2022	(-)	(-)	(0.60)	(-)	(-)	(0.60)

*The remuneration to the key managerial personnel and their relatives does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

**Excludes share based expenses accounted for during the year related to RSU Plan, 2016

*** Shares directly issued to the employees by the EWT Trust @ ₹ 10.00 (Previous year @ ₹ 10) per equity share of ₹ 10/- each.

**** Shares directly issued to the employees by the Company @ ₹ 311.30 per equity share of ₹ 10/- each. This Does not include a non-cash (stock related) perk of ₹ 42.29 million arising on exercise of Stock options

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

Notes to the Standalone Financial Statements

Note 50.

Particulars	Numerator	Denominator	Year ended 31 March, 2023	Year ended 31 March, 2022	Change in Ratios	Remarks
Current ratio (in times)	Current assets	Current liabilities	1.87	1.55	21%	
Debt-Equity ratio (in times)	Total debt (Non-current and current including lease liabilities)	Shareholder's equity (Total equity)	0.23	0.34	-32%	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	5.23	5.47	-4%	
Return on equity ratio (in %)	Net profit after taxes	Average shareholder's equity	18.49%	25.73%	-28%	Refer note (b) below
Inventory turnover ratio (in times)	Cost of materials consumed	Average total inventory	12.34	11.34	9%	
Trade receivables turnover ratio (in times)	Net sales	Average net trade receivables	27.14	28.74	-6%	
Trade payables turnover ratio (in times)	Purchases	Average accounts payable	7.41	7.97	-7%	
Net capital turnover ratio (in times)	Net sales	Working capital = current assets - current liabilities	4.68	7.57	-38%	Refer note (c) below
Net profit ratio (in %)	Net profit after taxes	Total Income	16.53%	18.38%	-10%	
Return on capital employed (in %)	Earning before interest and taxes	Capital employed = tangible net worth + total debt + deferred tax liability	20.54%	24.98%	-18%	
Return on investment (in %)	Income generated from investments	Time weighted average investments	4.10%	3.59%	14%	

- (a) Decrease is due to decrease in total debts on account of repayment of the borrowings and increase in shareholder's equity during the year as compared to the previous year.
- (b) Decrease is due to decrease in the Net profit after taxes on account of decrease in revenue from operations owing to lesser COVID -19 and allied tests in the current year and increase in average shareholder's equity during the year.

Notes to the Standalone Financial Statements

- (c) Decrease is due to decrease in the revenue from operations owing to lesser COVID -19 and allied tests in the current year and increase in working capital on account of investments in mutual funds during the current year.

51 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, 2023	As at 31 March, 2022
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

- 52** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 53** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- 54** The Standalone Financial Statements were approved by the Board of Directors and authorised for issue on 11 May, 2023.

(Hony.) Brig. Dr. Arvind Lal

(DIN: 00576638)

[Executive Chairman]

Place: Gurugram

Date: 11 May, 2023

Dr. Om Prakash Manchanda

(DIN: 002099404)

[Managing Director]

Place: Gurugram

Date: 11 May, 2023

Ved Prakash Goel

[Chief Financial Officer]

Place: Gurugram

Date: 11 May, 2023

Bharath U

[Chief Executive Officer]

Place: Gurugram

Date: 11 May, 2023

Vinay Gujral

[Company Secretary]

Place: Gurugram

Date: 11 May, 2023

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 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, 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	Revenue recognition – Reliance on information technology and system for controls over pricing master file We identified reliance on information technology and system for controls over pricing master file as a key audit matter due to likelihood of material misstatement in revenue recognition, resulting from unauthorised alterations to the pricing master file, on account of high volume of patient transactions. Refer to note 2.3 and note 28 to the standalone Ind AS financial statements.	The principal audit procedures performed by us as the Parent Company auditor's and the procedures performed by the Other Auditors, as reported by them, have been provided below: • Obtained an understanding of and assessed and tested the design, implementation and operating effectiveness of relevant internal controls relating to authorisation of alterations to the pricing master file. • Tested the controls around the access rights to the price masters by involving information technology specialists. • Tested the automated controls for auto pick of the prices defined in the system based on the tests selected. • Tested the reports of changes in the pricing master files for completeness and accuracy by involving information technology specialists and for the selected samples of alterations during the year, verified that the changes were authorised. • Selected samples of the invoices and verified the billed price in respect thereof, to the underlying agreements.

Independent Auditor's Report (Contd..)

Sr. No.	Key Audit Matter	Auditor's Response
2	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) As detailed in Note 4 and 5.2 to the consolidated financial statements the Company has recognised goodwill arising on consolidation amounting to ₹ 4,696.46 million and other intangible assets comprising of customer relationships, brand and non compete agreement aggregating to ₹ 3,045.88 million on account of consolidation of the wholly owned subsidiary Suburban Diagnostics (India) Private Limited. 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.	Principal audit procedures performed: - Evaluated the design, implementation and tested operating effectiveness of internal controls relating to review of impairment of the investment in SDIPL performed by the Management; - Validated the underlying cash flow forecasts prepared by the Company's management in their valuation and compared the same with the Company's approved budgets; - With the involvement of our valuation experts, verified the mathematical accuracy of the model and evaluated the appropriateness of the key assumptions viz. discount rate, terminal growth rate and methodology used; - Evaluated the sensitivity analysis performed by the management on the projections by varying key assumptions such as discount and growth rates (including terminal growth rate); - We have also assessed the adequacy of the related disclosure to be made in the standalone financial statements.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including annexures to Director's Report, Business Responsibility 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. The Management Discussion and Analysis Report, Director's Report including annexures to Director's report, Business Responsibility and Sustainability Report and Report on Corporate Governance is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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, identified above when it becomes available, 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.
- When we read the Management Discussion and Analysis, Director's Report, Business Responsibility Report and

Report on Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective

Independent Auditor's Report (Contd..)

entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls 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 consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 163.54 million as at 31 March, 2023, total revenues of Rs. 141.48 million and net cash inflows amounting to Rs. 17.79 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

Independent Auditor's Report (Contd..)

been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2023 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls 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..

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer note 38 to the consolidated financial statements;
- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts - Refer note 55 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 56 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 the note 53g 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

Independent Auditor's Report (Contd..)

that, to the best of their knowledge and belief, as disclosed in the note 53h to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Parent and its subsidiaries 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 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) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal

Partner

Place: New Delhi

Date: 11 May, 2023

(Membership No. 087104)

(UDIN: 23087104BGYKXI7871)

“Annexure A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls 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 Ind AS financial statements of the Company as of and for the year ended 31 March, 2023, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which is a company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls 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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March, 2023, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company which is a company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm’s Registration No. 117366W/W-100018)

Jitendra Agarwal

Partner

Place: New Delhi

Date: 11 May, 2023

(Membership No. 087104)

(UDIN: 23087104BGYKXI7871)

Consolidated Balance Sheet

as at March 31, 2023

(in ₹ million, unless otherwise stated)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
1 Non - Current Assets			
(a) Property, plant and equipment	3a	2,004.07	2,047.70
(b) Capital work-in-progress	3a	29.67	144.48
(c) Right-of-use assets	3b	2,005.95	2,106.03
(d) Goodwill	4	5,478.41	5,434.35
(e) Other intangible assets	5	3,562.19	4,100.01
(f) Intangible assets under development	5	19.71	5.56
(g) Financial assets			-
(i) Loans	6	0.56	1.07
(ii) Other financial assets	7	400.99	242.91
(h) Non-current tax assets (net)	8	205.42	246.57
(i) Deferred tax assets (net)	9	404.24	370.38
(j) Other non-current assets	10	13.56	16.94
Total Non- Current Assets		14,124.77	14,716.00
2 Current Assets			
(a) Inventories	11	338.06	525.41
(b) Financial assets			
(i) Investments	12	1,499.44	654.59
(ii) Trade receivables	13	708.24	853.95
(iii) Cash and cash equivalents	14	2,637.31	3,781.95
(iv) Bank balances other than (iii) above	15	4,016.81	2,393.96
(v) Loans	16	13.64	10.68
(vi) Other financial assets	17	357.14	346.64
(c) Other current assets	18	160.21	184.33
Total current assets		9,730.85	8,751.51
Total assets		23,855.62	23,467.51
EQUITY & LIABILITIES			
1 EQUITY			
(a) Equity share capital	19	833.68	833.45
(b) Other equity	20	15,829.30	14,182.63
Equity attributable to owners of the Company		16,662.98	15,016.08
Non-controlling interests	21	332.47	354.60
Total Equity		16,995.45	15,370.68
2 LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	833.34	1,667.97
(ii) Lease liabilities	41	1,299.89	1,388.59
(b) Deferred tax liabilities (net)	9	29.41	40.39
Total Non- Current Liabilities		2,162.64	3,096.95
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	1,533.37	1,788.53
(ii) Lease liabilities	41	528.35	480.56
(iii) Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		65.65	87.26
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,495.35	1,386.58
sub-total		1,561.00	1,473.84
(iv) Other financial liabilities	25	462.46	608.55
(b) Provisions	26	291.35	270.47
(c) Current tax liabilities (net)	8	4.97	31.56
(d) Other current liabilities	27	316.03	346.37
Total Current Liabilities		4,697.53	4,999.88
Total liabilities		6,860.17	8,096.83
Total Equity and liabilities		23,855.62	23,467.51
See accompanying notes to the Standalone Financial Statements	1-58		

In terms of our report of even date attached

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

Jitendra Agarwal
Partner
Place: New Delhi
Date: 11 May, 2023

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 00576638)
[Executive Chairman]
Place: Gurugram
Date: 11 May, 2023

Ved Prakash Goel
[Chief Financial Officer]
Place: Gurugram
Date: 11 May, 2023

Vinay Gujral
[Company Secretary]
Place: Gurugram
Date: 11 May, 2023

Dr. Om Prakash Manchanda
(DIN: 002099404)
[Managing Director]
Place: Gurugram
Date: 11 May, 2023

Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 11 May, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
1. Income			
(a) Revenue from operations	28	20,168.82	20,874.08
(b) Other income	29	417.19	525.46
Total Income		20,586.01	21,399.54
2. Expenses			
(a) Cost of materials consumed	30	4,471.52	5,022.52
(b) Employee benefits expense	31	3,765.22	3,649.35
(c) Finance costs	32	375.33	301.82
(d) Depreciation and amortisation expense	33	1,501.93	1,081.07
(e) Fees to collection centers/channel partners		2,820.34	2,845.40
(f) Other expenses	34	4,213.40	3,749.56
Total expenses		17,147.74	16,649.72
3. Profit before tax		3,438.27	4,749.82
4. Tax expense			
(a) Current tax	35	1,078.91	1,264.79
(b) Deferred tax	9	(51.41)	(17.88)
Total tax expense		1,027.50	1,246.91
5. Profit for the year (A)		2,410.77	3,502.91
6. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit obligations		26.12	(17.14)
- Income tax in relation to items that will not be reclassified to profit or loss		(6.57)	4.29
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(3.84)	(0.17)
- Income tax in relation to the items that will be reclassified to profit or loss		-	-
Total other comprehensive income/ (loss) (B)		15.71	(13.02)
7. Total comprehensive income for the year (A+B)		2,426.48	3,489.89
Profit for the year attributable to:			
- Owners of the Company		2,388.48	3,448.33
- Non-controlling interests		22.29	54.58
		2,410.77	3,502.91
Other comprehensive income/ (loss) for the year attributable to:			
- Owners of the Company		15.85	(13.12)
- Non-controlling interests		(0.14)	0.10
		15.71	(13.02)
Total comprehensive income for the year attributable to:			
- Owners of the Company		2,404.33	3,435.21
- Non-controlling interests		22.15	54.68
		2,426.48	3,489.89
8. Earnings per equity share	36		
- Basic earnings per share (Face value of ₹ 10 each)		28.82	41.70
- Diluted earnings per share (Face value of ₹ 10 each)		28.74	41.57
See accompanying notes to the Consolidated Financial Statements	1-58		

In terms of our report of even date attached

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

Jitendra Agarwal
Partner
Place: New Delhi
Date: 11 May, 2023

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 00576638)
[Executive Chairman]
Place: Gurugram
Date: 11 May, 2023

Ved Prakash Goel
[Chief Financial Officer]
Place: Gurugram
Date: 11 May, 2023

Vinay Gujral
[Company Secretary]
Place: Gurugram
Date: 11 May, 2023

Dr. Om Prakash Manchanda
(DIN: 002099404)
[Managing Director]
Place: Gurugram
Date: 11 May, 2023

Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 11 May, 2023

Consolidated Cash Flow Statement

for the year ended March 31, 2023

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Cash flows from operating activities			
Profit for the year		2,410.77	3,502.91
Adjustments for :			
Tax expense		1,027.50	1,246.91
Interest income		(331.78)	(472.61)
Gain on sale or fair valuation of investments		(64.21)	(31.62)
Surrender value of keyman insurance policy		(6.96)	(4.95)
Sundry balances written back		(5.12)	(1.78)
(Profit)/Loss on disposal/discard of property, plant and equipment		(8.07)	6.00
Expense recognised in respect of employee share based compensation		228.11	323.09
Finance cost		375.33	301.82
Depreciation and amortisation expense		1,501.93	1,081.07
Provision for impairment of trade receivables and advances		75.89	-
Provision for impairment of trade receivables and advances written back		-	(13.12)
Bad debts and advances written off (net)		36.47	6.16
Security deposits amortisation		7.72	7.72
Remeasurement of the defined benefit obligation		26.12	(17.14)
Exchange differences on translation of foreign operations		(3.84)	(0.17)
Operating profit before working capital changes		5,269.86	5,934.29
Changes in working capital:			
Adjustment for (increase)/decrease in operating assets:			
(Increase)/decrease in inventories		187.35	(99.83)
(Increase)/decrease in trade receivables		33.35	(179.98)
(Increase)/decrease in loans		(2.45)	(1.74)
(Increase)/decrease in other financial assets		10.56	(109.15)
(Increase)/decrease in other assets		22.13	(67.90)
Adjustment for increase/(decrease) in operating liabilities:			
Increase/(decrease) in trade payables		92.27	34.33
Increase/(decrease) in other financial liabilities		21.00	49.51
Increase/(decrease) in provisions		20.88	98.30
Increase/(decrease) in other liabilities		(30.34)	109.40
Cash generated from operations		5,624.61	5,767.23
Income taxes paid (net)		(1,064.34)	(1,300.29)
Net cash flow from operating activities (a)		4,560.27	4,466.94
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(365.15)	(941.06)
Proceeds from disposal of property, plant and equipment		5.03	16.47
Payments for purchase of other intangible assets		(80.51)	(3,820.37)
Interest received		306.26	496.29
Payments for business purchase on slump sale basis*		(13.78)	(44.75)
Net cash outflow for investment in subsidiaries		(164.41)	(4,531.22)
Payments for purchase of investments in mutual funds		(3,497.59)	(3,756.42)
Proceeds from sale of investments in mutual funds		2,716.95	3,726.48
Bank deposits placed with the banks		(7,849.38)	(4,720.39)
Bank deposits with banks encashed		6,069.50	9,082.50
Net cash flow used in investing activities (b)		(2,873.08)	(4,492.47)

Consolidated Cash Flow Statement

for the year ended March 31, 2023

(in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
Cash flows from financing activities			
Proceeds from exercise of share options		8.72	1.38
Repayment of application money received at the time of IPO		(1.43)	-
Repayment of borrowings		(1,089.79)	-
Proceeds from borrowings		-	3,454.23
Interest paid		(154.09)	(104.71)
Repayment of lease liability		(341.97)	(620.57)
Interest paid on lease liability		(223.14)	(199.22)
Dividend paid on equity shares		(1,030.13)	(1,166.60)
Net cash flow from/(used in) financing activities (c)		(2,831.83)	1,364.51
Net increase in cash and cash equivalents (a+b+c)		(1,144.64)	1,338.97
Cash and cash equivalents at the beginning of the year	14	3,781.95	2,442.98
Cash and cash equivalents at the end of the year	14	2,637.31	3,781.95
Components of cash and cash equivalents			
Cash on hand		11.75	14.22
Balance with scheduled banks:			
-on current accounts		118.62	173.63
-on cash credit accounts		4.86	21.87
- deposits with maturity of less than 3 months		2,502.08	3,572.23
Cash and cash equivalents in Cash Flow Statement	14	2,637.31	3,781.95
*Value of assets and liabilities acquired on business purchase through slump sale have been included in movement of respective assets and liabilities			
See accompanying notes to the Consolidated Financial Statements	1-58		

In terms of our report of even date attached

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

Jitendra Agarwal
Partner
Place: New Delhi
Date: 11 May, 2023

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

(Hony) Brig. Dr. Arvind Lal
(DIN: 00576638)
[Executive Chairman]
Place: Gurugram
Date: 11 May, 2023

Dr. Om Prakash Manchanda
(DIN: 002099404)
[Managing Director]
Place: Gurugram
Date: 11 May, 2023

Ved Prakash Goel
[Chief Financial Officer]
Place: Gurugram
Date: 11 May, 2023

Bharath U
[Chief Executive Officer]
Place: Gurugram
Date: 11 May, 2023

Vinay Gujral
[Company Secretary]
Place: Gurugram
Date: 11 May, 2023

Consolidated Statement of Changes in Equity

for the year ended 31 March, 2023

a. Equity Share Capital

(in ₹ million, unless otherwise stated)

Particulars	Amount
Balance as at 1 April, 2021	833.45
Add/(Less):changes in equity share capital due to prior period errors	-
Changes in equity share capital during the period	-
Balance as at 31 March, 2022	833.45
Balance as at 1 April, 2022	833.45
Add/(Less):changes in equity share capital due to prior period errors	-
Changes in equity share capital during the period	0.23
Balance as at 31 March, 2023	833.68

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	Foreign currency translation reserve		
Balance as at 1 April, 2021	(105.25)	4.45	927.95	709.40	398.00	(200.03)	9,818.52	(0.59)	11,552.45	309.56
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April, 2021	(105.25)	4.45	927.95	709.40	398.00	(200.03)	9,818.52	(0.59)	11,552.45	309.56
Profit for the year	-	-	-	-	-	-	3,448.33	-	3,448.33	54.58
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	(12.95)	(0.17)	(13.12)	0.10
Total comprehensive income for the year	(105.25)	4.45	927.95	709.40	398.00	(200.03)	13,253.90	(0.76)	14,987.66	364.24
Payments of dividends (Refer to note 20)	-	-	-	-	-	-	(1,157.05)	-	(1,157.05)	(9.64)
Additions on account of business combinations (Refer to note 20)	-	-	-	-	27.55	-	-	-	27.55	-
Share options exercised during the year (Refer to notes 20 and 50)	-	-	-	128.85	(165.78)	38.31	-	-	1.38	-
Employee share based compensation expense (Refer to note 31)	-	-	-	-	323.09	-	-	-	323.09	-
Balance as at 31 March, 2022	(105.25)	4.45	927.95	838.25	582.86	(161.72)	12,096.85	(0.76)	14,182.63	354.60
Balance as at 1 April, 2022	(105.25)	4.45	927.95	838.25	582.86	(161.72)	12,096.85	(0.76)	14,182.63	354.60
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-

Consolidated Statement of Changes in Equity

for the year ended 31 March, 2023

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				
Restated balance as at 1 April, 2022	(105.25)	4.45	927.95	838.25	582.86	(161.72)	12,096.85	(0.76)	14,182.63	354.60	14,537.23
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
Total comprehensive income for the year	(105.25)	4.45	927.95	838.25	582.86	(161.72)	14,505.02	(4.60)	16,586.96	376.75	16,963.71
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)	-	-	-	-
Balance as at 31 March, 2023	(105.25)	9.45	934.88	1,024.94	582.64	(118.53)	13,505.77	(4.60)	15,829.30	332.47	16,161.77
See accompanying notes to the Consolidated Financial Statements	1-58										

In terms of our report of even date attached

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

Jitendra Agarwal
Partner
Place: New Delhi
Date: 11 May, 2023

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

(Hony) Brig. Dr. Arvind Lal
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[Chief Executive Officer]
Place: Gurugram
Date: 11 May, 2023

Vinay Gujral
[Company Secretary]
Place: Gurugram
Date: 11 May, 2023

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). Accordingly, the comparative figures as at and for the year ended March 31, 2022, included in these financial statements are restated to give effect of the Scheme of Amalgamation, as described in note 47.

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:

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

2.3 Revenue recognition

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

Effective 1 April, 2018, the Group had adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 had been insignificant.

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

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.

Notes to the Consolidated Financial Statements

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

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

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities, referred to as "unearned revenue". Refer to note 28.

The Group disaggregates revenue from contracts with customers by geography.

2.4 Leasing

On April 1, 2019, The Group had adopted Ind AS 116 "Leases" using the modified retrospective approach by applying the standard to all leases existing at the date of initial application. The Group also elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option ("short-term leases") and lease contracts for which the underlying asset is of low value other than land. ("low value assets").

The standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves use of an identified asset, (ii) the Group has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

2.4.1 The Group as a lessee

The Group determines whether an arrangement is a lease at contract inception by establishing if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. On commencement date, it recognises a right-of-use assets (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short term leases and low value assets. For these short-term and low value leases, the Group recognises the lease payments on straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

The right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is

depreciated using the straight-line method from the commencement date over the shorter of lease term or its useful life.

The lease liability is initially measured at present value of the future lease payments over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if it is not readily determinable, using the incremental borrowing rate. For leases with similar characteristics, the Group, on a lease by lease basis, adopts either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The interest cost on lease liability (computed using effective interest method), is expensed in the Statement of Profit and Loss.

Right-of-use assets and lease liability includes the options to extend/ terminate the lease before the end of the lease term when it is reasonably certain that this option will be exercised.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments have been classified as financing cash flows.

2.4.2 The Group as lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2.5 Functional and presentation currency

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

2.6 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

2.6.1 Defined contribution plan

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

Notes to the Consolidated Financial Statements

2.6.2 Defined benefit plan

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

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

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

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

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

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

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

Short-term employee benefits

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

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

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

Long-term employee benefits

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

2.7 Taxation

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

2.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Effective April 1, 2019, the Group has adopted Appendix C to Ind AS 12 – Income taxes, which clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments.

2.7.2 Deferred tax

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

Notes to the Consolidated Financial Statements

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

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

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

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

2.7.3 Current and deferred tax for the year

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

2.8 Property, plant and equipment

2.8.1 Property, plant and equipment acquired separately

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and

maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

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

2.8.2 Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

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

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

Freehold land is not amortised.

2.8.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill such as trademark, non-compete fee and customer relationship are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Significant estimates are required to be made in determining the value of these intangible assets as per Ind AS 103. These valuations are conducted by

Notes to the Consolidated Financial Statements

independent valuation experts. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.8.4 Deemed cost on transition to Ind AS

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

2.8.5 Derecognition of tangible assets

A tangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses arising from derecognition of a tangible asset, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.9 Intangible assets

2.9.1 Intangible assets acquired separately

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

Estimated useful life of intangible assets are as follows

Trademark & Patent- 5-17 years

Customer relationship -11 - 12 years

Non compete agreement fees - 5 years

Computer software - 5 years

2.9.2 Amortisation methods and useful lives

Trademarks and softwares are amortised on a straight-line basis over its estimated useful life i.e. 5 years. An intangible asset is derecognised when no future economic benefits are expected from use.

2.9.3 Deemed cost on transition to Ind AS

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

2.9.4 Derecognition of intangible assets

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

2.10 Impairment of tangible and intangible assets other than goodwill

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

2.11 Inventories

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

Notes to the Consolidated Financial Statements

2.12 Provisions, contingent liability and contingent asset

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

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

Contingent assets are disclosed in the Consolidated Financial Statements by way of notes to 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 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 model whose objective is to hold these assets in order to collect contractual cash flows and the contractual

Notes to the Consolidated Financial Statements

terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.14.3 Financial assets at fair value through other comprehensive income

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

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

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

2.14.5 Foreign exchange gain and losses

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

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

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

2.14.6 Impairment of financial assets

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

2.14.7 Derecognition of financial assets

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

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

2.14.8 Interest

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

2.14.9 Income from units in mutual funds

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

2.15 Financial liabilities and equity instruments

2.15.1 Classification of debt or equity

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

2.15.2 Equity instruments

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

2.15.3 Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Notes to the Consolidated Financial Statements

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

2.15.4 Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' in the line-item 'Net foreign exchange gains/(losses)' except where capitalised as part of borrowing cost.

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

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

2.15.5 Derecognition of financial liabilities

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

2.16 Goodwill

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

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

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

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

2.17 Share-based payment arrangements

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

2.18 Earnings per share

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

2.19 Operating cycle

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

2.20 Cash Flow Statement

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

2.21 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Group.

2.22 Use of estimates and judgements

The preparation of Consolidated Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Consolidated Financial Statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Notes to the Consolidated Financial Statements

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements are included in the following notes:

Accounting of reagent rental equipments

The Company has entered into agreements with certain suppliers for purchase of reagent. As part of the agreement, the Company has the right to use equipment supplied by the suppliers free of charge subject to purchase of minimum committed quantities of reagents.

The cost of reagents which includes the cost of rental of the equipment is recorded as cost of material consumed.

Carrying amount of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss may arise (Refer to note 4).

Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There is no such change in the useful life of the assets (Refer to note 3).

Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates (Refer to note 40).

2.23 Basis of consolidation and equity accounting

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balance and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown

separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Change in Equity and Consolidated Balance Sheet respectively.

The following subsidiary companies have been considered in the preparation of the Consolidated Financial Statements:

S. No.	Name of the Company
1	Paliwal Diagnostics Private Limited
2	Paliwal Medicare Private Limited
3	Dr Lal PathLabs Nepal Private Limited
4	Dr Lal PathLabs Bangladesh Pvt Ltd
5	Suburban Diagnostics (India) Private Limited (w.e.f 12 November, 2021)
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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements -

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Consolidated Financial Statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Consolidated Financial Statement.

Notes to the Consolidated Financial Statements

Note 3a: Property, plant and equipment

(Refer to Note 2.8)

Particulars	(in ₹ million, unless otherwise stated)	
	As at 31 March, 2023	As at 31 March, 2022
Carrying amounts of :		
Freehold land	109.57	109.57
Freehold buildings	2.31	5.44
Leasehold buildings	316.85	341.60
Plant and equipment	1,120.96	1,138.46
Computers	83.14	102.10
Furniture and fixtures	87.97	91.38
Vehicles	20.15	29.04
Leasehold improvements	263.12	230.11
	2,004.07	2,047.70
Capital work-in-progress	29.67	144.48
	2,033.74	2,192.18

Particulars	Freehold land	Leasehold land	Freehold buildings	Leasehold buildings	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost or deemed cost										
Balance as at 1 April, 2021	109.57	-	21.75	502.32	1,507.58	329.75	80.96	38.80	388.83	2,979.56
Additions	-	-	0.52	1.21	451.52	54.73	26.49	15.40	64.73	648.14
Elimination on account of business combinations	-	-	22.54	-	179.00	28.84	75.57	6.15	11.94	324.04
Disposals	-	-	-	-	(25.47)	(1.69)	(1.27)	(9.40)	(4.71)	(42.54)
Foreign currency translation reserve	-	-	-	-	0.24	0.02	0.01	-	0.05	0.32
Balance as at 31 March, 2022	109.57	-	44.81	503.53	2,112.87	411.65	181.76	50.95	494.38	3,909.52
Additions	-	-	7.83	(0.06)	274.78	39.60	22.25	-	107.61	452.07
Disposals	-	-	(1.67)	-	(38.11)	(2.08)	(4.19)	(0.15)	(19.88)	(66.14)
Foreign currency translation reserve	-	-	-	-	(3.39)	(0.09)	(0.07)	-	(0.80)	(4.35)
Balance as at 31 March, 2023	109.57	-	43.14	511.30	2,346.15	449.08	199.75	50.80	581.31	4,291.10
Accumulated depreciation										
Balance as at 1 April, 2021	-	-	2.40	161.84	715.72	242.25	54.32	21.76	205.43	1,403.72
Depreciation expense	-	-	36.19	0.09	239.42	56.81	18.68	5.74	56.40	413.33
Additions on account of business combinations	-	-	0.78	-	29.03	11.50	18.65	1.77	3.46	65.19
Elimination on disposals of assets	-	-	-	-	9.90	1.01	1.27	7.36	1.03	20.57
Foreign currency translation reserve	-	-	-	-	0.14	-	-	-	0.01	0.15
Balance as at 31 March, 2022	-	-	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)
Balance as at 31 March, 2023	-	-	40.83	194.45	1,225.19	365.94	111.78	30.65	318.19	2,287.03
Carrying amount										
Balance as at 1 April, 2021	109.57	-	19.35	340.48	791.86	87.50	26.64	17.04	183.40	1,575.84
Additions	-	-	0.52	1.21	451.52	54.73	26.49	15.40	98.27	648.14
Elimination on account of business combinations	-	-	21.76	-	149.97	17.34	56.92	4.38	8.48	258.85
Disposals	-	-	(36.19)	(0.09)	(15.57)	(0.68)	-	(2.04)	(3.68)	(21.97)
Depreciation expense	-	-	-	-	(239.42)	(56.81)	(18.68)	(5.74)	(56.40)	(413.33)
Foreign currency translation reserve	-	-	-	-	0.10	0.02	0.01	-	0.04	0.17
Balance as at 31 March, 2022	109.57	-	5.44	341.60	1,138.46	102.10	91.38	29.04	230.11	2,047.70
Additions	-	-	7.83	(0.06)	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)
Balance as at 31 March, 2023	109.57	-	2.31	316.85	1,120.96	83.14	87.97	20.15	263.12	2,004.07

Note : The Group had not revalued its property, plant and equipment during the year ended 31 March, 2023 and 31 March, 2022

Notes to the Consolidated Financial Statements

Note 3b: Right-of-use-assets

(in ₹ million, unless otherwise stated)

Particulars	Right-of-use land	Right-of-use buildings	Total
Gross carrying value			
Balance as at 1 April, 2021	160.26	1,924.55	2,084.81
Addition on account of business combinations	-	199.96	199.96
Additions	-	870.16	870.16
Disposals	-	(3.38)	-3.38
Balance as at 31 March, 2022	160.26	2,991.29	3,151.55
Additions	-	429.53	429.53
Disposals	-	(110.71)	(110.71)
Balance as at 31 March, 2023	160.26	3,310.11	3,470.37
Accumulated depreciation			
Balance as at 1 April, 2021	3.28	598.65	601.93
Additions on account of business combinations	-	77.27	77.27
Depreciation expense	1.64	364.68	366.32
Elimination on disposals of assets	-	-	-
Balance as at 31 March, 2022	4.92	1,040.60	1,045.52
Depreciation expense	1.64	417.26	418.90
Elimination on disposals of assets	-	-	-
Balance as at 31 March, 2023	6.56	1,457.86	1,464.42
Net carrying value			
Balance as at 1 April, 2021	156.98	1,325.90	1,482.88
Addition on account of business combinations	-	122.69	122.69
Additions	-	870.16	870.16
Disposals	-	(3.38)	(3.38)
Depreciation expense	(1.64)	(364.68)	(366.32)
Balance as at 31 March, 2022	155.34	1,950.69	2,106.03
Additions	-	429.53	429.53
Disposals	-	(110.71)	(110.71)
Depreciation expense	(1.64)	(417.26)	(418.90)
Balance as at 31 March, 2023	153.70	1,852.25	2,005.95

Note: Note: The Group had not revalued its right-of use sssets during the year ending 31 March, 2023 and 31 March, 2022

Note 3c: Capital-Work-in Progress ('CWIP)

(a) CWIP ageing schedule

CWIP Ageing Schdule

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Projects in progress		
- Less than 1 year	29.67	144.48
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(A)	29.67	144.48
Projects temporarily suspended		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(B)	-	-
Total (A+B)	29.67	144.48

(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 4: Goodwill

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cost or deemed cost	5,478.41	5,434.35
Accumulated impairment loss	-	-
	5,478.41	5,434.35

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Cost or deemed cost		
Balance at the beginning of year	5,434.35	788.91
Additions on account of acquisitions/ business combinations*	48.69	4,647.77
Adjustments	(3.28)	(2.50)
Foreign currency translation reserve	(1.35)	0.17
Balance at the end of the year**	5,478.41	5,434.35

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of year	-	-
Impairment losses recognised in the year	-	-
Balance at the end of the year	-	-

*Notes

(i) Goodwill on account of 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.

Name of indian subsidiaries	Year ended 31 March, 2023	Year ended 31 March, 2022
Suburban Diagnostics (India) Private Limited*	48.69	4,647.77
Total	48.69	4,647.77

Included amount of ₹ Nil (As at 31 March 2023 ₹ 14.19 million) relating to the goodwill in the financials of Suburban Diagnostics (India) Private Limited

** Includes goodwill amounting to ₹ 4,696.46 as at 31 March 2023 (As at 31 March 2022: ₹ 4,647.77 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, 2022: 10-11.50% per annum).

Cash flow projections during the forecast period are based on the same expected gross margins and inflation throughout the forecast period. The cash flows beyond that five-year period have been extrapolated using a steady growth rate of 5-15% per annum (as at March 31, 2022: 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.

Notes to the Consolidated Financial Statements

Note 5: Other intangible assets

(in ₹ million, unless otherwise stated)

	As at 31 March, 2023	As at 31 March, 2022
Carrying amounts of :		
Computer software	188.30	194.25
Customer relationships	1,758.17	1,864.26
Non-compete agreements	34.26	44.24
Brand	1,408.50	-
Trademarks	172.95	191.82
	3,562.19	2,294.57
Intangible assets under development	19.71	5.56
	3,581.90	2,300.13

	Computer software	Customer relationships (Refer note below)	Non- compete agreements (Refer note below)	Brand (Refer note below)	Trademarks (Refer note below)	Total
Cost or deemed cost						
Balance as at 1 April, 2021	464.88	200.38	11.30	-	240.76	917.32
Additions	93.44	-	-	-	-	93.44
Additions on account of business combinations	25.48	1,732.00	40.97	1,957.70	-	3,756.15
Disposals	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	-	-	-
Balance as at 31 March, 2022	583.80	1,932.38	52.27	1,957.70	240.76	4,766.91
Additions	66.31	-	-	-	-	66.31
Disposals	(0.89)	-	-	-	-	(0.89)
Foreign currency translation reserve	-	-	-	-	-	-
Balance as at 31 March, 2023	649.22	1,932.38	52.27	1,957.70	240.76	4,832.33
Accumulated amortisation						
Balance as at 1 April, 2021	308.24	16.15	2.56	-	30.07	357.02
Amortisation expense	73.35	51.97	4.97	152.26	18.87	301.42
Additions on account of business combinations	7.96	-	0.50	-	-	-
Elimination on disposals of assets	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	-	-	-
Balance as at 31 March, 2022	389.55	68.12	8.03	152.26	48.94	658.44
Amortisation expense	72.26	106.09	9.98	396.94	18.87	604.14
Eliminated on disposals of assets	(0.89)	-	-	-	-	(0.89)
Foreign currency translation reserve	-	-	-	-	-	-
Balance as at 31 March, 2023	460.92	174.21	18.01	549.20	67.81	1,270.14
Carrying amount						
Balance as at 1 April, 2021	156.64	184.23	8.74	-	210.69	560.30
Additions	93.44	-	-	-	-	93.44
Additions on account of business combinations	17.52	1,732.00	40.47	1,957.70	-	3,747.69
Disposals	-	-	-	-	-	-
Amortisation expense	(73.35)	(51.97)	(4.97)	(152.26)	(18.87)	(301.42)
Balance as at 31 March, 2022	194.25	1,864.26	44.24	1,805.44	191.82	4,100.01
Additions	66.31	-	-	-	-	66.31
Disposals	-	-	-	-	-	-
Amortisation expense	(72.26)	(106.09)	(9.98)	(396.94)	(18.87)	(604.14)
Balance as at 31 March, 2023	188.30	1,758.17	34.26	1,408.50	172.95	3,562.19

Notes to the Consolidated Financial Statements

Note 5: Other intangible assets (Contd..)

Notes

5.1. The Group had not revalued its intangible assets during the year ending 31 March, 2023 and 31 March, 2022

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:

Name of the entity in the Group	Particulars	Purchase consideration	Customer relationships	Brands	Non-compete agreements
Suburban Diagnostics Private Limited	Suburban Diagnostics Private Limited	9,667.10	1,732.00	1,957.70	37.40
	Total (i)	9,667.10	1,732.00	1,957.70	37.40
Carring value as at 31 March, 2023			1,610.52	1,408.45	26.91

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, 2023	As at 31 March, 2022
Projects in progress		
- Less than 1 year	19.24	5.56
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(A)	19.24	5.56
Projects temporarily suspended		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(B)	-	-
Total (A+B)	19.24	5.56

(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)

	As at 31 March, 2023	As at 31 March, 2022
Loans to employees (unsecured, considered good)*	0.56	1.07
	0.56	1.07

*Includes loan given to related parties (Refer to note 51)

Notes to the Consolidated Financial Statements

Note 7: Other financial assets

(in ₹ million, unless otherwise stated)

	As at 31 March , 2023	As at 31 March , 2022
Security deposits	136.41	136.13
Surrender value of keyman insurance policy	41.64	36.89
Non-current bank balances	222.84	67.12
Interest accrued on loans, fixed deposits and others	0.10	2.77
	400.99	242.91

Note 8: Non-current tax assets/ Current tax liabilities (net)

(in ₹ million, unless otherwise stated)

	As at 31 March , 2023	As at 31 March , 2022
Tax assets		
Taxes paid (net)	205.42	246.57
Tax liabilities		
Income tax payable (net)	(4.97)	(31.56)
	200.45	215.01

Note 9: Deferred tax balances

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Deferred tax assets	404.24	370.38
Deferred tax liabilities	(29.41)	(40.39)
	374.83	329.99

2022-23	Opening balance	Addition on account of Business com- inations	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets on:					
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
Deferred tax liabilities on:					
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)
Total	329.99	-	51.41	(6.57)	374.83

Notes to the Consolidated Financial Statements

Note 9: Deferred tax balances (Contd..)

2021-22	Opening balance	Addition on account of Business combinations	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets on:					
Property, plant and equipment	134.28	5.47	25.59	-	165.34
Short-term provisions- compensated absences	28.84	4.32	(4.83)	-	28.33
Short-term provisions- gratuity	15.02	8.20	12.75	4.29	40.26
Provision for impairment of trade receivables and advances	56.88	21.05	(6.11)	-	71.82
Disallowed expenditure	59.85	0.46	7.15	-	67.46
Others	13.01	1.57	(7.48)	-	7.10
Deferred tax liabilities on:					-
Property, plant and equipment	(25.11)	-	(6.78)	-	(31.89)
Surrender value of keyman insurance policy	(8.54)	-	(0.75)	-	(9.29)
Fair valuation gains on mutual funds	(1.55)	(5.93)	(1.66)	-	(9.14)
Total	272.68	35.14	17.88	4.29	329.99

Note 10: Other non-current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Capital advances	9.48	14.85
Advances to related parties (corpus) (Refer to note 52)	0.24	0.24
Others	3.84	1.85
	13.56	16.94

Financial assets (current)

Note 11: Inventories

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Reagents, chemicals, surgicals and laboratory supplies	335.89	517.24
Stores and others	2.17	8.17
	338.06	525.41

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	As at 31 March , 2023	As at 31 March , 2022
Investment in mutual funds (unquoted) carried at fair value through profit or loss		
Nippon India Money Market Fund - Direct Growth Plan Growth Option 75,070.67 (31 March, 2022: Nil) units of ₹ 1,000 each	268.78	-
JM Liquid Fund Direct Growth 11,84,069.07 (31 March, 2022: Nil) units of ₹ 10 each	72.87	-
SBI Savings Fund Direct Plan Growth 30,35,157.26 (31 March, 2022: Nil) units of ₹ 10 each	114.03	-
Kotak Money Market Fund Direct Growth 13,519.05 (31 March, 2022: Nil) units of ₹ 1,000 each	51.76	-
UTI Liquid Cash Plan Direct Growth 16,699.01 (31 March, 2022: Nil) units of ₹ 1,000 each	61.61	-
HDFC Liquid Fund Direct Plan Growth Option Nil (31 March, 2022: 6,938.37) units of ₹ 1,000 each	-	29.03
Axis Money Market Fund Direct Plan Growth 1,69,028.6 (31 March, 2022: Nil) units of ₹ 1000 each	205.81	-
Invesco India Money Market fund Direct Plan Growth 38,009.56 (31 March, 2022: Nil) units of ₹ 1,000 each	101.45	-
Invesco India Liquid fund Direct Growth 41,784.26 (31 March, 2022: Nil) units of ₹ 1,000 each	129.12	-
Mahindra Manulife Liquid fund Direct Growth 67,441.59 (31 March, 2022: Nil) units of ₹ 1,000 each	98.78	-
SBI Liquid Fund Direct Growth Fund Nil (31 March, 2022: 4,880.12) units of ₹ 1,000 each	-	16.27
HDFC Money Market Fund Direct Plan Growth Option 40,047.84 (31 March, 2022: 9,338.52) units of ₹ 1,000 each	197.10	43.47
ICICI Prudential Money Market Fund Direct Plan Growth Nil (31 March, 2022: 53,483.73) units of ₹ 100 each	-	16.41
HDFC Overnight Fund Direct Plan Growth Option Nil (31 March, 2022: 1,836.91) units of ₹ 1,000 each	-	8.55
AXIS Liquid Fund Growth 62,337.01 (31 March, 2022: 63,811.71) units of ₹ 1,000 each	155.90	150.86
Aditya Birla Sun Life Short Term Opportunities Fund Nil (31 March, 2022: 7,92,170.19) units of ₹ 1,000 each	-	30.33
ICICI Prudential Money Market Fund 130,219.07 (31 March, 2022: 3,88,757.93) units of ₹ 1,000 each	42.23	122.52
IDFC Ultra Short Term Fund Nil (31 March, 2022: 12,579.42) units of ₹ 1,000 each	-	0.39
IDFC Bond Fund Medium Term Plan Nil (31 March, 2022: 3,88,299.75) units of ₹ 1,000 each	-	14.79
IDFC Super Saver Income Fund Short Term Plan Nil (31 March, 2022: 3,18,986.39) units of ₹ 1,000 each	-	14.82
IDFC Super Saver Income Fund Short Term Plan Nil (31 March, 2022: 16,357.23) units of ₹ 1,000 each	-	42.05
Kotak Floater Short Term Fund Nil (31 March, 2022: 16,357.23) units of ₹ 1,000 each	-	102.36
SBI Liquid Fund Growth (Erstwhile SBI Premier Liquid) Nil (31 March, 2022: 18,821.28) units of ₹ 1,000 each	-	62.74
Total	1,499.44	654.59

Notes to the Consolidated Financial Statements

Note 13: Trade receivables

(in ₹ million, unless otherwise stated)

	As at 31 March , 2023	As at 31 March , 2022
Trade receivables		
Secured, considered good	174.45	160.54
Unsecured, considered good	533.79	693.41
Credit impaired	345.32	284.66
	1,053.56	1,138.61
Less: Allowance for doubtful debts (expected credit loss allowance)	(345.32)	(284.66)
	708.24	853.95

The average credit period from service is 0-60 days. No interest is charged on the trade receivables for the amount overdue above the credit period. There are no customers who represent more than 5% of the total balance of trade receivables.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

(in ₹ million, unless otherwise stated)

Age of receivables	As at 31 March , 2023	As at 31 March , 2022
0-90 days	671.06	665.82
90-180 days	57.80	164.50
180-360 days	103.71	101.84
More than 360 days	220.99	206.45
	1,053.56	1,138.61

Movement in the expected credit loss allowance	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at beginning of the year	284.66	215.34
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	60.66	69.32
Balance at end of the year	345.32	284.66

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 Consolidated Financial Statements

Note 13: Trade receivables (Contd..)

Trade receivables ageing schedule

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
(i) Undisputed trade receivables - considered good		
- Less than 6 months	703.24	693.61
- 6 months - 1 year	3.92	42.06
- 1-2 years	-	78.60
- 2-3 years	-	28.86
- More than 3 years	-	10.82
	707.16	853.95
(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	24.54	135.80
- 6 months - 1 year	97.01	57.58
- 1-2 years	109.65	84.28
- 2-3 years	69.08	-
- More than 3 years	8.81	-
	309.09	277.66
(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	-	-
	1.08	-
(v) Disputed trade receivables - which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(vi) Disputed trade receivables - credit impaired		
- Less than 6 months	-	-
- 6 months - 1 year	2.78	-
- 1-2 years	9.24	7.00
- 2-3 years	18.04	-
- More than 3 years	6.17	-
	36.23	7.00
	1,053.56	1,138.61

Notes to the Consolidated Financial Statements

Note 14: Cash and cash equivalents

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Balances with banks		
- in current accounts	118.62	173.63
- in cash credit accounts*	4.86	21.87
Deposit with maturity of less than 3 months	2,502.08	3,572.23
Cash on hand	11.75	14.22
Total	2,637.31	3,781.95

**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 31 March , 2023	As at 31 March , 2022
Balance in unclaimed dividend accounts	1.03	0.91
Balance in escrow account*	-	1.43
Deposit with banks held as margin money deposits against guarantees	9.46	11.61
Deposit with maturity of 3-12 months **	4,006.32	2,380.01
Total	4,016.81	2,393.96

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

** Refer note 22 for disclosure of assets held as security.

Note 16: Loans

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Loans to employees*	13.64	10.68
Total	13.64	10.68

*includes loan given to related parties, refer to note 51

Note 17: Other financial assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Deposit with others	141.24	147.35
Interest accrued on deposits	215.90	199.29
Total	357.14	346.64

Note 18: Other current assets

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Balances with government authorities	3.77	3.43
Advances to suppliers	17.26	25.89
Other advances	11.26	16.01
Prepaid expenses	127.06	126.54
Prepaid rent	0.86	12.46
Total	160.21	184.33

Notes to the Consolidated Financial Statements

Note 19: Equity share capital

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Equity share capital	833.68	833.45
Authorised		
107,960,000 equity shares of ₹ 10 each (as at 31 March, 2022: 107,960,000, equity shares of ₹ 10 each)*	1,079.60	1,079.60
Issued, subscribed and fully paid-up		
8,33,67,877 equity shares of ₹ 10 each (as at 31 March, 2022: 83,344,877 equity shares of ₹ 10 each)	833.68	833.45

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 47

(i) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March, 2023 and 31 March, 2022 is set out below:

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity share capital				
At the beginning of the year	8,33,44,877	833.45	8,33,44,877	833.45
Issued during the year	23,000	0.23	-	-
Outstanding at the end of the year	8,33,67,877	833.68	8,33,44,877	833.45

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

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	% Holding	Number of shares	% Holding
(i) Dr Arvind Lal	2,64,15,443	31.69%	2,64,15,443	31.69%
(ii) Dr Vandana Lal	1,60,82,327	19.29%	1,60,82,327	19.30%

(iii) Details of shares held by promoters*

Particulars	As at 31 March, 2023		As at 31 March, 2022		% Change during the year
	Number of shares	% Holding	Number of shares	% Holding	
(i) Dr Arvind Lal	2,64,15,443	31.69%	2,64,15,443	31.69%	0%
(ii) Dr Vandana Lal	1,60,82,327	19.29%	1,60,82,327	19.30%	0%
(iii) Archana Lal Erdmann	18,43,751	2.21%	18,43,751	2.21%	0%
(iv) Anjaneya Lal	16,89,614	2.03%	16,89,614	2.03%	0%

(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, 2023	As at 31 March, 2022
Proposed dividend on equity shares by Parent company for the year ended on 31 March 2023: ₹ 6 (31 March 2022: ₹ 6 per share)	500.21	500.07
	500.21	500.07

*Such dividend proposed is in accordance with section 123 of the Companies Act 2013, as applicable.

Notes to the Consolidated Financial Statements

Note 19: Equity share capital (Contd..)

(vi) There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date including the current year.

(vii) Share options granted under the Company's employee share options plans

- (a) The shareholders of the Parent Company approved 'Dr. Lal PathLabs Private Limited Employee Stock Option Plan 2010' ('ESOP 2010') at the Annual General Meeting held on 20 August, 2010 to grant a maximum of 3,808,960 (after considering bonus shares issued during the previous year and subdivision of shares of ₹ 100 each into 10 shares of ₹ 10 each) options to specified categories of employees of the Parent Company. Each option granted and vested under the ESOP 2010 shall entitle the holder to acquire 1 equity share of ₹ 10 each. As per resolution passed on 21 August, 2015, the Parent Company approved to cease further grants under the ESOP 2010. Refer note 51 for details of options granted, vested and issued under the ESOP 2010.
- (b) The shareholders of the Parent Company approved 'Dr. Lal PathLabs Employees Restricted Stock Unit Plan 2016' ('RSU 2016') at the Annual General Meeting held on 28 July, 2016 to grant a maximum of 1,244,155 Restricted Stock Units ("RSUs") to key employees and directors of the Parent Company and its subsidiaries. Each RSU granted and vested shall entitle the holder to acquire 1 equity share of ₹ 10 each. Refer note 51 for details of RSUs granted, vested and issued under RSU 2016.
- (c) The shareholders of the Parent Company approved 'Dr. Lal PathLabs Employees Stock Option Plan 2022' ('ESOP 2022') at the Annual General Meeting held on 30 June, 2022 to grant a maximum of 1,250,278 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 51 for details of option granted, vested and issued under ESOP 2022.

Note 20: Other equity

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
General Reserve	1,024.94	838.25
Securities premium	934.88	927.95
Share options outstanding account	582.64	582.86
Retained earnings	13,505.77	12,096.85
Capital redemption reserve account	9.45	4.45
Treasury shares	(118.53)	(161.72)
Foreign currency translation reserve	(4.60)	(0.76)
Capital reserve	(105.25)	(105.25)
Total	15,829.30	14,182.63

(i) General reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	838.25	709.40
Addition on share options exercised*	186.69	128.85
Balance at the end of the year	1,024.94	838.25

*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	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	927.95	927.95
Additions during the year	6.93	-
Balance at the end of the year	934.88	927.95

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Notes to the Consolidated Financial Statements

Note 20: Other equity (Contd..)

(iii) Share option outstanding account

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	582.86	398.00
Compensation options granted during the year	220.53	323.09
Addition on account of Business combination	-	27.55
Options exercised	(220.75)	(165.78)
Balance at the end of the year	582.64	582.86

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 51.

(iv) Retained earnings

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	12,096.85	9,818.52
Profit for the year	2,388.48	3,448.33
Remeasurement of defined benefit obligation, net of income tax	19.69	(12.95)
Redemption of preference shares	-	-
Less: Appropriations		
Final dividend or equity shares ₹ 6.00 per share for the year ended 31 March 2022	(497.10)	-
Interim dividend on equity shares ₹ 6.00 per share (Previous year ₹ 14.00 per share)	(497.15)	(1,157.05)
Transfer to capital redemption reserve	(5.00)	-
Balance at the end of the year	13,505.77	12,096.85

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 ₹ 6.00 per share for the year ended 31 March 2023 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 Dagnostics 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	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	4.45	4.45
Additions during the year	5.00	-
Balance at the end of the year	9.45	4.45

The Parent Company in the previous years had bought back its equity shares and as per requirement of erstwhile section 77 of Companies Act, 1956, nominal value of the shares so purchased was transferred to capital redemption reserve account.

Notes to the Consolidated Financial Statements

Note 20: Other equity (Contd..)

(vi) Treasury shares

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	(161.72)	(200.03)
Change during the year	43.19	38.31
Balance at the end of the year	(118.53)	(161.72)

During the year ended 31 March, 2012, the Parent Company had constituted Dr. Lal PathLabs Employee Welfare Trust "EWT Trust" to acquire, hold and allocate/transfer equity shares of the Parent Company to eligible employees from time to time on the terms and conditions specified under respective plans. The financial statements of the EWT Trust have been included in the financial statements of the Parent Company in accordance with the requirements of the Ind AS.

Equity shares of the Parent Company purchased from employees and secondary market from time to time in the earlier years and held by EWT as at 31 March, 2023 aggregated to 427,299 equity shares (31 March, 2022: 582,964 equity shares) of face value ₹ 10 each.

(vii) Foreign currency translation reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	(0.76)	(0.59)
Change during the year	(3.84)	(0.17)
Balance at the end of the year	(4.60)	(0.76)

Exchange differences relating to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(viii) Capital reserve

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at the beginning of the year	(105.25)	(105.25)
Balance at the end of the year	(105.25)	(105.25)

₹ 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 31 March, 2023	Year ended 31 March, 2022
Balance at beginning of the year	354.60	309.56
Share of profit for the year	22.15	54.68
Dividend	(36.00)	(9.64)
Non-controlling interests on further acquisition of APRL PathLabs Private Limited	(8.28)	-
Balance at the end of the year	332.47	354.60

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:

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, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Paliwal Diagnostics Private Limited	India	20.00%	20.00%	17.48	25.82
Paliwal Medicare Private Limited	India	20.00%	20.00%	1.07	1.40
Centrapath Labs Private Limited	India	30.00%	30.00%	4.78	15.41
APRL PathLabs Private Limited	India	20.00%	30.00%	0.62	3.90
Chanre Laboratory Private Limited	India	30.00%	30.00%	0.01	7.10
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Bangladesh	28.17%	28.17%	(1.81)	1.05
			Total	22.15	54.68

(in ₹ million, unless otherwise stated)

Name of subsidiary	Accumulated non-controlling interest)	
	As at 31 March, 2023	As at 31 March, 2022
Paliwal Diagnostics Private Limited	59.56	72.06
Paliwal Medicare Private Limited	15.75	14.68
Centrapath Labs Private Limited	173.08	174.29
APRL PathLabs Private Limited	16.63	24.30
Chanre Laboratory Private Limited	60.18	60.17
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	7.27	9.10
Total	332.47	354.60

Paliwal Diagnostics Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current assets	76.68	80.63
Current assets	279.55	330.71
Non-current liabilities	0.08	6.18
Current liabilities	58.38	44.90
Equity attributable to owners of the Company	238.21	288.20
Non-controlling interests	59.56	72.06

Notes to the Consolidated Financial Statements

Note 21: Non-controlling interests (Contd..)

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	387.77	442.46
Expenses	299.71	312.53
Profit/ (loss) for the year	88.06	129.93
Profit/ (loss) attributable to owners of the Company	70.46	103.94
Profit/ (loss) attributable to the non-controlling interests	17.60	25.99
Profit/ (loss) for the year	88.06	129.93
Other comprehensive income attributable to owners of the Company	(0.46)	(0.68)
Other comprehensive income attributable to the non-controlling interests	(0.12)	(0.17)
Other comprehensive income for the year	(0.58)	(0.85)
Total comprehensive income attributable to owners of the Company	70.00	103.26
Total comprehensive income attributable to the non-controlling interests	17.48	25.82
Total comprehensive income for the year	87.48	129.08
Dividends paid to non-controlling interests	30.00	4.00
Net cash inflow/ (outflow) from operating activities	99.78	125.91
Net cash inflow/ (outflow) from investing activities	(17.41)	(51.10)
Net cash inflow/ (outflow) from financing activities	(154.06)	(22.51)
Net cash inflow/ (outflow)	(71.69)	52.30

Paliwal Medicare Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current assets	36.39	11.09
Current assets	46.63	65.63
Non-current liabilities	-	-
Current liabilities	4.25	3.31
Equity attributable to owners of the Company	63.02	58.73
Non-controlling interests	15.75	14.68

Notes to the Consolidated Financial Statements

Note 21: Non-controlling interests (Contd..)

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	48.83	55.00
Expenses	43.47	48.01
Profit/ (loss) for the year	5.36	6.99
Profit/ (loss) attributable to owners of the Company	4.29	5.59
Profit/ (loss) attributable to the non-controlling interests	1.07	1.40
Profit/ (loss) for the year	5.36	6.99
Other comprehensive income/(loss) attributable to owners of the Company	-	-
Other comprehensive income attributable to the non-controlling interests	-	-
Other comprehensive income/(loss) for the year	-	-
Total comprehensive income attributable to owners of the Company	4.29	5.59
Total comprehensive income attributable to the non-controlling interests	1.07	1.40
Total comprehensive income for the year	5.36	6.99
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	7.91	5.22
Net cash inflow/ (outflow) from investing activities	(7.21)	(3.04)
Net cash inflow/ (outflow) from financing activities	-	-
Net cash inflow/ (outflow)	0.70	2.18

Centrapath Labs Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current assets	423.96	460.42
Current assets	221.80	185.63
Non-current liabilities	18.69	21.09
Current liabilities	50.15	43.99
Equity attributable to owners of the Company	403.84	406.68
Non-controlling interests	173.08	174.29

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	178.80	249.74
Expenses	162.83	198.35
Profit/ (loss) for the year	15.97	51.39
Profit/ (loss) attributable to owners of the Company	11.18	35.96
Profit/ (loss) attributable to the non-controlling interests	4.79	15.43
Profit/ (loss) for the year	15.97	51.39
Other comprehensive income/(loss) attributable to owners of the Company	(0.01)	(0.05)
Other comprehensive income attributable to the non-controlling interests	(0.01)	(0.02)
Other comprehensive income/(loss) for the year	(0.02)	(0.07)
Total comprehensive income attributable to owners of the Company	11.17	35.91
Total comprehensive income attributable to the non-controlling interests	4.78	15.41
Total comprehensive income for the year	15.95	51.32
Dividends paid to non-controlling interests	6.00	5.64
Net cash inflow/ (outflow) from operating activities	57.37	75.66
Net cash inflow/ (outflow) from investing activities	(35.36)	(24.20)
Net cash inflow/ (outflow) from financing activities	(25.12)	(24.05)
Net cash inflow/ (outflow)	(3.11)	27.41

Notes to the Consolidated Financial Statements

Note 21: Non-controlling interests (Contd..)

APRL Pathlabs Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Non-current assets	71.94	55.70
Current assets	20.56	38.65
Non-current liabilities	-	4.35
Current liabilities	8.37	9.00
Equity attributable to owners of the Company	67.50	56.70
Non-controlling interests	16.63	24.30

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	86.20	109.00
Expenses	83.03	96.19
Profit/ (loss) for the year	3.17	12.81
Profit/ (loss) attributable to owners of the Company	2.54	8.97
Profit/ (loss) attributable to the non-controlling interests	0.63	3.84
Profit/ (loss) for the year	3.17	12.81
Other comprehensive income/(loss) attributable to owners of the Company	(0.03)	0.15
Other comprehensive income attributable to the non-controlling interests	(0.01)	0.06
Other comprehensive income/(loss) for the year	(0.04)	0.21
Total comprehensive income attributable to owners of the Company	2.51	9.12
Total comprehensive income attributable to the non-controlling interests	0.62	3.90
Total comprehensive income for the year	3.13	13.02
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	9.41	14.82
Net cash inflow/ (outflow) from investing activities	1.70	(18.86)
Net cash inflow/ (outflow) from financing activities	(5.00)	-
Net cash inflow/ (outflow)	6.11	(4.04)

Chanre Laboratory Private Limited

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Non-current assets	166.89	180.41
Current assets	61.40	47.82
Non-current liabilities	11.06	11.94
Current liabilities	16.64	15.71
Equity attributable to owners of the Company	140.41	140.41
Non-controlling interests	60.18	60.17

Notes to the Consolidated Financial Statements

Note 21: Non-controlling interests (Contd..)

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	122.41	147.28
Expenses	122.39	123.90
Profit/ (loss) for the year	0.02	23.38
Profit/ (loss) attributable to owners of the Company	0.01	16.37
Profit/ (loss) attributable to the non-controlling interests	0.01	7.01
Profit/ (loss) for the year	0.02	23.38
Other comprehensive income/(loss) attributable to owners of the Company	(0.01)	0.21
Other comprehensive income attributable to the non-controlling interests	-	0.09
Other comprehensive income/(loss) for the year	(0.01)	0.30
Total comprehensive income attributable to owners of the Company	0.00	16.58
Total comprehensive income attributable to the non-controlling interests	0.01	7.10
Total comprehensive income for the year	0.01	23.68
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	23.82	24.54
Net cash inflow/ (outflow) from investing activities	(17.15)	(20.10)
Net cash inflow/ (outflow) from financing activities	(2.40)	(2.40)
Net cash inflow/ (outflow)	4.27	2.04

Dr. Lal PathLabs Bangladesh Pvt. Ltd.

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Non-current assets	26.01	33.08
Current assets	64.47	50.95
Non-current liabilities	-	-
Current liabilities	68.32	51.73
Equity attributable to owners of the Company	14.02	23.20
Non-controlling interests	7.27	9.10

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income	60.31	58.30
Expenses	66.78	55.01
Profit/ (loss) for the year	(6.47)	3.29
Profit/ (loss) attributable to owners of the Company	(4.65)	2.36
Profit/ (loss) attributable to the non-controlling interests	(1.82)	0.93
Profit/ (loss) for the year	(6.47)	3.29
Other comprehensive income attributable to owners of the Company	(3.67)	0.38
Other comprehensive income attributable to the non-controlling interests	-	0.12
Other comprehensive income for the year	(3.67)	0.50
Total comprehensive income attributable to owners of the Company	(8.32)	2.74
Total comprehensive income attributable to the non-controlling interests	(1.81)	1.05
Total comprehensive income for the year	(10.13)	3.79
Dividends paid to non-controlling interests	-	-
Net cash inflow/ (outflow) from operating activities	20.15	18.20
Net cash inflow/ (outflow) from investing activities	(1.25)	(14.63)
Net cash inflow/ (outflow) from financing activities	(7.66)	(1.69)
Net cash inflow/ (outflow)	11.24	1.88

Notes to the Consolidated Financial Statements

Financial Liabilities- non-current

Note 22: Borrowings

(Unsecured)

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Liability component of preference share capital issued by APRL PathLabs Private Limited		
Liability Component		
150,000 0.01% non-cumulative, non-convertible, redeemable preference shares having face value of Rs. 10 each	-	1.30
Term loans from Banks		
Secured		
HDFC Bank Limited (HDFC)	833.34	1,666.67
	833.34	1,667.97

Note:

Terms/ rights attached to equity shares

A subsidiary (APRL PathLabs Private Limited) had one class of preference shares having par value of ₹ 10 per share. These non-convertible redeemable preference shares (NCRPS) are redeemable at par, in one or more tranches, after a minimum period of three years and a maximum period of 20 years from the date of allotment. The NCRPS shall not be convertible into equity shares. The NCRPS shall carry non-cumulative dividend right. During the year 500,000 non-cumulative, non-convertible redeemable preference were redeemed at face value of Rs. 10 each.

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 7.03% 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 31 March , 2023	As at 31 March , 2022
Current maturities of long term borrowings	833.33	834.30
Bank overdraft	700.04	954.23
	1,533.37	1,788.53

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 , 2023	As at 31 March , 2022
Total outstanding dues of micro enterprises and small enterprises	65.65	87.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,495.35	1,386.58
Total	1,561.00	1,473.84

Trade payables are non- interest bearing and are normally settled within a period of 30 days.

Based on the information available with the Group, the balance due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is ₹ 65.65 million (₹ 87.26 million on 31 March, 2022) 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 , 2023	As at 31 March , 2022
(i) MSMED		
- Less than 1 year	65.65	87.26
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Subtotal A	65.65	87.26
(ii) Others		
- Less than 1 year	820.97	815.23
- 1-2 years	1.17	0.04
- 2-3 years	1.26	-
- More than 3 years	-	-
Subtotal B	823.41	815.27
(iii) Disputed dues - MSMED		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Subtotal C	-	-
(iv) Disputed dues - Others		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
Subtotal D	-	-
(v) Unbilled dues	671.94	571.31
Subtotal E	671.94	571.31
Grand Total F= (A+B+C+D+E)	1,561.00	1,473.84

Notes to the Consolidated Financial Statements

Note 24: Trade payables (Contd..)

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 , 2023	As at 31 March , 2022
a. Amounts payable to suppliers under MSMED (suppliers) as on last day		
Principal	65.65	87.26
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.	-	-

Note 25: Other financial liabilities - current

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Payable towards capital goods	60.50	93.76
Creditors against business purchase	-	134.19
Share application money refundable	-	1.43
Security deposits received	400.37	377.82
Other payables	1.59	1.35
Total	462.46	608.55

Note 26: Provisions

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Provision for employee benefits		
- Provision for compensated absences	103.11	113.61
- Provision for gratuity (Refer to note 40)	188.24	156.86
Total	291.35	270.47

Note 27: Other current liabilities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March , 2023	As at 31 March , 2022
Advances from customers	104.78	112.29
Statutory dues	114.06	139.16
Unearned revenue	94.24	94.92
Deferred revenue	2.95	-
Total	316.03	346.37

Notes to the Consolidated Financial Statements

Note 28: Revenue from operations

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Sale of services	20,166.43	20,872.79
Other operating revenues	2.39	1.29
Total	20,168.82	20,874.08

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.

(ii) Transaction price allocated to the remaining performance obligations

The Group has applied practical expedient in Ind AS 115 and has accordingly not disclosed information about remaining performance obligations which are part of the contracts that have original expected duration of one year or less and where the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

iii) Disclosure of contract balances

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Trade receivables (Refer note 13)	708.24	853.95
Advances from customers (Refer note 27)	104.78	112.29
Unearned revenue (Refer note 27)	94.24	94.92

iv) Movement in contract liabilities during the year:

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Balance at beginning of the year	94.92	95.46
Add: Addition during the year	94.24	94.92
Less: Deletion during the year	(94.92)	(95.46)
Balance at end of the year	94.24	94.92

Note 29: Other income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a) Interest income from		
- Bank deposits (at amortised cost)	319.01	461.52
- Income-tax refund	1.19	0.66
- Others	11.58	10.43
b) Others		
- Gain on sale or fair valuation of investments (at FVTPL)	64.21	31.62
- Surrender value of keyman insurance policy (at FVTPL)	6.96	4.95
- Sundry balances written back	5.12	1.78
- Profit on disposal of property, plant and equipment (net)	8.07	-
- Provision for impairment of trade receivables and advances written back	-	13.12
- Miscellaneous non operating income	1.05	1.38
	417.19	525.46

Notes to the Consolidated Financial Statements

Note 30: Cost of materials consumed

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Inventories at the beginning of the year	517.24	417.09
Add : Purchases	4,290.17	5,122.67
Less : Inventories at the end of the year	(335.89)	(517.24)
Total	4,471.52	5,022.52

Note 31: Employee benefits expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries, wages and bonus	3,249.81	3,075.08
Employee share based compensation	228.11	323.09
Contribution to provident and other funds	133.99	125.39
Gratuity expense	67.55	52.60
Staff welfare expenses	85.76	73.19
Total	3,765.22	3,649.35

Note 32: Finance costs

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest on lease liability	223.14	199.22
Interest on:		
- Term loan	119.08	12.09
- overdraft facilities	16.70	88.41
Interest others [Including tax deducted at source ₹ Nil (31 March 2022: 0.76 million)]	16.12	0.78
Interest on business purchase	0.26	1.21
Unwinding of discount on liability component of preference share capital	0.03	0.11
Total	375.33	301.82

Note 32a : 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 *	
Borrowings					
Non-current borrowings	833.34	834.63	-	-	1,667.97
Current borrowings	1,533.37	255.16	-	-	1,788.53
Lease liabilities					
Non-current lease liabilities	1,299.89	(341.97)	(253.27)	-	1,388.59
Current lease liabilities	528.35	-	(47.79)	-	480.56
Total liabilities from financing activities	4,194.95	(1,431.76)	(301.06)	-	5,325.65

* the effect of derecognition of lease liabilities.

Notes to the Consolidated Financial Statements

Note 32: Finance costs (Contd..)

Note 32b : Reconciliation of liabilities arising from financing activities

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2022	Cash flows	Non cash changes		As at 31 March, 2021
			New leases	Other *	
Borrowings					
Non-current borrowings	1,667.97	1,666.67	-	0.11	1.19
Current borrowings	1,788.53	1,787.56	-	0.97	-
Lease liabilities					
Non-current lease liabilities	1,388.59	(555.79)	846.46	(3.64)	1,101.56
Current lease liabilities	480.56	(64.77)	143.23	-	402.10
Total liabilities from financing activities	5,325.65	2,833.67	989.69	(2.56)	1,504.85

* the effect of derecognition of lease liabilities.

Note 33: Depreciation and amortisation expense

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation of property, plant and equipment	478.89	413.33
Depreciation of right-of-use assets	418.90	366.32
Amortisation of intangible assets	604.14	301.42
Total	1,501.93	1,081.07

Note 34: Other expenses

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Electricity and water charges	259.06	221.13
Rent	248.96	260.56
Rates and taxes	18.11	15.64
Insurance	79.12	69.91
Repairs and maintenance		
- Building	34.09	33.86
- Plant and equipment	108.79	90.80
- Others	539.96	401.10
Advertisement and sales promotion	507.80	367.64
Travelling and conveyance	403.89	363.39
Postage and courier	520.09	554.48
Communication costs	81.79	79.45
Commission to directors	13.51	10.38
Printing and stationery	149.22	130.99
Retainership fees to technical consultants	200.00	173.51
Director sitting fees	6.31	7.73
Legal and professional charges	293.65	409.15
Laboratory test charges	152.29	71.60
Payment to auditors (Refer note below)	27.77	23.72
Donation other than to political parties	0.75	0.47
Corporate social responsibility expense (Refer to note 45)	85.04	73.77
Loss on disposal / discard of property, plant and equipment (net)	-	6.00
Provision for impairment of trade receivables and advances	75.89	-
Bad debts / advances written off (net)	36.47	6.16
Miscellaneous expenses	370.84	378.12
Total	4,213.40	3,749.56

Notes to the Consolidated Financial Statements

Note 34: Other expenses (Contd..)

Note:

(i) Payments to the auditors comprise *

As auditors:

Audit fees	19.31	19.51
Limited review	1.77	1.77
Tax audit fee	4.43	1.24
Others	0.89	0.35
Reimbursement of expenses	1.37	0.85
Total	27.77	23.72

* including indirect taxes, amount paid for audit of subsidiary companies and ₹ 0.52 million (31 March, 2022: ₹ 0.51 million) paid to other auditor of subsidiary companies

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 2022-23 and 2021-22 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, 2023	Year ended 31 March, 2022
Current tax		
In respect of the current year	1,079.63	1,295.17
In respect of the prior years	(0.72)	(30.38)
	1,078.91	1,264.79
Deferred tax		
In respect of the current year	(64.57)	(43.68)
In respect of the prior years	13.16	25.80
	(51.41)	(17.88)
Total income tax expenses recognised in the current year	1,027.50	1,246.91

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, 2023	Year ended 31 March, 2022
Profit before tax	3,438.27	4,749.82
Statutory tax rate	25.168%	25.168%
Income tax expenses calculated at 25.168%	865.34	1,195.43
Effect of expenses that are not deductible in determining taxable profit	18.60	16.57
Tax difference on account of deduction under Chapter VI-A	(38.90)	(9.27)
Non taxable income	161.73	41.39
Adjustments recognised in relation to current year in relation to previous years	12.44	(4.58)
Deferred tax on defined benefit obligation recognised in OCI	6.57	4.29
Income taxable at different rate	3.00	3.85
Others	(1.28)	(0.77)
Income tax expenses recognised in Statement of Profit or Loss	1,027.50	1,246.91

Notes to the Consolidated Financial Statements

Note 35.2: Income tax recognised in other comprehensive income

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(6.57)	4.29
	(6.57)	4.29

Note 36: Earnings per equity share

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Profit for the year - (in ₹ million)	2,388.48	3,448.33
Number of equity shares	8,33,67,877	8,33,44,877
Weighted average number of equity shares outstanding during the year	8,33,53,145	8,33,44,877
Weighted average shares held with the "Dr. Lal PathLabs Employee Welfare Trust"	4,88,702	6,56,207
Dilutive impact of options outstanding	2,53,499	2,53,937
Basic earnings per share of ₹ 10 each	28.82	41.70
Diluted earnings per share of ₹ 10 each	28.74	41.57
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

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Weighted average number of shares for calculating basic earnings per share	8,28,64,443	8,26,88,670
Add : share options outstanding	2,53,499	2,53,937
Weighted average number of shares for calculating dilutive earnings per share	8,31,17,942	8,29,42,607

Note 37: Capital and other commitments

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	46.43	128.03
Other Commitments*	-	-

* 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, 2023	As at 31 March, 2022
i) Claims against the Company not acknowledged as debts*	136.36	131.84

* 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 Company is less than probable.

Notes to the Consolidated Financial Statements

Note 38A:

The Parent has received notices for reassessment under section 148 of the Income Tax Act 1961 dated 31 March 2023, for the assessment years 2016-17 and 2019-20 respectively on the grounds that income chargeable to tax amounting to Rs. 52.65 million and Rs. 2.83 million pertaining to assessment years 2016-17 and 2019-20 respectively have escaped assessment. Accordingly the Parent was required to furnish returns in the prescribed form, within 30 days of the notices.

Subsequent to the year end, the Parent has furnished the returns that were originally filed to the Deputy Commissioner of the Income Tax. The management believes that the grounds of the notices are not tenable and hence no provision is considered necessary.

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. 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, 2023	Year ended 31 March, 2022
India	19,948.60	20,734.40
Outside India	220.22	139.68
Total	20,168.82	20,874.08

- 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	Year ended 31 March, 2023	Year ended 31 March, 2022
India	13,277.74	14,114.02
Outside India	37.16	50.22
Total	13,314.90	14,164.24

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, 2023 and 31 March, 2022.

Notes to the Consolidated Financial Statements

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 ₹ 132.69 million (for the year ended 31 March, 2022: ₹ 120.03 million) represents contributions payable to provident fund by the Group at rates specified in the rules of the plans. As at 31 March, 2023, contributions of ₹ 18.37 million (as at 31 March, 2022: ₹ 21.71 million) due in respect of the reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

40.2 Defined benefit plans

Gratuity: The Group operates both funded and unfunded gratuity benefit plan. Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary for each completed year of service, subject to a maximum of ₹ 2.00 million. Vesting occurs upon completion of 4.5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date."

40.3 The Group is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan assets is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in Insurer managed funds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

40.4 Actuary assumptions - Gratuity:

Date of Valuation	Refer note below	Year ended 31 March, 2023	Year ended 31 March, 2022
Discount rate	1	7.15%- 7.30%	4.70%- 7.30%
Rate of salary increase	2	10%	8-10%
Rate of return	3	6.35%	6.35%
Retirement age		60 years	60-65 years
Attrition rate		3.93-62.57%	1.67-35%
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.

40.5 Amounts recognised in the Statement of Profit and Loss and other comprehensive income are as follows:

Notes to the Consolidated Financial Statements

Note 40: Employee benefit plans (Contd..)

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Service cost :		
Current service cost	57.65	47.95
Net interest expense	9.90	4.65
Components of defined benefit costs recognised in employee benefit expenses	67.55	52.60
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	0.32	(0.54)
Actuarial (gains)/losses arising from changes in demographic assumptions	(8.05)	(10.50)
Actuarial (gains)/losses arising from changes in financial assumptions	(27.68)	8.07
Actuarial (gains)/losses arising from experience adjustments	9.29	20.11
Components of remeasurement of defined benefit obligations	(26.12)	17.14
Total	41.43	69.74

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, 2023	Year ended 31 March, 2022
Opening defined benefit obligation	385.24	281.74
Addition on account of business combination	-	34.80
Current service cost	57.65	47.95
Interest cost	24.40	20.41
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	(8.05)	(10.50)
Actuarial gains and losses arising from changes in financial assumptions	(27.68)	8.07
Actuarial gains and losses arising from experience adjustments	9.29	20.11
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(33.68)	(17.34)
Closing defined benefit obligation	407.17	385.24

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	Year ended 31 March, 2023	Year ended 31 March, 2022
Present value of funded defined benefit obligation	407.17	385.24
Fair value of plan assets	(218.93)	(228.38)
Funded status	-	-
Net liability arising from defined benefit obligation	188.24	156.86

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

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening fair value of plan assets	228.38	227.29
Interest income	14.49	15.76
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.32)	0.54
Actuarial gain/ (loss) on plan assets	-	-
Contributions from the employer	-	1.50
Benefits paid	(23.62)	(16.71)
Closing fair value of plan assets	218.93	228.38

The Group expects to contribute ₹ 142.78 million to the gratuity fund in the next year (For the year ended 31 March, 2022 ₹ 111.54 million).

40.9 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Notes to the Consolidated Financial Statements

Note 40: Employee benefit plans (Contd..)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
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.

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Discount rate		
- Impact due to increase of 100 basis points	(45.69)	(24.85)
- Impact due to decrease of 100 basis points	49.38	28.42
Salary increase		
- Impact due to increase of 100 basis points	46.87	24.21
- Impact due to decrease of 100 basis points	(44.01)	(22.50)
Withdrawal Rate		
- Impact due to 25% increase	(36.43)	(13.51)
- Impact due to 25% decrease	41.76	20.18

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 ₹ 670.59 million (31 March, 2022: ₹ 895.31 million) out of which rent charges is amounting to ₹ 105.48 million (31 March, 2023: ₹ 75.53 million) which includes rentals for short term lease and low value lease.

Payments recognised as an expenses

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Short term lease	105.48	75.53
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:

(in ₹ million, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance at beginning of the year	1,869.15	1,503.66
Additions	429.54	870.10
Additions on account of business combinations	-	119.59
Finance cost accrued during the period	223.14	199.22
Payment/adjustment of lease liabilities	(565.11)	(819.78)
Derecognition of lease liability	(128.47)	(3.64)
Balance at end of the year	1,828.24	1,869.15
Current	528.35	480.56
Non-current	1,299.89	1,388.59

The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Less than one year	524.89	480.56
One to five years	1,486.66	1,584.77
More than five years	625.66	704.11
Total	2,637.21	2,769.44

Details of right-of-use assets (ROU):

The following is the movement in ROU assets during the year:

Particulars	Land	Buildings
As at 1 April, 2021	156.98	1,325.90
Additions	-	870.16
Addition on account of business combinations	-	122.69
Deletions	-	(3.38)
Depreciation expense	(1.64)	(364.68)
As at 31 March, 2022	155.34	1,950.69
Additions	-	429.53
Additions on account of business combinations	-	-
Deletions	-	(110.71)
Depreciation expense	(1.64)	(417.26)
As at 31 March, 2023	153.70	1,852.25

Note 42

- During the year ended 31 March, 2022, the Parent Company had made a further investment of ₹ 1.01 million (KES 1.5 million) in its wholly owned subsidiary, Dr. Lal PathLabs Kenya Private Limited, through subscription of additional equity shares of 1,500 shares of KES 1,000.
- The Board of Directors of the Parent Company in their meeting held on 29 March, 2022, had approved the closure of Dr. Lal PathLabs Kenya Private Limited, Kenya a subsidiary.
- 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

Notes to the Consolidated Financial Statements

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."

Note 44

During the year ended 31 March 2022, the Parent Company had made a further investment of ₹ 45.00 million in its wholly owned subsidiary Company, PathLabs Unifiers Private Limited, through subscription of additional 1,730,769 equity shares of ₹ 10 each at a premium of ₹ 26 per share.

Note 45

In light of Section 135 of the Companies Act, 2013, the Group has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹ 85.04 Million (Previous year ₹ 73.77 Million) for CSR activities.

(in ₹ million, unless otherwise stated)

Particulars	Year Ended 31 March, 2023	Year Ended 31 March, 2022
(a) Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	88.34	73.77
(b) Amount approved by the board to be spent during the year	89.80	73.77
(c) Amount of expenditure incurred (as per table below)**	85.04	74.10
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	85.04	74.10
(d) Shortfall/(Excess) at the end of the year		-
(i) ongoing projects (Refer note (a) below)	4.76	
(ii) other then ongoing project (Refer note (b) below)	(1.46)	
(e) Total of previous year shortfall	-	-
(f) Reason for shortfall	(Refer note (c) below)	-
(g) Details of related party transactions		
- Donations made to Lal PathLab Foundation*	85.04	69.02
(h) Liability against contractual obligations for CSR	-	-

*The Group has contributed ₹ 85.04 Million (Previous year ₹ 69.02 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

(in ₹ million, unless otherwise stated)

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	Nil	4.76	Nil

Balance as on 1 April 2021		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2022	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes to the Consolidated Financial Statements

Note 45 (Contd..)

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

(in ₹ million, unless otherwise stated)

Balance as on 1 April 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
Nil	Nil	72.46	73.92	(1.46)

Balance as on 1 April 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2022
0.33	Nil	73.77	74.10	Nil

Details of excess CSR expenditure under Section 135(5) of the Act

(in ₹ million, unless otherwise stated)

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
Nil	Nil	Nil	Nil

Balance as on 1 April 2021	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2022
(0.33)	73.77	74.10	Nil

Notes:

- Total unspent amount for an ongoing project is ₹ 4.76 million which has 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.
- The Company has spent an excess amount of ₹ 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 does not intend to carry forward this excess amount spent of ₹ 1.46 million with respect to other than ongoing projects to the next year.
- The reason for shortfall related to ongoing projects amounting to ₹ 4.76 millions is as below:
 - The shortfall with respect to ongoing project of Indian Institute of Management, Ahmedabad (IIMA) (relating to establishing of a Professional Chair' in healthcare at the Institute), relates to certain procedural delays as communicated by IIMA.
 - The shortfall amounting to ₹ 1.76 million with respect to ongoing project with Centum Foundation relates to delay in implementation of the project due to challenges with respect to establishment of training centres in Mumbai.

Note 46

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 has estimated the consideration for the purchase of shares of SDIPL on a fully dilutive basis, including for employee stock option's granted by SDIPL ("ESOPs") at ₹ 9,667.10 million. Pursuant to completion of the aforesaid acquisition Suburban Diagnostics (India) Private Limited has become a wholly-owned subsidiary and the Company had invested in ₹ 9,488.69 million in SDIPL as at 31 March, 2022. SDIPL is primarily engaged in providing diagnostics and healthcare services.

Further, during the year ended 31 March 2023, out of the balance consideration, the parent company has paid ₹ 102.22 million and has acquired further 42,875 equity shares of ₹ 10 each at a premium in SDIPL, its wholly owned subsidiary, resulting in additional goodwill of ₹ 48.69 million during the year.

Notes to the Consolidated Financial Statements

Note 46 (Contd..)

Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars		As at 12 November, 2021
Identifiable assets		
Non-current assets		
Property, plant and equipment		258.85
Right-of-use assets		122.69
Goodwill		14.19
Other intangible assets		-
- Non-compete fee		3.07
- Software		17.53
- Brand*		1,957.70
- Non-compete fee*		37.40
- Customer relationships*		1,732.00
Intangible assets under development		2.59
Financial assets		
(i) Other financial assets		58.43
Deferred tax assets (net)		34.91
Other non-current assets		4.40
Current assets		
Inventories		90.75
Financial assets		
(i) Investments		573.09
(ii) Trade receivables		230.61
(iii) Cash and cash equivalents		165.50
(iv) Bank balances other than cash and cash equivalents		10.79
Other current assets		35.32
Total assets	(A)	5,349.82
Identifiable liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings		0.09
(ii) Lease liabilities		88.10
(iii) Other financial liabilities		8.16
Provisions		43.59
Non-current tax liability (net)		12.69
Current liabilities		
Financial liabilities		
(i) Borrowings		1.24
(ii) Lease liabilities		31.50
(iii) Trade payables - total outstanding dues of		
- micro enterprises and small enterprises		4.37
- creditors other than micro enterprises and small enterprises		263.09
(iv) Other financial liabilities		27.95
Other current liabilities		18.08
Provisions		6.16
Total liabilities	(B)	505.02
Net identifiable assets acquired (A-B)	(C)	4,844.80
Purchase consideration		9,250.00
Adjustments related to working capital and ESOPs**		173.27
Total purchase consideration	(D)	9,423.27
Goodwill on acquisition	(D-C)	4,578.47

*Intangible Assets recognised in Acquisition.

** This amount is net of cash received by subunit from employee in exercising the option amounting to ₹ 37.86 million

Notes to the Consolidated Financial Statements

Note 47:

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

Detailed breakup of assets and liabilities acquired is as under:

(in ₹ million, unless otherwise stated)

Particulars	As at 01 April, 2019
Assets	
Current assets	10.21
Non-current assets	6.94
Total Assets	17.15
Current liabilities	4.53
	0.53
Net Assets acquired on amalgamation	12.09
Other Equity	11.99
Share Capital (B)	0.10
Investment in books of transferee Company (A)	72.35
Transfer to Capital Reserve (A-B)	72.25

Notes to the Consolidated Financial Statements

Note 48: Financial instruments

(a) Capital management

The Group's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group adjusts the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group has investments in fixed deposits with banks, corporates and in mutual fund schemes wherein underlying portfolio is spread across securities issued by different issuers having different credit ratings. The credit risk of investments in debt mutual fund schemes is managed through investment policies and guidelines requiring adherence to stringent credit control norms based on external credit ratings.

The Group's strategy is to maintain a positive gearing ratio. The gearing ratios is as follows:

(in ₹ million, unless otherwise stated)		
Particulars	31 March, 2023	31 March, 2022
Net debt	1,557.64	1,542.40
Total equity	16,995.45	15,370.68
Net debt to equity ratio	9%	10%
* Net debt represents borrowings and lease liabilities less cash and cash equivalents computed as follows:		
Term loan from banks (including current maturities)	1,666.67	2,500.97
Bank overdraft	700.04	954.23
Less: Cash and cash equivalents	(2,637.31)	(3,781.95)
Debt	(270.60)	(326.75)
Lease liabilities		
Lease liabilities-Current	528.35	480.56
Lease liabilities-Non Current	1,299.89	1,388.59
Net debt(including lease liabilities)	1,557.64	1,542.40

(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, 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
Total	1,541.08	-	8,093.05	9,634.13	9,634.13

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
Total	-	-	6,218.41	6,218.41	6,218.41

Notes to the Consolidated Financial Statements

Note 48: Financial instruments (Contd..)

As at 31 March, 2022

(in ₹ million, unless otherwise stated)

Financial assets	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Investments	654.59	-	-	654.59	654.59
Trade receivables	-	-	853.95	853.95	853.95
Cash and cash equivalents	-	-	3,781.95	3,781.95	3,781.95
Bank balances other than cash and cash equivalents above	-	-	2,393.96	2,393.96	2,393.96
Loans	-	-	11.75	11.75	11.75
Other financial assets	36.89	-	552.66	589.55	589.55
Total	691.48	-	7,594.27	8,285.75	8,285.75

Financial liabilities	FVTPL	FVTOCI	Amortised cost	Total	Carrying value
Borrowings			3,456.50	3,456.50	3,456.50
Lease liabilities			1,869.15	1,869.15	1,869.15
Trade payables	-	-	1,473.84	1,473.84	1,473.84
Other financial liabilities	-	-	608.55	608.55	608.55
Total	-	-	7,408.04	7,408.04	7,408.04

(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, 2023	31 March, 2022		
Current investments:				
Investment in mutual funds*	1,499.44	654.59	Level II	NAV declared by respective Asset Management Companies
Surrender value of keyman insurance policy	41.64	36.89	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 48: 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, 2023				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non-current					
Borrowings	1,533.37	833.34	-	-	2,366.71
Lease liabilities	-	1,195.86	388.91	704.11	2,288.88
Current					
Lease liabilities	528.35	-	-	-	528.35
Trade payables	1,561.00	-	-	-	1,561.00
Other current financial liabilities	462.46	-	-	-	462.46
Total	4,085.18	2,029.20	388.91	704.11	7,207.40

(in ₹ million, unless otherwise stated)

	As at 31 March, 2022				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non-current					
Borrowings	1,788.53	1,667.97	-	-	3,456.50
Lease liabilities	-	1,195.86	388.91	704.11	2,288.88
Current					
Borrowings	480.56	-	-	-	480.56
Trade payables	1,473.84	-	-	-	1,473.84
Other current financial liabilities	608.55	-	-	-	608.55
Total	4,351.48	2,863.83	388.91	704.11	8,308.33

Notes to the Consolidated Financial Statements

Note 48: Financial instruments (Contd..)

As at 31 March, 2023, the Group had access to funding facilities of ₹ 1267.60 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
Total	1,267.60	700.04	567.56

As at 31 March, 2022, the Group had access to funding facilities of ₹ 7560.00 Million (entire amount not drawn) as set out below:

(in ₹ million, unless otherwise stated)

	Total Facility	Drawn	Undrawn
Unsecured cash credit facility at variable rate of interest, reviewed annually and payable at call	7,560.00	954.23	6,605.77
Total	7,560.00	954.23	6,605.77

(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, 2023 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	0.56	0.56
Other financial assets	-	222.94	178.05	400.99
	-	222.94	178.61	401.55
Current				
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
	1,499.44	6,733.76	999.38	9,232.58
Total	1,499.44	6,956.70	1,177.99	9,634.13

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
Non-current				
Borrowings	-	833.34	-	833.34
Lease liabilities	-	-	1,299.89	1,299.89
	-	833.34	1,299.89	2,133.23
Current				
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
	-	1,533.37	2,551.81	4,085.18
Total	-	2,366.71	3,851.70	6,218.41

Notes to the Consolidated Financial Statements

Note 48: Financial instruments (Contd..)

The exposure of the Group's financial assets as at 31 March, 2022 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Loans	-	-	1.07	1.07
Other financial assets	-	69.89	173.02	242.91
	-	69.89	174.09	243.98
Current				
Investments	654.59	-	-	654.59
Trade receivables	-	-	853.95	853.95
Cash and cash equivalents	-	3,572.23	209.72	3,781.95
Bank balances other than cash and cash equivalents above	-	2,391.62	2.34	2,393.96
Loans	-	-	10.68	10.68
Other financial assets	-	199.29	147.35	346.64
	654.59	6,163.14	1,224.04	8,041.77
Total	654.59	6,233.03	1,398.13	8,285.75

Range of interest rate applicable 4.40% - 5.30% p.a.

The exposure of the Group's financial liabilities as at 31 March, 2022 to interest rate risk is as follows:

(in ₹ million, unless otherwise stated)

	Floating rate	Fixed rate	Non interest bearing	Total
Non-current				
Borrowings	-	1,667.97	-	1,667.97
Lease liabilities	-	-	1,388.59	1,388.59
	-	1,667.97	1,388.59	3,056.56
Current				
Borrowings	-	1,788.53	-	1,788.53
Lease liabilities	-	-	480.56	480.56
Trade payables	-	-	1,473.84	1,473.84
Other financial liabilities	-	134.19	474.36	608.55
	-	1,922.72	2,428.76	4,351.48
Total	-	3,590.69	3,817.35	7,408.04

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 31 March, 2023	Year ended 31 March, 2022
Impact on profit or loss for the year for increase in interest rate	33.66	30.10
Impact on profit or loss for the year for decrease in interest rate	(33.66)	(30.10)

Notes to the Consolidated Financial Statements

Note 48: 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, 2023 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, 2023 would increase/decrease by ₹ 74.97 million (for the year ended 31 March, 2022 would increase/ decrease by ₹ 32.73 million) as a result of the changes in net asset value of investment in mutual funds.

Note 49: Business combinations

49.1 Subsidiaries acquired

(Also refer to note 46)

Year ended 31 March, 2022

(in ₹ million, unless otherwise stated)

Particulars	Principal activity	Date of acquisition	Proportion of voting interest acquired (%)	Consideration transferred
Suburban Diagnostics (India) Private Limited	Pathology	12-Nov-21	100%	9361.81

49.2 Consideration transferred

(in ₹ million, unless otherwise stated)

Particulars	Suburban Diagnostics (India) Private Limited
Cash paid/payable	9,361.81
	9,361.81

49.3 Assets acquired and liabilities recognised at the date of acquisition

(in ₹ million, unless otherwise stated)

Particulars	Suburban Diagnostics (India) Private Limited
Current assets	1,106.05
Non-current assets	4,243.77
Current liabilities	(352.39)
Non-current liabilities	(152.63)
ESOP liability	-
	4,844.80
% of ownership	100%
Fair value of identifiable net assets acquired	4,844.80

Notes to the Consolidated Financial Statements

Note 49: Business combinations (Contd..)

49.4 Goodwill arising on acquisition

(in ₹ million, unless otherwise stated)

Particulars	Suburban Diagnostics (India) Private Limited
Consideration transferred/transferrable	9,361.81
Less: fair value of identifiable net assets acquired	4,844.80
Less: cash received by SDIPL from employees on exercise of ESOP's	37.86
	4,479.15

49.5 Net cash outflow on acquisition of subsidiaries

(in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March, 2022
Consideration paid in cash/ payable	9,361.81
Less: Cash and cash equivalent balances acquired	-
	9,361.81

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, 2023 and 31 March, 2022.

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	2022-23		2021-22	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	1,41,983	311.30	1,41,983	311.30
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	23,000	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	1,18,983	311.30	1,41,983	311.30

Notes to the Consolidated Financial Statements

Note 50 Share based payments (Contd..)

50.1.4 Share options exercised during the year

23,000 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, 2022: ₹ 311.30) and a weighted average remaining contractual life of years 4.13 years (as at 31 March, 2022: 5.13 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 225,000 out of which 6,225 options were forfeited on non satisfaction of vesting conditions. For the performance year 2017-18, options of ₹ 10 each granted to eligible employees is 225,716 and 9,602 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2018-19, options of ₹ 10 each granted to eligible employees is 219,132 and 28,498 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2019-20, options of ₹ 10 each granted to eligible employees is 213,841 and 27,631 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2020-21, options of ₹ 10 each granted to eligible employees is 1,12,200 and 12,468 options were forfeited on non satisfaction of vesting conditions. Further, for the performance year 2021-22, options of ₹ 10 each granted to eligible employees is 131,594 and 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. 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

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.

Notes to the Consolidated Financial Statements

Note 50 Share based payments (Contd..)

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
Grant date share price	2,987.35	3,621.45	3,508.85	3,710.00	2,144.50
Exercise price (in ₹)	10	10	10	10	10
Expected volatility	33.29%	33.29%	33.72%	33.72%	34.3%-38.60%
Option life	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%
Risk-free interest rate	6.12%-6.52%	6.12%-6.52%	6.07%-6.35%	6.07%-6.35%	7.00%-7.40%

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	2022-23		2021-22	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	5,36,141	10.00	5,54,812	10.00
Granted during the year	21,200	10.00	1,31,594	10.00
Forfeited during the year	27,533	10.00	12,193	10.00
Exercised during the year	1,55,665	10.00	1,38,072	10.00
Expired during the year	-	-	-	-
Balance at end of year	3,74,143	10.00	5,36,141	10.00

Notes to the Consolidated Financial Statements

Note 50 Share based payments (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	1,121	Various dates	2167.63
Series 2	596	Various dates	2,167.63
Series 3	-	-	-
Series 4	-	-	-
Series 5	35,352	Various dates	2,062.27
Series 6	2,350	Various dates	2,062.27
Series 7	47,276	Various dates	2,174.62
Series 8	2,700	Various dates	1960.83
Series 9	21,723	Various dates	2,147.30
Series 10	20,830	Various dates	2,205.52
Series 11	21,966	Various dates	2087.13
Series 12	188	Various dates	2379.43
Series 13	188	Various dates	2412.9
Series 14	1,375	Various dates	1950.13
Total	1,55,665		

*weighted average share price during the period

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, 2022: ₹ 10) and a weighted average remaining contractual life of 5.08 years (as at 31 March, 2022: 5.62 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 1,250,278 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 211,400 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

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 10 years from date of respective vesting, whichever period ends later. Options not exercised within exercise period lapses.

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
Grant date share price	2,144.50
Exercise price (in ₹)	1930.05
Expected volatility	34.3%-38.60%
Option life	6-9 Years
Dividend yield	0.50%
Risk-free interest rate	7.00%-7.40%

Notes to the Consolidated Financial Statements

Note 50 Share based payments (Contd..)

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	2022-23		2021-22	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of year	-	-	-	-
Granted during the year	2,11,400	1,930.05	-	-
Forfeited during the year	10,100	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	2,01,300	1,930.05	-	-

50.3.4 Share options exercised during the year

No share options were exercised during the year.

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 ₹ 1930.05 (as at 31 March, 2022: Nil) and a weighted average remaining contractual life of years 6.83 years (as at 31 March, 2022: Nil)

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 Rs. 10 each on 1 August 2014 and 71,000 options convertible into equal number of Equity Shares of face value of Rs. 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 Rs. 10 each were issued.

The following table sets forth the particulars of the options granted during the current period and the previous years under 2013 Employee stock Options Scheme.

Tranche	Grant date	Number of options granted	Exercise price per options (Rs)	Options vested	Vesting period
2013 Employee stock Options Scheme - Grant I	1 August 2014	60,000	10	19,800	Over a period of four years from the date of grant
2013 Employee stock Options Scheme - Grant II	1 April 2018	71,000	1,127	33,414	Over a period of four years from the date of grant
2013 Employee stock Options Scheme - Grant III	1 April 2021	63,500	1,291	-	Over a period of three years from the date of grant

Vesting conditions	Exercise period
Based on continued employment with Suburban Diagnostics (India) Private Limited and fulfilment of performance parameters	"The shares will be allotted in case of expiration of 20 years, Initial public offer or sale of Suburban Diagnostics (India) Private Limited, 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.

Notes to the Consolidated Financial Statements

Note 50 Share based payments (Contd..)

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	Rs. 10	Rs. 1,127	Rs. 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 Rs. 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		

ESOP activity under the Scheme for the year ended 31 March 2023 are set out below:

Particulars	No of options	Weight average exercise price (Rs)	No of options	Weight average exercise price (Rs)
	For the year ended 31 March 2023		For the year ended 31 March 2022	
Outstanding at the commencement of the period / year	74,999	1,036	67,345	777
Granted during the period / year	-	-	63,500	1,291
Forfeited during the period / year	20,375	1,288	2,632	567
Exercised during the period / year	42,874	951	53,214	711
Expired during the period / year	-	-	-	-
Outstanding at the end of the period / year	11,750	1,291	74,999	1,036
Exercisable at the end of the period / year	-	-	38,795	-

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Option series	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 (Rs.)	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 (Rs.)	586.54	1,127.00	1,291.00
Weighted average fair value of options (Rs.)	586.54	255.31	282.92

Notes to the Consolidated Financial Statements

Note 50 Share based payments (Contd..)

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	11,125	03-Jan-22	1,127.00
Grant III	31,749	Various dates	1,291.00

Note 51. 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
- 7 Harneet Singh Chandhoke- Independent Director
- 8 Saurabh Srivastava - Independent Director
- 9 Sunil Varma - Independent Director
- 10 Anoop Singh - Independent Director
- 11 Somya Satsangi - Independent Director
- 12 Rahul Sharma - Director
- 13 Dr. Archana Lal Erdmann - Director
- 14 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)

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)

Notes to the Consolidated Financial Statements

Note 51. Related Party Disclosures (Contd..)

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 KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
A. Transactions during the year					
i. Compensation of Key Managerial Personnel and their relatives					
The remuneration of key managerial personnel during the year was as follows:					
- Short term employee benefits	-	147.48	2.93	-	150.41
	(-)	(160.53)	(2.65)	(-)	(163.18)
- Post employment benefits*	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
- Share based payments to employees**	-	171.11	-	-	171.11
	(-)	(196.99)	(-)	(-)	(196.99)
Total	-	318.59	2.93	-	321.52
	(-)	(357.52)	(2.65)	(-)	(360.17)
ii. Contribution to Fund					
Lal Pathlabs Foundation	-	-	-	85.03	85.03
(formerly Dr. Lal PathLabs Welfare Trust)	(-)	(-)	(-)	(69.02)	(69.02)
Total	-	-	-	85.03	85.03
	(-)	(-)	(-)	(69.02)	(69.02)
iii. Rent					
Dr. Vandana Lal	-	0.78	-	-	0.78
	(-)	(0.74)	(-)	(-)	(0.74)
Total	-	0.78	-	-	0.78
	(-)	(0.74)	(-)	(-)	(0.74)
iv. Dividend paid					
(Hony) Brig. Dr. Arvind Lal	-	316.99	-	-	316.99
	(-)	(369.82)	(-)	(-)	(369.82)
Dr. Vandana Lal	-	192.99	-	-	192.99
	(-)	(225.15)	(-)	(-)	(225.15)
Dr. Om Prakash Manchanda	-	16.51	-	-	16.51
	(-)	(20.62)	(-)	(-)	(20.62)
Mr. Bharath U	-	0.30	-	-	0.30
	(-)	(0.21)	(-)	(-)	(0.21)
Mr. Ved Prakash Goel	-	0.27	-	-	0.27
	(-)	(0.27)	(-)	(-)	(0.27)
Dr. Archana Lal Erdmann	-	-	20.49	-	20.49
	(-)	(-)	(25.81)	(-)	(25.81)
Mr. Anjaneya Lal	-	-	20.28	-	20.28
(Son of Dr. Arvind Lal and Dr. Vandana Lal)	(-)	(-)	(23.65)	(-)	(23.65)
Rahul Sharma	-	0.08	-	-	0.08
	(-)	(-)	(-)	(-)	(-)
Mr. Rajat Kalra	-	0.11	-	-	0.11
	(-)	(0.03)	(-)	(-)	(0.03)
Total	-	527.25	40.77	-	568.02
	(-)	(616.10)	(49.46)	(-)	(665.56)
v. Share options exercised***					
Dr. Om Prakash Manchanda	-	0.66	-	-	0.66
	(-)	(0.40)	(-)	(-)	(0.40)
Mr. Bharath U	-	0.12	-	-	0.12
	(-)	(0.08)	(-)	(-)	(0.08)
Ved Prakash Goel	-	0.03	-	-	0.03
	(-)	(0.03)	(-)	(-)	(0.03)
Mr. Rajat Kalra	-	0.02	-	-	0.02
	(-)	(0.08)	(-)	(-)	(0.08)
	-	0.83	-	-	0.83
	(-)	(0.59)	(-)	(-)	(0.59)

Notes to the Consolidated Financial Statements

Note 51. Related Party Disclosures (Contd..)

Particulars	Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
vi. Sitting fees					
Dr. Archana Lal Erdmann	-	-	0.20	-	0.20
	(-)	(-)	(0.35)	(-)	(0.35)
Anoop Mahendra Sigh	-	0.75	-	-	0.75
	(-)	(0.85)	(-)	(-)	(0.85)
Harneet Singh Chandhoke	-	0.55	-	-	0.55
	(-)	(0.60)	(-)	(-)	(0.60)
Ms. Somya Satsangi	-	0.55	-	-	0.55
	(-)	(0.75)	(-)	(-)	(0.75)
Rahul Sharma	-	0.60	-	-	0.60
	(-)	(0.70)	(-)	(-)	(0.70)
Saurabh Srivastava	-	0.75	-	-	0.75
	(-)	(0.80)	(-)	(-)	(0.80)
Rohit Bhasin	-	0.15	-	-	0.15
	(-)	(-)	(-)	(-)	(-)
Sunil Varma	-	1.50	-	-	1.50
	(-)	(2.10)	(-)	(-)	(2.10)
	-	4.85	0.20	-	5.05
	(-)	(5.80)	(0.35)	(-)	(6.15)
vii. Commission to Directors					
Dr. Archana Lal Erdmann	-	-	1.27	-	1.27
	(-)	(-)	(1.10)	(-)	(1.10)
Anoop Mahendra Sigh	-	1.58	-	-	1.58
	(-)	(1.38)	(-)	(-)	(1.38)
Harneet Singh Chandhoke	-	1.27	-	-	1.27
	(-)	(1.10)	(-)	(-)	(1.10)
Ms. Somya Satsangi	-	1.58	-	-	1.58
	(-)	(1.38)	(-)	(-)	(1.38)
Rahul Sharma	-	1.27	-	-	1.27
	(-)	(1.10)	(-)	(-)	(1.10)
Saurabh Srivastava	-	1.58	-	-	1.58
	(-)	(1.38)	(-)	(-)	(1.38)
Sunil Varma	-	1.58	-	-	1.58
	(-)	(1.38)	(-)	(-)	(1.38)
Rohit Bhasin	-	0.62	-	-	0.62
	(-)	(-)	(-)	(-)	(-)
Arun Duggal	-	0.25	-	-	0.25
	(-)	(-)	(-)	(-)	(-)
	-	9.73	1.27	-	11.00
	(-)	(7.72)	(1.10)	(-)	(8.82)
viii. Issue of equity shares****					
Rahul Sharma	-	7.16	-	-	7.16
	(-)	(-)	(-)	(-)	(-)
	-	7.16	-	-	7.16
	(-)	(-)	(-)	(-)	(-)

Notes to the Consolidated Financial Statements

Note 51. Related Party Disclosures (Contd..)

Particulars		Entities in which KMP can exercise significant influence	Key Management Personnel	Relatives of key management personnel	Other related parties	Grand Total
B. Outstanding balances at the year end						
i. Other non-current assets						
Other advances*****						
Lal PathLabs Foundation	31 March, 2023	-	-	-	0.10	0.10
(formerly Dr. Lal PathLabs Welfare Trust)	31 March, 2022	(-)	(-)	(-)	(0.10)	(0.10)
Dr. Lal Pathlabs Limited Group Gratuity Trust	31 March, 2023	-	-	-	0.14	0.14
"(formerly Dr. Lal Pathlabs Private Limited Group Gratuity Trust)"	31 March, 2022	(-)	(-)	(-)	(0.14)	(0.14)
Total	31 March, 2023	-	-	-	0.24	0.24
	31 March, 2022	(-)	(-)	(-)	(0.24)	(0.24)
ii. Loans						
Mr. Ved Prakash Goel	31 March, 2023	-	-	-	-	-
	31 March, 2022	(-)	(0.60)	(-)	(-)	(0.60)
	31 March, 2023	-	-	-	-	-
Total	31 March, 2022	(-)	(0.60)	(-)	(-)	(0.60)

*The remuneration to the key managerial personnel and their relatives does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Parent Company as a whole.

**Excludes share based expenses accounted for during the year related to RSU Plan, 2016

*** Shares directly issued to the employees by the EWT Trust @ ₹ 10.00 (Previous year @ ₹ 10) per equity share of ₹ 10 each.

**** Shares directly issued to the employees by the Company @ ₹ 311.30 per equity share of ₹ 10 each. This Does not include a non-cash (stock related) perk of ₹ 42.29 million arising on exercise of Stock options

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

Note 52 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, 2023	As at 31 March, 2022
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	70.00
Centrapath Labs Private Limited	Diagnostics	India	70.00	70.00
Chanre Laboratory Private Limited	Diagnostics	India	70.00	70.00
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	Diagnostics	Bangladesh	71.83	71.83
Dr Lal PathLabs Nepal Private Limited	Diagnostics	Nepal	100.00	100.00
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 52 Subsidiaries (Contd..)

Disclosure as required by Schedule III of the Companies Act, 2013 on Consolidated Financial Statements as on 31st March, 2023

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
Parent								
Dr. Lal PathLabs Limited	102%	16,898.64	122%	2,923.58	122%	19.39	122%	2,942.97
Indian subsidiaries								
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	-	84.13	-	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
Overseas subsidiaries								
Dr Lal PathLabs Nepal Private Limited	-	24.45	-	(0.46)	1%	0.12	-	(0.34)
Dr. Lal PathLabs 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)
Non controlling interest in subsidiaries	(2)%	(332.47)	(1)%	(22.29)	1%	0.14	(1)%	(22.15)
Adjustments on consolidation	(20)%	(3304.57)	(26)%	(625.03)	-	-	(26)%	(625.03)
Total	100%	16,662.98	100%	2,388.48	100%	15.85	100%	2,404.33

Notes to the Consolidated Financial Statements

Note 52 Subsidiaries (Contd..)

As at and for the year ended 31 March, 2022

Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income/ (loss)	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Dr. Lal PathLabs Limited	98%	14,721.16	100%	3,452.53	(101)%	(13.23)	101%	3,439.30
Indian subsidiaries								
Paliwal Diagnostics Private Limited	2%	360.29	4%	129.96	(6)%	(0.85)	4%	129.11
Paliwal Medicare Private Limited	-	73.41	-	6.99	-	-	-	6.99
Dr Lal Ventures Private Limited	-	5.88	-	(0.78)	-	(0.02)	-	(0.80)
PathLabs Unifiers Private Limited	6%	856.46	-	3.15	(1)%	(0.08)	-	3.07
Centrapath Labs Private Limited	4%	580.97	1%	51.39	(1)%	(0.07)	1%	51.32
APRL Pathlabs Private Limited	1%	81.00	-	12.81	2%	0.21	-	13.02
Chanre Laboratory Private Limited	1%	200.58	1%	23.38	2%	0.30	1%	23.68
Suburban Diagnostics (India) Private Limited	8%	1,180.03	1%	22.22	7%	0.90	1%	23.12
Overseas subsidiaries								
Dr Lal PathLabs Nepal Private Limited	-	24.79	-	(1.86)	(5)%	(0.69)	-	(2.55)
Dr. Lal PathLabs Bangladesh Pvt. Ltd.	-	32.30	-	3.29	4%	0.50	-	3.79
Dr. Lal PathLabs Kenya Private Limited	-	5.53	(1)%	(30.31)	-	0.02	(1)%	(30.29)
Non controlling interest in subsidiaries	(2)%	(354.60)	(2)%	(54.58)	(1)%	(0.10)	(2)%	(54.68)
Adjustments on consolidation	(18)%	(2,759.37)	(5)%	(169.86)	-	(0.01)	(5)%	(169.87)
Total	100%	15,080.77	100%	3,448.33	100%	(13.12)	100%	3,435.21

53 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, 2023.

Notes to the Consolidated Financial Statements

53 Additional disclosure with respect to amendments to Schedule III (Contd..)

- g The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) any funds to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- h The Group has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- i The Group did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- j The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- k The Company has disclosed that the effect of scheme of arrangements and the same have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards' and there is no deviation in this regard.
- l Information with regard to other matters specified in Schedule III to the Companies Act, 2013 is either nil or not applicable to the Company for the year ended 31 March 2023.

54 The Indian Parliament has approved the Code on Social Security, 2020 ('the Code') which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

55 The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

56 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.

57 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, 2023	As at 31 March, 2022
1	Loan and advances	-	-
2	Other advances	-	-
3	Guarantees	-	-
4	Investments in fully paid equity instruments and current investments	Refer Note 12	Refer Note 12

58 The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 11 May, 2023.

(Hony.) Brig. Dr. Arvind Lal

(DIN: 00576638)

[Executive Chairman]

Place: Gurugram

Date: 11 May, 2023

Dr. Om Prakash Manchanda

(DIN: 002099404)

[Managing Director]

Place: Gurugram

Date: 11 May, 2023

Ved Prakash Goel

[Chief Financial Officer]

Place: Gurugram

Date: 11 May, 2023

Bharath U

[Chief Executive Officer]

Place: Gurugram

Date: 11 May, 2023

Vinay Gujral

[Company Secretary]

Place: Gurugram

Date: 11 May, 2023

DR. LAL PATHLABS LIMITED
CIN: L74899DL1995PLC065388
Regd. Office: Block-E, Sector-18, Rohini, New Delhi - 110085
Corporate Office: 12th Floor, Tower B, SAS Tower,
 Medicity, Sector-38, Gurugram - 122001
Website: www.lalpathlabs.com | **E-Mail** cs@lalpathlabs.com
Phone: +91 124 3016500 | **Fax:** +91 124 4234468

Notice of Annual General Meeting

Notice is hereby given that the twenty-ninth (29th) Annual General Meeting ("AGM") of the members of Dr. Lal PathLabs Limited ("the Company") will be held on Tuesday, September 12, 2023 at 10:30 A.M. IST through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility, to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2023 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, 2023 together with report of Auditors' thereon.
2. To declare final dividend of ₹ 6/- per fully paid equity share having face value of ₹ 10/- each for the Financial Year ended March 31, 2023.
3. To appoint a Director in place of Mr. Rahul Sharma (DIN: 00956625), 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:**

Appointment of Mr. Gurinder Singh Kalra (DIN: 10197218) as an Independent Director of the Company

"RESOLVED THAT pursuant to the provisions of Section 150, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) and pursuant to the provisions of Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and other applicable provisions for the time being in force, Mr. Gurinder Singh Kalra (DIN: 10197218), who was appointed as an Additional Director in the category of Independent Director of the Company by the Board of Directors with effect from July 27, 2023 and in respect

of whom the Company has received a notice in writing under Section 160 of the Act from a Shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 150, 152 and Schedule IV of the Act, read with Rules made thereunder and Listing Regulations (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, Mr. Gurinder Singh Kalra (DIN: 10197218) who has submitted a declaration confirming that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of three (3) consecutive years, from the date of his appointment i.e. July 27, 2023 till July 26, 2026.

RESOLVED FURTHER THAT the Board of Directors (including any committee thereof) and/or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, and to execute all such documents, instruments and writings as may be required, proper or expedient, to give effect to this resolution."

5. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

Appointment of Mr. Rajit Mehta (DIN: 01604819) as an Independent Director of the Company

"RESOLVED THAT pursuant to the provisions of Section 150, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) and pursuant to the provisions of Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 ("the Listing Regulations") and other applicable provisions for the time being in force, Mr. Rajit Mehta (DIN: 01604819), who was appointed as an Additional Director in the category of Independent Director of the Company by the Board of Directors with effect from July 27, 2023 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 150, 152 and Schedule IV of the Act, read with Rules made thereunder and Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), on the recommendation of the Nomination & Remuneration Committee and Board of Directors of the Company, Mr. Rajit Mehta (DIN: 01604819) who has submitted a declaration confirming that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of three (3) consecutive years, from the date of his appointment i.e. July 27, 2023 till July 26, 2026.

RESOLVED FURTHER THAT the Board of Directors (including any committee thereof) and/or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, and to execute all such documents, instruments and writings as may be required, proper or expedient, to give effect to this resolution."

6. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

Payment of Commission to Non-Executive Directors including Independent Directors

"RESOLVED THAT in supersession of earlier resolution(s) passed for payment of Commission to Non-Executive Directors including Independent Directors, from time to time and pursuant to the provisions of Section 149, 197 and 198 of the Companies Act, 2013 (hereinafter referred as 'Act') as amended from time to time read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations")(including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and any other law for the time being in force and on the the recommendation of Nomination & Remuneration Committee and the

Board of Directors of the Company, the approval of the Shareholders of the Company be and is hereby accorded for the payment of Commission, within the overall maximum limit of 1% (one percent) of the net profits of the Company per annum, computed as per Section 198 of the Act, over a period of three (3) years beginning with effect from April 1, 2023 till March 31, 2026 to the present and future Non-Executive Directors including Independent Directors of the Company.

RESOLVED FURTHER THAT the said commission be paid in such amounts or proportion and in such manner, as the Board of Directors may from time to time determine, based on performance of the Company and performance evaluation of each such Director and subject to a maximum of ₹ 30,00,000/- (Rupees Thirty Lakh Only) per annum per Director.

RESOLVED FURTHER THAT the above remuneration shall be in addition to sitting fees for attending the meetings of the Board or Committee(s) thereof and reimbursement of expenses for attending the meetings of the Board, Committee(s) and/ or other meetings being paid to the Non-Executive Directors including Independent Directors of the Company.

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 including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any documents, papers etc. as may be necessary or desirable in connection with or incidental to give effect to this resolution."

7. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

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

"RESOLVED THAT in partial modification of earlier resolution passed by Shareholders on July 30, 2020 for re-designation of Dr. Om Prakash Manchanda (DIN: 02099404) as Managing Director of the Company and pursuant to the provisions of Section 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any notification(s), statutory modification(s), amendment(s) or re-enactment(s) thereof, for the

time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Company, and subject to such other approval(s)/ permission(s), if any as may be required, the approval of the Shareholders be and is hereby accorded for payment of remuneration to Dr. Om Prakash Manchanda (DIN: 02099404), Managing Director of the Company, in the nature of perquisites, arising/ propose to arise as a result of exercise of vested/ to be vested Stock Options under Employee Restricted Stock Unit Plan, 2016 ("RSU Plan 2016") and/ or Employee Stock Option Plan 2022 ("ESOP Plan 2022") of the Company, in excess of 5% of the net profits of the Company computed as per Section 198 of the Act, in any of the Financial Year during his remaining tenure as Managing Director of the Company.

RESOLVED FURTHER THAT the abovesaid perquisite value shall be in addition to the earlier approved remuneration and all the other terms and conditions of the shareholder's resolution dated July 30, 2020 including remuneration stated therein shall remain unaltered.

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 settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any documents, papers, etc. as may be necessary or desirable in connection with or incidental to give effect to this resolution."

8. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

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

"RESOLVED THAT in supersession of the earlier resolution passed by Shareholders on July 29, 2021 and pursuant to the provisions of Section 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any notification(s), statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, and

subject to such other approval(s)/ permission(s), if any as may be required, the approval of the Shareholders be and is hereby accorded for payment of remuneration to Mr. Rahul Sharma (DIN: 00956625), Non-Executive Director of the Company, in the nature of 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 1% of the net profits of the Company computed as per Section 198 of the Act, for the Financial Year 2023-24 and 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 settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any documents, papers, etc. as may be necessary or desirable in connection with or incidental to give effect to this resolution."

9. 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(s)/ permission(s) if any, as may be required, the approval of the Shareholders 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 2023-24.

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 settle all questions or difficulties that may arise with regard

to the aforesaid resolution as it may deem fit and to execute any documents, papers, etc. as may be necessary or desirable in connection with or incidental to give effect to this resolution.”

10. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

Payment of remuneration to Directors in excess of 11% of Net Profits of the Company, in the event of exercise of ESOPs

“**RESOLVED THAT** pursuant to the provisions of Section 197, 198 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any notification(s), statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Company and such other approval(s)/ permission(s) if any, as may be required, the approval of the Shareholders be and is hereby accorded for payment of remuneration to all the Directors including Managing Director, Whole-Time Directors and Non-Executive Directors including Independent Directors as detailed in explanatory statement, in excess of 11% of the net profits of the Company, computed as per Section 198 of the Act, for the Financial Year 2023-24 and 2024-25, in the event of exercise of the Stock Options by Dr. Om Prakash Manchanda, Managing Director under Employee Restricted Stock Unit Plan, 2016 and/or Employee Stock Option Plan 2022 of the Company and/or by Mr. Rahul Sharma, Non- Executive Director under Employee Stock Option Plan, 2010 of the Company.

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 settle all

questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any documents, papers, etc. as may be necessary or desirable in connection with or incidental to give effect to this resolution.”

11. 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 2023-24

“**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 Shareholders hereby ratifies the remuneration of ₹ 1,00,000/- (Rupees One Lakh 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 2023-24.

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 as may be considered necessary, 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
Membership No: A-25995

Place: Gurugram
Date: July 27, 2023

Notes:

1. Explanatory statement(s) pursuant to Section 102(1) of the Companies Act, 2013 relating to Ordinary and Special Business (es) to be transacted at the 29th AGM is annexed hereto.
2. The Ministry of Corporate Affairs ("MCA") vide its circulars dated December 28, 2022, 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 venue e-Voting on the date of the AGM will be provided by CDSL.

The Notice of the 29th AGM along with the Annual Report for the Financial Year 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories as on August 11, 2023. The deemed venue for the 29th 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 general meeting in advance on the e-mail address of the company at cs@lalpathlabs.com.
4. As the AGM is being held through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-Voting.
5. Institutional/Corporate Shareholders are required to send a scanned copy of their Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-Voting/remote e-Voting. The said Resolution/Authorization shall be sent to Scrutinizer by email at divya@kksinghassociates.com with a copy marked to cs@lalpathlabs.com and 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 Companies Act, 2013 (hereinafter referred as "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 on cs@lalpathlabs.com.

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested, maintained as per Section 189 of the Act and the Certificate from Secretarial Auditors of the Company certifying that the ESOP Scheme of the Company are being implemented in accordance with, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 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 2022-23 will also be available on the Company's website www.lalpathlabs.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at www.evotingindia.com.
9. The Final Dividend of ₹ 6/- on equity shares of ₹ 10 each of the Company as recommended by the Board of Directors of the Company for the financial year ended March 31, 2023, if declared at the AGM, will be paid on or before Wednesday, October 11, 2023 to those members whose names appear in the Register of Members as on Friday, August 11, 2023 ("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 Friday, August 11, 2023 as per the details furnished by the depositories viz. National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
10. Members are requested to register/update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode, to enable expeditious credit of the dividend to their bank accounts electronically.
11. Members who have not encashed their Unclaimed Dividend till date are requested to claim the same. Details of unclaimed dividend amount are

available under investors section of the website of the Company at www.lalpathlabs.com.

12. 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 are annexed with this AGM Notice.
13. Members can also provide their feedback on the Shareholders Services of the Company by filling the **"Shareholders Satisfaction Survey"** attached to this notice and emailing the same at cs@lalpathlabs.com through their registered e-mail ID or sending the signed copy to the Corporate Office of the Company at 12th Floor, Tower B, SAS Tower, Medicity, Sector-38, Gurugram – 122001.

Your feedback will help the Company in improving its Shareholders Service Standards.

Instructions for remote e-Voting and attending AGM through VC/OAVM are as under:

A. VOTING THROUGH ELECTRONIC MEANS

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI Listing Regulations, the Shareholders 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 Shareholders attending the AGM who have not cast their vote by remote e-Voting shall be eligible to vote through the e-Voting system during the AGM. The Shareholders who have cast their vote by remote e-Voting may also attend the AGM but shall not be entitled to cast their vote again.

3. The remote e-Voting period commences on **Friday September 8, 2023 at 9:00 A.M.** and ends on **Monday September 11, 2023 at 5:00 P.M.** During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **Tuesday, September 5, 2023 ("the cut-off date")** may cast their vote electronically. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
4. The voting rights of the Shareholders shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. Tuesday, September 5, 2023. 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 shareholders for e-Voting and joining virtual meeting are as under:

Pursuant to SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

In order to increase the efficiency of the voting process, all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants, able to cast their vote without having to register again with the e-Voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

(a) Pursuant to above SEBI Circular, login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of Shareholder	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	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 www.cdslindia.com and click on Login icon and select New System Myeasi Tab. 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com, click on the login & new system myeasi Tab and then click on register option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/. Select "Register Online for IDeAS Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000 and 022-2499 7000

(b) Log in method for e-Voting and joining Virtual meeting for Physical Shareholders and Shareholders other than Individual holding in Demat form:

- (i) The Shareholders should log on to the e-Voting website www.evotingindia.com
- (ii) Click on "Shareholders".
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digit beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digit Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Physical Shareholders and other than Individual Shareholders holding shares in Demat.

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number send by Company/RTA or Contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or the Company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Dr. Lal PathLabs Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option

“YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians - For Remote e-Voting only
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login 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 Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer (divya@kksinghassociates.com) and to the Company (cs@lalpathlabs.com), if voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING AGM ARE AS UNDER:

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. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be able to vote at the AGM.
4. Facility of joining the AGM through VC/OAVM shall be opened 30 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. The facility will be available for Members on first come first served basis.
5. For better experience, we recommend 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. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to AGM mentioning their name, demat account number/folio number, email id, mobile number at cs@lalpathlabs.com. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not 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 Shareholders through e-Voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the meeting.

Process for those Shareholders whose Email address/Mobile No. are not registered with the Company/Depositories

For Physical Shareholders, if any	Send a letter to the Company at cs@lalpathlabs.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), Self attested copy of PAN Card and self attested copy of any one document from Aadhar Card, Driving License, Election Identity Card and Passport for registering email address/Mobile No.
For Demat shareholders	Please update your email address and mobile no. with your respective Depository Participant (DP)
For Individual Demat shareholders	Please update your email address and mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual meetings through Depository

In case you have any queries or issues regarding attending AGM and e-Voting, from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai- 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 225533.

Declaration of Results

1. The Scrutinizer shall provide, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or in his absence, a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
2. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.lalpathlabs.com and on the website of CDSL at www.evotingindia.com immediately after the result declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
3. The recorded transcript of the proceeding of AGM shall be placed on the Company's website at www.lalpathlabs.com and the same also be in safe custody of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4 & 5

The Shareholders may take note that the tenure of majority of the Independent Directors on the Board of the Company shall be coming to an end by August, 2023.

In order to ensure smooth transition at the Board Level, the Nomination & Remuneration Committee after evaluating balance of skills, knowledge and experience available on the Board, recommended the appointment of Mr. Gurinder Singh Kalra and Mr. Rajit Mehta as Independent Directors.

The Board of Directors also in their meeting on July 27, 2023 took note the expertise of Mr. Gurinder Singh Kalra and Mr. Rajit Mehta, in areas of strategy, finance & governance, as required and appointed them as Additional Directors in the category of Independent Directors, not liable to retire by rotation for a term of three (3) consecutive years beginning from July 27, 2023, subject to approval of Shareholders of the Company.

The Company has received from Mr. Gurinder Singh Kalra and Mr. Rajit Mehta (i) Consent to act as Directors in Form DIR-2; (ii) Intimation in Form DIR-8, to the effect that they are not disqualified to be appointed as Directors under Section 164 of the Act; (iii) Declarations to the effect that they meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations; and (iv) Certificates stating that they are not debarred from appointment pursuant to any order of SEBI or any other Authority. The Company has also received notice(s) under Section 160 of the Act from Shareholder proposing candidature of Mr. Gurinder Singh Kalra and Mr. Rajit Mehta as Directors of the Company.

In the opinion of the Board, Mr. Gurinder Singh Kalra and Mr. Rajit Mehta are independent from the management and fulfil the conditions specified in the Act & the rules made thereunder and Listing Regulations for appointment as Independent Directors of the Company.

A copy of the letter setting out the terms and conditions of appointment of Independent Director shall be available for inspection at the website of the Company and can be accessed via. <https://www.lalpathlabs.com/>.

The Board recommends the resolutions set out at item no. 4 & 5 of this AGM Notice, for approval of the Shareholders by way of Special Resolutions for appointment of Mr. Gurinder Singh Kalra and Mr. Rajit Mehta as Independent Directors for a period of three (3) years from July 27, 2023 till July 26, 2026.

Additional information, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard for General Meetings (SS-2) in respect of Director(s) recommended for appointment is annexed with this notice.

Except Mr. Gurinder Singh Kalra and Mr. Rajit Mehta and their respective relatives (to the extent of their shareholding, if any) none of the other Directors or Key Managerial Personnel (KMPs) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution(s) set out at Item No. 4 & 5 of this AGM Notice.

ITEM NO. 6

The Shareholders of the Company on October 10, 2018 through Postal Ballot approved payment of commission to Non-Executive Directors of the Company subject to a maximum of ₹ 10,00,000/- (Rupees Ten Lakh only) per annum per Director, if he/she is not a Chairperson of any Board Committee and an additional ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only) per annum for each Board Committee in which any such Director is a Chairperson, over a period of 5 (five) Years beginning from August 21, 2018.

Further, basis the recommendation of the Board of Directors, the Shareholders of the Company in 27th AGM held on July 29, 2021 partially modified above resolution and increased the limit of Commission payable to Non-Executive Directors subject to a maximum of ₹ 20,00,000/- (Rupees Twenty Lakh only) per annum per Director. The validity of the resolution passed by the Shareholder on October 10, 2018 is set to expire on August 20, 2023.

On recommendation of Board of Directors of the Company, the Shareholders on December 14, 2022 and March 10, 2023, by way of Postal Ballot, approved payment of Commission upto a maximum of ₹ 20,00,000/- (Rupees Twenty Lakh only) per annum, each to Mr. Rohit Bhasin and Mr. Arun Duggal, respectively, subject to overall limit of one percent (1%) of the net profits of the Company per annum, computed as per Section 198 of the Companies Act, 2013, for all Non-Executive Directors.

In (a) view of the increased role and responsibilities of the Non-Executive Directors including Independent Directors, entrusted by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (b) order to akin the amount of Commission payable to all Non-Executive Directors including Independent Directors, the Board of Directors in their meeting on July 27, 2023 recommended payment of commission of an

amount, not exceeding in aggregate 1% (one percent) per annum of the net profits of the Company, computed as per Section 198 of the Companies Act, 2013, subject to a maximum of ₹ 30,00,000/- (Rupees Thirty Lakh only) per annum per Director, for a period of three (3) years commencing from April 1, 2023 to March 31, 2026.

The payment of such commission shall be in addition to the sitting fees for attending Board/ Committee meetings and reimbursement of expenses for attending the meetings of the Board, Committee and/ or other meetings. The commission shall be paid in such amounts or proportion and in such manner, as the Board of Directors may from time to time determine, based on performance of the Company and performance evaluation of each such Director.

Further, pursuant to Section 197, 198 of the Companies Act, 2013 and Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the payment of any fees or compensation to Non-Executive Directors (including Independent Directors) require approval of shareholders in general meeting.

Except, the Non-Executive Directors to the extent of the remuneration payable to them individually and/ or their shareholding, if any including their relatives to the extent of their shareholding, if any, none of the other Director and/ or KMPs or their relatives are concerned or interested, financially or otherwise, in the resolution set out at the Item No. 6 of this AGM Notice.

The Board recommends the resolution set forth at Item No. 6 of this AGM Notice for the approval of Shareholders by way of a special resolution.

ITEM NO. 7

The Shareholders of the Company in the 26th Annual General Meeting held on July 30, 2020 re-designated Dr. Om Prakash Manchanda as Managing Director of the Company for a period of five (5) years effective from April 01, 2020 to March, 31 2025 on such terms and conditions including remuneration/ perquisites as mentioned in the resolution passed on July 30, 2020.

The Nomination & Remuneration Committee and Board of Directors, from time to time, duly approved granting of stock options to Dr. Om Prakash Manchanda under Employee Restricted Stock Unit Plan, 2016 and Employee Stock Option Plan 2022. He has been exercising vested stock options, from time to time.

Dr. Om Prakash Manchanda will have vested/ to be vested options under Employee Restricted Stock Unit Plan, 2016 and Employee Stock Option Plan 2022 as given below:

Name of Scheme	Options vested & unexercised as on April 1, 2023	Options vesting in FY 2023-24	Options vesting in FY 2024-25
Employee Restricted Stock Unit Plan, 2016	54,168	50,006	20,836
Employee Stock Option Plan 2022	-	12,500	27,500

Dr. Om Prakash Manchanda has expressed his intent to exercise the options so vested/to be vested, in different tranches at different points of time, during his remaining tenure as Managing Director. Exercise of such options, however, is likely to create perquisites in the hands of Dr. Om Prakash Manchanda to the extent of difference between the market price of equity shares of the Company as on the date of exercise and grant price of the options so vested/to be vested from time to time.

In case of exercise of stock options by Dr. Om Prakash Manchanda the value of perquisites arising therefrom coupled with his annual remuneration in any of the financial year during his remaining tenure as Managing Director (Financial Year 2023-24 and 2024-25) may result in his annual remuneration exceeding 5% of the net profits of the Company computed as per Section 198 of the Companies Act, 2013 for the respective Financial Year.

The Shareholders may take note that the above increase in the limit for payment of Managerial Remuneration in the nature of perquisites arising as a result of exercise of ESOPs will not require or result in any payment of cash compensation in addition to the overall remuneration already approved, from time to time.

Pursuant to the provisions of Sections 197, 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including rules, notifications, any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the Shareholders by way of Special Resolution is required for payment of

Managerial Remuneration to Managing Director, in any of the financial year, in excess of 5% of the net profits computed as per Section 198 the Act.

The details as stated in the Notice and hereinabove may be treated as an abstract for modification in the terms of remuneration of Dr. Om Prakash Manchanda under Section 190 of the Act.

Except, Dr. Om Prakash Manchanda, Managing Director 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. 7 of this AGM Notice.

The Board recommends the resolution set forth at Item No.7 of this AGM Notice for the approval of Shareholders by way of a Special Resolution.

ITEM NO. 8 & 9

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 71,983 stock options (as on July 27, 2023) are remaining to be exercisable by him.

In this respect, the Shareholders of the Company in the 27th AGM held on July 29, 2021 approved increasing the limit of Managerial Remuneration under Section 197(1) & 197(1)(ii)(A) of the Companies Act, 2013 to enable Mr. Rahul Sharma, Non-Executive Director to exercise the Stock Options granted to him under ESOP 2010 Scheme, for a period of 5 years which is valid except in case of inadequacy of profits which may arise in the case of exercise of stock options.

Mr. Sharma has expressed his intent to exercise the remaining stock options in different tranches at different points of time. Exercise of such options, however, is likely to create a perquisite in the hands of Mr. Sharma, to the extent of difference between the Market Price of the equity shares of the Company on the date of exercise and the Grant Price of the stock options so vested.

In case of exercise of options by Mr. Sharma, value of perquisites arising therefrom coupled with his annual Director commission may result in his annual remuneration exceeding (a) 1% (One Percent) of the Net Profits computed as per Section 198 of the Companies Act, 2013 and (b) 50% (Fifty percent) of the total remuneration payable to all Non-Executive Directors of the Company.

The Shareholders may take note that the above increase in the limit for payment of Managerial Remuneration in the nature of perquisites arising as a result of exercise of ESOPs will not require or result in any payment of cash compensation in addition to the overall remuneration already approved, from time to time.

Pursuant to the provisions of Section 197, 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including rules, notifications, any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the Shareholders by way of Special Resolution is required for payment of Managerial Remuneration by the Company to its Non-Executive Director, in any financial year, exceeding 1% [in case there is Managing Director/ Whole Time Director/ Manager in the Company] of the net profits computed as per Section 198 of the Companies Act, 2013.

Further, pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Shareholders by way of Special Resolution is required every year, in case annual remuneration payable to a single Non-Executive Director, exceeding 50% (Fifty percent) of the total remuneration payable to all Non-Executive Directors of the Company.

Except, Mr. Rahul Sharma, Non-Executive Director 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 resolutions set out at Item No. 8 and 9 of this AGM Notice.

The Board recommends the resolution(s) set out at Item No. 8 and 9 of this AGM Notice for the approval of Shareholders by way of Special Resolution(s).

ITEM NO. 10

The Company has been paying remuneration to all its Directors including Managing Director, Whole Time Director(s) and Non-Executive Director(s), within 11% of the Net profit computed as per Section 198 of the Act. In this context, please also note that upon exercise of the stock options by Dr. Om Prakash Manchanda, Managing Director and/ or Mr. Rahul Sharma, Non-Executive Director, the total managerial remuneration, i.e., the perquisite value of ESOPs coupled with the value of aggregate remuneration payable by the Company to its Directors, including Managing Director, Whole-time Director(s) and Non-Executive Director(s), details of whom are mentioned in the explanatory note, may exceed 11% of the net profits computed as per Section 198 of the Companies Act, 2013, for the Financial Year 2023-24 and 2024-25.

The above proposal for increase in the limit of Managerial Remuneration is in the nature of perquisites arising as a result of exercise of ESOPs which will not require or result in any payment of cash compensation in addition to the overall remuneration already approved by the shareholders from time to time.

Pursuant to the provisions of Section 197, 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including rules, notifications, any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the Shareholders by way of Special Resolution is required for payment of Managerial Remuneration by the Company to its Director(s) including Managing Director, Whole Time Director(s) and Non-Executive Director(s) in any financial year, exceeding 11% of the net profits computed as per Section 198 of the Companies Act, 2013.

Except the Directors to the extent of remuneration payable to them individually and/or their shareholding in the Company, if any and their relatives to the extent of their shareholding in the Company, if any, none of the other KMPs or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of this AGM Notice.

The Board recommends the resolution set forth at Item No. 10 of this AGM Notice for the approval of Shareholders by way of a Special Resolution.

ITEM NO. 11

The Board of Directors of the Company in their meeting held on May 11, 2023, on recommendation by

the Audit Committee, appointed M/s. A.G. Agarwal & Associates (Firm Registration Number: 000531), Cost and Management Accountants, as the Cost Auditors for the Financial Year 2023-24 at a remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus applicable taxes and out of pocket expenses.

As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the cost auditors is to be ratified by the Shareholders of the Company.

The Board considers the remuneration payable to the Cost Auditors as fair and recommends the resolution contained in Item no. 11 of the accompanying notice for approval of the Shareholders as an Ordinary Resolution.

None of the Directors or KMP's or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 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: Gurugram
Date: July 27, 2023

II. Information about Directors

Sl. No.	Particulars	1. Dr. Om Prakash Manchanda (Managing Director)	2. Mr. Rahul Sharma (Non-Executive Director)	3. (Hony) Brig. Dr. Arvind Lal (Executive Chairman)	4. Dr. Vandana Lal (Whole Time Director)	5. Dr. Archana Lal Erdmann (Non-Executive Director)	6. Mr. Sunil Varma (Independent Director)	7. Dr. Saurabh Srivastava (Independent Director)
1.	Background details	Dr. Om Prakash Manchanda, aged 58 years, is the Managing Director of Dr. Lal PathLabs Limited. He has successfully led the transformation of the Company in last nearly 18 years from a small business to a professionally run listed Company. 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. 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. He has done MBA from IIM Ahmedabad, and has over 33 years of work experience. He has also done Advanced Management Program from Harvard Business School. He is a graduate in veterinary sciences from HAU Hisar, Haryana	Mr. Rahul Sharma, aged about 63 years, is a Non-Executive Director on the Board. He studied Mathematics at the University of Delhi and commerce at the Kakatiya University. He has about 28 years of experience in the field of human resources. Previously he was a Partner at Executive Access, a leading executive search firm in Asia. He joined the firm in 1993 and was a key senior member of the firm's Asia Pacific Banking and Finance executive recruiting and consulting practice. Prior to Executive Access, he was with State Bank of India. He joined the bank as a Probationary Officer in 1987 and went onto manage a variety of portfolios in India and Japan.	(Hony) Brig. Dr. Arvind Lal, aged about 74 years, is a promoter of Dr. Lal PathLabs and holds a Bachelor's Degree in Medicine and Surgery (MBBS) and a Diploma in Clinical Pathology (DCP) from the Armed Forces Medical College, Pune University. He was also awarded PhD (Honoris Causa) from Rai University. He has over 46 years of experience in the field of Pathology and is recognized as a pioneer in bringing laboratory services in India at par with the western world. Under his expert guidance and leadership, Dr. Lal PathLabs has become one of the most reputed laboratories in Asia. He brought International recognition to the Indian Healthcare Industry in the form of accreditation from the College of American Pathologists (CAP - USA). Dr. Lal has revolutionized laboratory medicine by introducing the maximum number of new tests, instruments and ICT (Information, Communications, Technology) systems.	Dr. Vandana Lal, aged about 67 Years, is a promoter of Dr. Lal PathLabs Limited. She holds a bachelor's degree in medicine and surgery from the University of Delhi and a doctorate degree in medicine (pathology) from the University of Delhi. She has over 38 years of experience in the field of pathology.	Dr. Archana Lal Erdmann holds an MBBS degree (Bachelor of Medicine and Bachelor of Surgery) from Bharati Vidyapeeth Medical College, Pune and completed M.D. & DNB (Pathology) from Sri Ramachandra University, Chennai, Tamil Nadu. She is an American board certified Geneticist, and completed fellowships in Clinical Cytogenetics and Clinical Molecular Genetics from Stanford University School of Medicine, California, USA.	Mr. Sunil Varma, aged 80 years, holds a bachelor's degree in arts from the Punjab University, is a fellow member of the Institute of Chartered Accountants of India and an associate of the Institute of Costs and Works Accountants of India.	Dr. Saurabh Srivastava, aged 77 years, holds a Bachelor's Degree in Technology from the Indian Institute of Technology, Kanpur and a Master's degree from Harvard University. He is one of India's leading entrepreneurs, investors and institution builders, widely acknowledged as one of the architects of the Indian IT Industry and as leading the creation of a vibrant entrepreneurial eco system in India. He is a co-founder and former Chairman of NASSCOM, former Chairman of IVCA, founder and Chairman Emeritus of TIE Delhi
2.	Past Remuneration (FY 2022-23)	₹ 44.42 (Million)*	₹ 1.87 (Million)*	₹ 28.24 (Million)	₹ 22.65 (Million)	₹ 1.47 (Million)	₹ 3.08 (Million)	₹ 2.33 (Million)

Sl. No.	Particulars	1. Dr. Om Prakash Manchanda (Managing Director)	2. Mr. Rahul Sharma (Non-Executive Director)	3. (Hon'y) Brig. Dr. Arvind Lal (Executive Chairman)	4. Dr. Vandana Lal (Whole Time Director)	5. Dr. Archana Lal Erdmann (Non-Executive Director)	6. Mr. Sunil Varma (Independent Director)	7. Dr. Saurabh Srivastava (Independent Director)
3.	Recognition or Awards	Dr. Om Prakash Manchanda won prestigious awards of "EY Entrepreneur of the Year" for 2019 in the Healthcare and Life Sciences category. Recently he received 'Healthcare Personality of the Year-2020' award in the FICCI Healthcare Excellence Awards, organized in Sept. 2020.	Mr. Rahul Sharma represented Delhi in the Ranji Trophy and also captaining Hong Kong in One Day Internationals.	He is a recipient of the Padma Shri and has also been conferred an Honorary Brigadier's rank in the Armed Forces Medical Services by the President of India.	Dr. Vandana Lal is also trained in Quality Assurance and spearheads the quality implementation process in all the laboratories of Dr Lal PathLabs Limited. She is the head of Clinical Research Services being the Chief Technical Officer since 2007, playing a pivotal role in conception, planning, construction, execution & operationalizing the Clinical trials division. She also heads the Research & Development wing of Dr. Lal PathLabs Limited by monitoring development of new tests and methods.	Dr. Archana brings 14 years of experience in laboratory genetics and genomics testing with a focus on research for genetic tests for both inherited and acquired genetic diseases, developing next-generation sequencing-based tests for genotyping tumors, clinical variant curation, cell line characterization, and expanding the scope of genetic testing to identify patients eligible for novel targeting therapies.	Mr. Sunil Varma has over 51 years of experience in the field of management financial and business consulting.	The President of India has awarded Dr. Saurabh Srivastava the Padma Shri. Prime Minister Shri. Narendra Modi has presented him an Award for contribution to the Indian IT Industry by founding NASCOM. He has received the Patrick J McGovern Lifetime Achievement Award. IVCA and Dataquest have also conferred on him Lifetime Achievement Awards. He has been conferred an Honorary Doctorate in Technology by the University of Wolverhampton, UK
4.	Job Profile and suitability	Dr. Om Prakash Manchanda was appointed as Director on the Board of Company since, February, 2011 and re-designated as Managing Director, with effect from April 1, 2020. 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 & stakeholders. Taking into consideration his qualifications and expertise, Dr. Om Prakash Manchanda is best suited for the responsibilities currently assigned to him by the Board of Directors of the Company	Mr. Rahul Sharma was appointed as Director on the Board of the Company since, July 2005. As on July 27, 2023, he is member of Risk Management Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Company.	Though the company was founded in 1949 by his Late father Dr (Maj) SK Lal, (Hon'y) Brig. Dr. Arvind Lal made it a private limited company in 1995 by being its promoter. In 2015, he took the company for an IPO and currently he is the Executive Chairman of the Board of Directors of the Company. As on July 27, 2023, he is Chairperson of CSR Committee of the Company.	Dr. Vandana Lal, is a Promoter of the Company even since, 1995 and Executive Director of the Company 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 & compliance to standards laid down by the accreditation bodies like CAP, NABL & ISO.	Dr. Archana Lal Erdmann was appointed as Director on the Board of the Company since, May 2019.	Mr. Sunil Varma was appointed as Independent Director on the Board of the Company since, August 2015. He is the Lead Independent Director of the Company. As on July 27, 2023, he is Chairperson of Audit Committee and, Member of Nomination & Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee of the Company.	Dr. Saurabh Srivastava was appointed as Independent Director on the Board of the Company since, August 2015. As on July 27, 2023, he is Chairperson of Stakeholders Relationship Committee and Member of Audit Committee and Nomination & Remuneration Committee of the Company.

Sl. No.	Particulars	1. Dr. Om Prakash Manchanda (Managing Director)	2. Mr. Rahul Sharma (Non-Executive Director)	3. (Hony) Brig. Dr. Arvind Lal (Executive Chairman)	4. Dr. Vandana Lal (Whole Time Director)	5. Dr. Archana Lal Erdmann (Non-Executive Director)	6. Mr. Sunil Varma (Independent Director)	7. Dr. Saurabh Srivastava (Independent Director)
5.	Remuneration Proposed	As stated in the Explanatory Statement at Item No. 7 of this AGM Notice	Payment of perks may exceed 5% of the net profits of the Company. computed as per Section 198 of the Companies Act, 2013, in the event of exercise of the vested/ to be vested Employee Stock Options under the ESOP Plan Stock Unit Plan, 2016 and/or Employee Stock Option Plan, 2022 of the Company.	As stated in the Explanatory Statement at Item No. 6, 8 and 9 of this AGM Notice	Payment of perks may exceed 1% of the net profits of the Company. computed as per Section 198 of the Companies Act, 2013, in the event of exercise of the Employee Stock Options granted to him under the ESOP Plan 2010 of the Company.	Not Applicable: Since, there is no change proposed in the remuneration payable to (Hony) Brig. Dr. Arvind Lal and Dr. Vandana Lal, the disclosure is being made in compliance with the requirement of Schedule V of the Companies Act, 2013.	As mentioned in Item No. 6 of this AGM Notice	
6.	Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person	Payment of perks may exceed 5% of the net profits of the Company. computed as per Section 198 of the Companies Act, 2013, in the event of exercise of the vested/ to be vested Employee Stock Options under the ESOP Plan Stock Unit Plan, 2016 and/or Employee Stock Option Plan, 2022 of the Company.	However, the remuneration payable has been compared with the remuneration being drawn by similar positions in the Healthcare industry.			In view of the increased roles and responsibilities of the Non-Executive Directors including Independent Directors, entrusted by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well, it is considered appropriate that the Non-Executive Directors including Independent Directors of the Company are compensated reasonably with their increased responsibilities.		
7.	Pecuniary relationship directly or indirectly with the Company or relationship with Managerial Personnel, if any	Except the remuneration paid/ payable (including shareholding, if any) to directors, there is no pecuniary relationship directly or indirectly with the Company or relationship with Managerial Personnel. (Hony) Brig. Dr. Arvind Lal & Dr. Vandana Lal, who are husband & wife and Dr. Archana Lal Erdmann, who is their daughter.						

Sl. No.	Particulars	8. Mr. Anoop Mahendra Singh (Independent Director)	9. Mr. Harneet Singh Chandhoke (Independent Director)	10. Ms. Somya Satsangi (Independent Director)	11. Mr. Rohit Bhasin (Independent Director)	12. Mr. Arun Duggal (Independent Director)	13. Mr. Rajit Mehta (Independent Director)	14. Mr. Gurinder Singh Kalra (Independent Director)
1.	Background details	Mr. Anoop Mahendra Singh, aged 57 years, holds a bachelor's degree in Arts (Economics Honours) from the University of Bombay, a master's degree in Arts (Economics) from the University of Madras and a master's degree in business administration from the University of Melbourne, Australia.	Mr. Harneet Singh Chandhoke, is a seasoned commercial disputes specialist, has over 26 years of experience in handling both ad-hoc and institutional commercial arbitrations, including conducted under ICC, SIAC, LCIA and DAC rules. He has been involved in several domestic & international Arbitrations as the lead counsel, and has extensively dealt in matters of interim reliefs, emergency relief as well as recognition and enforcement of foreign awards. Mr. Chandhoke, is widely regarded for his sharp business acumen and is appreciated for taking 360 degree view of potential issues, given his vast experience in transaction advisory across various laws and sectors. As a litigator, he has handled cases in almost every area of the law, including landmark cases, and his engagements are often multi-jurisdictional in advised clients on the full spectrum of complex commercial & corporate matters	Ms. Somya Satsangi holds a Bachelor of Science in Chemistry (Honors) from the University of Delhi and is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. She has also completed courses in Corporate Finance (Mergers and Acquisitions) at IIM, Ahmedabad, and Change Management Strategy at the London Business School. She is an accomplished professional with a diverse background in technology, business consulting, and human resources, spanning over 28 years. She has held senior management roles in global corporations across Europe, India, and the US, focusing on areas such as Business Development, Strategy, and Operations. She provides advisory services to startups, offering guidance on scaling strategies and recruiting for next-generation business models, including those in the Cig economy.	Mr. Rohit Bhasin is a Chartered Accountant (qualified in 1984) with experience of over 39 years in leading organisations such as Standard Chartered Bank, AIG Inc, and Pricewaterhouse Coopers (PwC). In addition to general management expertise, he has a strong functional experience in the Finance area including Business Strategy, Investment Advisory, Business Planning and Restructuring and Corporate Finance, across sectors. Mr. Bhasin is currently serving as Board Member of Star Health and Allied Insurance Company Limited, Tanla Platforms Limited, Yatra Online Limited etc.	Mr. Arun Duggal is the Non-Executive Chairman and an Independent Director of ICRA Limited. He is on the Boards of ITC Limited, Davenport Management Consultants Services Private Limited and IIT Delhi Endowment Management Foundation. He is an experienced international Banker and has advised Companies and financial institutions on Financial Strategy, M&A and Capital Raising. Mr. Duggal had a 26 years career with Bank of America, mostly in the U.S., Hong Kong and Japan. His last assignment was as Chief Executive of Bank of America in India from 1998 to 2001. He is an expert in international finance and from 1981-1990 he was head of Bank of America's (oil & gas) practice handling relationships with companies like Exxon, Mobil, etc. From 1991-94 as Chief Executive of BA Asia Limited, Hong Kong he looked after Investments. Banking activities for the Bank in Asia. In 1995, he moved to Tokyo as the Regional Executive, managing Bank of America's business in Japan, Australia and Korea.	Mr. Rajit Mehta is the Managing Director and Chief Executive Officer of Antara Senior Living Ltd., a subsidiary of Max India Limited that pioneers the concept of 'Age in Place' by developing senior living communities. He is also the Managing Director of Max India Ltd and provides oversight/advisory for the HR function across the Max Group. As Antara's MD and CEO, Mr. Rajit spearheads Antara 2.0 – a rejuvenation strategy that aims to propel the premier senior living organisation towards a new scale of growth and operations. Under his leadership Antara has launched Antara Assisted Care Services comprising Care Homes, Memory Care Homes, Care at Home and Medcare Products thereby creating an integrated eco-system for seniors. Previously, Mr. Rajit has served as the MD & CEO for Max Healthcare where he led a transformation journey for Max Healthcare through a 5C framework, comprising Care, Clinical Excellence, Cohesion, Commitment and Compliance.	Mr. Gurinder Singh Kalra is Chief Financial Officer in a biotech company which is listed on NASDAQ in the US. As CFO, he guided the company through a SPAC merger and subsequent de-SPAC process. Mr. Kalra is having deep knowledge and understanding of capital markets and public/private fund raising process and has Investor Relations expertise. Mr. Kalra has over 18 years of experience in technology equity research, predominantly at major investment banks. He also played a significant role in investment banking transactions, both capital raising and M&A for technology companies. He has completed his MBA from Harvard University and Bachelor of Science & Bachelor of Arts from Brown University.

Sl. No.	Particulars	8. Mr. Anoop Mahendra Singh (Independent Director)	9. Mr. Harneet Singh Chandhoke (Independent Director)	10. Ms. Somya Satsangi (Independent Director)	11. Mr. Rohit Bhasin (Independent Director)	12. Mr. Arun Duggal (Independent Director)	13. Mr. Rajit Mehta (Independent Director)	14. Mr. Gurinder Singh Kalra (Independent Director)
			across a wide range of industries covering Automobile, Banking & Finance, Pharmaceuticals, Telecom, Construction & Engineering, Infrastructure, Insolvency & Restructuring, and Media & Entertainment He has completed B.Com (Hons.) from Shri Ram College of Commerce and LLB from Campus Law centre.	She has also served as an Independent Director on the Board of Steria India Limited, a Euro 3.8bn corporation specializing in consulting services, systems integration, and application solutions. Prior to her board positions, Ms. Somya held the role of VP Corporate Development and Strategy at CA Technologies, the fourth-largest software company in the world based in New York. In this capacity, she managed key investments and global strategic partnerships, evaluated hundreds of tech companies leveraging her deep understanding of the technology industry. Furthermore, She has served as a Senior Partner at Amrop India, where she globally established the Digital & Technology practice. During her three years at Amrop India, she worked with private equity, professional services, and education clients, placing professionals at high-growth private equity-funded companies. She provided valuable human resource strategies, even during challenging business conditions, including advising companies funded by SoftBank		He is the founder of Women on Corporate Boards program in India under which high potential women are mentored individually by Corporate Leaders to prepare them for Board careers. Women from this program are serving on over 200 Corporate Boards. He is a Trustee of Chennai Mathematical Institute (CMI). CMI is a Centre of Excellence for Teaching and Research in Mathematical Sciences. A Mechanical Engineer from the prestigious Indian Institute of Technology, Delhi (recipient of Distinguished Alumni Service Award in 2019), Mr. Duggal holds an MBA from the Indian Institute of Management, Ahmedabad (recipient of Distinguished Alumnus Award).	He also successfully helped Max Healthcare achieve its vision of being the most admired healthcare company in India known for clinical and service excellence. Under Rajit's leadership, MHC made two large acquisitions which significantly increased its footprint in NCR. He is graduate in commerce, post graduate in Human Resources and has also attended an Advanced Management Program at INSEAD-France	

Sl. No.	Particulars	8. Mr. Anoop Mahendra Singh (Independent Director)	9. Mr. Harmeet Singh Chandhoke (Independent Director)	10. Ms. Somya Satsangi (Independent Director)	11. Mr. Rohit Bhasin (Independent Director)	12. Mr. Arun Duggal (Independent Director)	13. Mr. Rajit Mehta (Independent Director)	14. Mr. Gurinder Singh Kalra (Independent Director)
2.	Past Remuneration (FY 2022-23)	₹ 2.33 (Million)	₹ 1.82 (Million)	₹ 2.13 (Million)	₹ 0.77 (Million)	₹ 0.25 Million	Not Applicable	Not Applicable
3.	Recognition or Awards	He has had a 33 year career in the Asia-Pacific pathology industry, having held leadership and senior management positions with large healthcare businesses such as Mayne Nickless, Symbion Health and Healthscope	Mr. Chandhoke: - Recognised by India Business Law Journal's The A-List 2021 comprising of 100 top lawyers - Ranked as a "Band 1" lawyer by Chambers Asia-Pacific 2022 and Chambers Global 2022 - Ranked as an "Elite Practitioner" by Asialaw Profiles 2022 & 2023 - Recognised as "Lawyer of the Month, August 2022" for Dispute Resolution practice by Asialaw	Ms. Somya's technology expertise extends to her tenure at Tata Consultancy Services (TCS) in the UK, where she played vital roles in business building. Her accomplishments included establishing TCS's successful Government business footprint in the UK, particularly within the healthcare sector. She collaborated with the National Health Service (NHS) and worked with multiple clinical database vendors across primary and secondary healthcare levels. Additionally, she held key business building roles in the Telecom, Media, and Entertainment practice at UK Telecom.	Mr. Rohit Bhasin is currently serving as a Board member/Trustee on several not for profit organisations including Azad Foundation, Mobile Creches, Save the Children	Mr. Duggal is involved in several initiatives in social and education sectors. Mr. Duggal is the founder of "Centre of Excellence in Clean Air and Climate Change (CERCA)" at Indian Institute of Technology, Delhi (https://cerca.iitd.ac.in) and is also the founder of Centre for ESG Research (CESGR) at Indian Institute of Management, Ahmedabad (https://www.iima.ac.in/esgcri).	Mr. Rajit is the Chairman of the CII task force for Seniors, Co-chair NatHealth senior care vertical and a board member of ASLI (Association of Senior Living organizations in India). He has been recently appointed as the founding board member of Dementia India Alliance (DIA), a non-profit organization. He is also a Director on the Boards of Sheares Healthcare India Holdings (a Temasek company) and Medica Synergie Pvt. Ltd. (a hospital chain in East India).	Mr. Gurinder Singh Kalra was recognized as the most influential analyst on a number of technology companies by institutional investors.

Sl. No.	Particulars	8. Mr. Anoop Mahendra Singh (Independent Director)	9. Mr. Harneet Singh Chandhoke (Independent Director)	10. Ms. Somya Satsangi (Independent Director)	11. Mr. Rohit Bhasin (Independent Director)	12. Mr. Arun Duggal (Independent Director)	13. Mr. Rajit Mehta (Independent Director)	14. Mr. Gurinder Singh Kalra (Independent Director)
4.	Job Profile and suitability	Mr. Anoop Mahendra Singh has been appointed as Independent Director of the Company since, August 2015. As on July 27, 2023, he is Chairperson of Nomination & Remuneration Committee and Member of Audit Committee and Risk Management Committee of the Company..	Mr. Harneet Singh Chandhoke has been appointed as Independent Director of the Company since, August 2015. As on July 27, 2023, he is Member of Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Company.	Ms. Somya Satsangi has been appointed as Independent Director of the Company since, February 2019. As on July 27, 2023, she is Chairperson of Risk Management Committee and Member of Audit Committee of the Company..	Mr. Rohit Bhasin has been appointed as Independent Director of the Company since, November 2022. As on July 27, 2023, he is member of Audit Committee and Risk Management Committee of the Company.	Mr. Arun Duggal has been appointed as Independent Director of the Company since, February 2023.. As on July 27, 2023, he is member of Audit Committee and Nomination & Remuneration Committee of the Company.	Mr. Rajit Mehta appointed as Independent Director of the Company with effect from July 27, 2023	Mr. Gurinder Singh Kalra appointed as Independent Director of the Company with effect from July 27, 2023
5.	Remuneration Proposed	As mentioned in Item No. 6 of this AGM Notice						
6.	Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person	In view of the increased roles and responsibilities of the Non-Executive Directors including Independent Directors, entrusted by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well, it is considered appropriate that the Non-Executive Directors including Independent Directors of the Company are compensated reasonably with their increased responsibilities.						
7.	Pecuniary relationship directly or indirectly with the Company or relationship with Managerial Personnel, if any	Except the remuneration paid/ payable (including shareholding, if any) to directors, there is no pecuniary relationship directly or indirectly with the Company or relationship with Managerial Personnel.						

III. Other Information

1.	Reason of loss or inadequate profits	While the company is having profits, however, the inadequacy of profits, if any may arise as a result of perquisite value arising on exercise of vested/to be vested stock options by Dr. Om Prakash Manchanda, Managing Director and/or exercise of stock options by Mr. Rahul Sharma, Non-Executive Director
2.	Steps taken or proposed to be taken for improvement	Not Applicable
3.	Expected increase in productivity and profits in measurable terms	Not Applicable

*Excluding non-cash (stock related) perks, arises on exercise of stock options.

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:

Name	Mr. Rahul Sharma	Dr. Om Prakash Manchanda	Mr. Gurinder Singh Kalra	Mr. Rajit Mehta
DIN	00956625	02099404	10197218	01604819
Date of Birth (Age)	September 14, 1960 (63 Years)	August 30, 1965 (58 Years)	December 15, 1965 (58 Years)	April 21, 1962 (61 Years)
Date of First Appointment to the Board	July 22, 2005	February 1, 2011	July 27, 2023	July 27, 2023
Qualification, Brief Resume, Experience and Nature of Expertise in specific functional areas	As mentioned in the explanatory statement			
Shareholding in the Company either directly or in form of beneficial interest for any other person	As on July 27, 2023, Mr. Sharma holds 26,000 Equity Shares of the Company.	As on July 27, 2023, Dr. Om. holds 10,66,169 Equity Shares of the Company.	Nil	Nil
Relationship with other Directors, Manager & KMP's	None	None	None	None

Name	Mr. Rahul Sharma	Dr. Om Prakash Manchanda	Mr. Gurinder Singh Kalra	Mr. Rajit Mehta
Directorships held in other Companies (Excluding Foreign Companies)	Chimes Aviation Private Limited	- Dr. Lal Ventures Private Limited - PathLabs Unifiers Private Limited - Nephrocare Health Services Private Limited - Kaya Limited	Nil	- Max India Limited - Antara Purukul Senior Living Limited - Windows Consultants Private Limited - Antara Senior Living Limited - Antara Assisted Care Services Limited - Interstoff Syndicate Private Limited - MedicaSynergie Private Limited - Quantum Institute For Wellbeing Private Limited - Association Of Senior Living India - Max Skill First Limited
Membership/ Chairmanship of Committees of other companies	None	None	None	MedicaSynergie Private Limited Member of Nomination and Remuneration Committee
Name of Listed Entities from which resigned in the past three (3) years	None	None	None	None
Terms and conditions of appointment/ Remuneration sought to be paid/ last drawn	Terms and Conditions: Director liable to retire by rotation Remuneration sought to be paid: As per the details provided in Item No. 6, 8 and 9 of this AGM Notice Remuneration last drawn: As mentioned in the Corporate Governance Report	Terms and Conditions: As approved by the shareholders in 26th AGM of the Company Remuneration sought to be paid: As per the details provided in Item No. 7 of this AGM Notice Remuneration last drawn: As mentioned in the Corporate Governance Report	Terms and Conditions: As mentioned in Item No. 4 of this AGM Notice Remuneration sought to be paid: As per the details provided in Item No. 6 of this AGM Notice	Terms and Conditions: As mentioned in Item No. 5 of this AGM Notice Remuneration sought to be paid: As per the details provided in Item No. 6 of this AGM Notice

DR. LAL PATHLABS LIMITED

Corporate Identity Number: L74899DL1995PLC065388

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Phone: +91 124 3016500 | Fax: +91 124 4234468

SHAREHOLDER SATISFACTION SURVEY

Dear Member,

As part of our constant endeavour to improve shareholder service, we seek your feedback on this Shareholder's Satisfaction Survey. Please spare a few minutes of your valuable time to fill this questionnaire.

Name of Sole/First Shareholder :

DP ID & Client ID/Folio Number :

Email ID :

Kindly rate your responses on specified service areas listed below on the following scale:

S.No	Area	Rating				
		5	4	3	2	1
1.	Overall Service Rating of RTA					
2.	Response to queries/grievances by Company/RTA					
3.	Receipt of various documents from the Company i.e. Annual Report, ECS Intimation etc.					
4.	Quality of disclosures to Stock Exchanges/on Company's Website					
5.	Quality and content of Annual Report					

5- Excellent ; 4-Very Good ; 3-Good ; 2-Satisfactory; 1-Need Improvement

Do you have any grievance which has not been addresses so far :

Yes

No

If yes, please provide a brief summary of the grievance.

Any suggestions for improving the quality of Investor Services

(SIGNATURE OF THE MEMBER)**THANK YOU FOR YOUR SUPPORT. YOUR FEEDBACK IS IMPORTANT TO US.**

Notes

[illegible]



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