

Your trusted
Health Partner



ANNUAL REPORT 2015-16

Facts about us

Dr Lal PathLabs has a robust infrastructure at its core with a vast network that comprises a National Reference Laboratory at New Delhi and **172 clinical laboratories, 1559 patient service centres, 4000 strong manpower and over 4967 pickup points** that enable greater efficiencies and prompt diagnostic services to reach people.

- An exhaustive range of tests including over **1110 test panels, 1934 pathology tests, 1561 radiology and cardiology tests.**
- **Over 6 decades of experience in the world of diagnostics**
- **Trust of over 12 million customers**
- The specialty tests being promoted are mainly from high-end Molecular Diagnostics, Cytogenetics, Flowcytometry, Immunohistochemistry & Microbiology departments
- New tests introduced in the market:
 - Enhanced Liver Fibrosis for Early Detection of Fibrosis, Chromosome Interphase Profiling, POC – one stop global FISH approach to detect genetic cause of pregnancy loss
 - Vitamin D LC MS/MS - the only test that differentiates between D2 and D3 components using Gold Standard technology
 - With the launch of Electron Microscopy, Dr. Lal PathLabs Ltd. has become the first private lab to process renal biopsy samples through TEM (Transmission Electron Microscopy)



Corporate Information

Company Secretary

Mr. Rajat Kalra

Auditors

S.R. Batliboi & Co. LLP,
Chartered Accountants,
3rd & 6th Floor, Worldmark-1
IGI Airport Hospitality District,
Aerocity, New Delhi - 110 037

Registrar & Share Transfer Agent

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Contents

	PAGE NO.
Letter to Shareholders	
From the Chairman & Managing Director	2
From the CEO	3
Board of Directors	4
<u>STATUTORY REPORTS</u>	
Board's Report	5
Management Discussion and Analysis	33
Report on Corporate Governance	37
<u>FINANCIALS</u>	
Standalone Financial Statements	50
Independent Auditor's Report	51
Balance Sheet	56
Profit & Loss Statement	57
Cash Flow Statement	58
Notes to Financial Statements	60
Consolidated Financial Statements	89
Independent Auditor's Report	90
Consolidated Balance Sheet	94
Consolidated Profit & Loss Statement	95
Consolidated Cash Flow Statement	96
Notes to Consolidated Financial Statements	98
<u>NOTICE OF AGM</u>	125



Dear Shareholders,

I take this opportunity of thanking all of you in the investor community for the faith and confidence reposed in us. This was evident the way our listing successfully steered itself on a new course in the stock exchanges of the country. Our journey as a listed entity is still nascent, but has been a great one so far. We are optimistic that given our strong fundamentals and business strategies we will continue to grow and deliver sustainable returns in the future also. I would like to thank all of you on behalf of the Board of Directors and the Management for your continued support and encouragement.

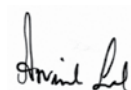
Over the years we have invested time and resources to create and establish a consumer healthcare brand in diagnostic services that is synonymous with unmatched service and high levels of quality. This is because of the fact that we do the job entrusted to us with a lot of zeal and passion. We have been able to create an ecosystem that has a wide reach amongst all the healthcare companies in India. Thus we are able to fulfill most of the qualities required in the dispensing of healthcare in our country viz accessibility, affordability and quality.

The total market for diagnostic healthcare services providers such as our Company has been independently

ascertained at ₹37,700 Crores in FY15, with this number expected to grow to over ₹60,000 Crores by FY18. This leaves ample scope for a Company like ours to further expand and bring quality lab services to the doorstep of our countrymen. This would, of course, require continuous investment in systems, processes and technology that we are well placed to execute and thereby capture the opportunities in store for us. By being pioneers in our industry, it will always be our aim to keep evolving and introducing new trends in the diagnostics sector. Our concerted efforts that encompass our entire philosophy of offering unmatched service to our clients shall bear fruit by creating great value not only for our patients but also for our investors and other stakeholders.

As I conclude, I would like to emphasise that we shall continue progressing with sharp laser focus on our business goals. I would like to extend my gratitude to all the members of the Board for their valued guidance and encouragement and also to our investors, business associates and partners for their continued support. We sincerely hope and wish that you shall continue giving us your unstinted support and inspiration in taking LPL to higher levels of success and prosperity.

Warm Regards



Chairman & Managing Director



Dear Shareholders,

It gives me great pleasure to be addressing our new stakeholders through this letter in what has been a very momentous year for the Company. Dr Lal PathLabs (LPL) delivered a healthy performance during the year 2015-16 with revenue growth of 20% and earnings after tax rising 38%.

LPL is recognised as a premier diagnostic services chain operating within healthcare, which by itself is a vastly under served domain. Our model is based on the tenets of patient trust, accuracy of results, faster turnaround times and ease of accessibility to our services. The singular vision of our founders since 1949 and the dedication and hard work of our team members and around 4,000 employees has helped establish LPL into the vast network that you see today.

We have taken a nationwide hub-and-spoke approach to diagnostic testing and our network comprises a National Reference Laboratory at New Delhi. This is duly supported by 172 clinical laboratories, 1,559 patient service centres and over 4,967 pickup points presently. Samples get collected and transported across multiple locations within a region and then forwarded to pre-designated clinical laboratories for centralized diagnostic testing. This provides us greater efficiencies and of course better economies of scale while making available a scalable platform for growth. A key factor responsible for such kind of smooth execution is our centralized information technology platform.

Our catalogue of tests is exhaustive and includes over 1,110 test panels, 1,934 pathology tests and 1,561 radiology and cardiology tests and we keep adding newer more effective tests over time. The outreach of the brand covers not only individual patients but also corporates, institutions, healthcare providers as well as hospital and clinical labs.

We expect factors such as increase in evidence-based treatments, demand for lifestyle diseases-related healthcare services along with better awareness levels towards prevention of diseases, to be primary drivers for our industry and with that for our Company as well. Some of the focus areas that we have outlined to capture this growth are as follows;

- Geographical expansion: by way of augmenting network capacity in core and adjacent markets of North, Central and Eastern India while making considered forays into West and South territories.
- Strengthening operations: Enhancing the customer experience by boosting quality & reliability standards and improving turnaround time for testing.
- Expanding the range of offerings: Adding newer tests and services so as to stay more relevant to our audience profile.

Expand management of hospital based and clinical labs: Management of in-hospital clinical laboratories to conduct onsite routine testing and provide offsite support for more complex testing needs through our laboratory network on a revenue-sharing basis.

I once again take this opportunity to thank our investors, customers and employees whose constant support made this endeavour a great success. I believe that as an enterprise we are well placed to continue delivering similar successes going forward backed by our well-defined business strategies, excellent infrastructure and robust brand.

Warm Regards

CEO & Whole-time Director



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



Dr. Vandana Lal
Executive Director



Dr. Om Prakash Manchanda
CEO & Whole-time Director



Mr. Rahul Sharma
Non-Executive Director



Mr. Naveen Wadhera
Non-Executive Nominee Director



Mr. Sandeep Singhal
Non-Executive Nominee Director



Mr. Arun Duggal
Independent Director



Mr. Anoop Mahendra Singh
Independent Director



Mr. Sunil Varma
Independent Director



Mr. Harneet Singh Chandhoke
Independent Director



Dr. Saurabh Srivastava
Independent Director



Dr. Murugan Rajaram Pandian
Independent Director

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report on the business and operations of your Company along with the audited statement of accounts for the year ended March 31, 2016.

Financial Results

The Financial performance of your Company for the year ended March 31, 2016 is summarized below:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
	₹ (in Lakhs)	₹ (in Lakhs)	₹ (in Lakhs)	₹ (in Lakhs)
	Consolidated	Consolidated	Standalone	Standalone
Total Revenue	79,634.9	66,254.4	77,131.3	64,011.7
Total Expenses	58,159.8	50,363.9	56,155.3	48,573.6
Total Income before Interest, Tax & Depreciation	21,475.1	15,890.5	20,976.0	15,438.1
Profit/(Loss) before Tax (PBT)	20,071.6	13,971.7	19,175.3	13,127.8
Profit/(Loss) after Tax (PAT)	13,322.9	9,643.6	12,575.1	8,775.1

RESULT OF OPERATIONS

During the year under review, the consolidated income from operations of the Company increased to ₹ 79,634.9 Lakhs compared to ₹ 66,254.4 Lakhs in the previous year, registering growth of 20.20%. Net profit after tax for the group increased to ₹ 13,322.9 Lakhs from ₹ 9,643.6 Lakhs representing a growth of 38.15%.

During the year under review, the standalone income from operations of the Company increased to ₹ 77,131.3 Lakhs compared to ₹ 64,011.7 Lakhs in the previous year, registering growth of 20.50%. The standalone profit after tax for the year increased by 43.30% to ₹ 12,575.1 Lakhs compared to ₹ 8,775.1 Lakhs in the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend @ 24.5%, i.e. ₹ 2.45 per equity share of ₹ 10/- each for the Financial Year ended March 31, 2016.

TRANSFER TO RESERVES

Your Company proposes to transfer an amount of ₹ 1260 Lakhs to the General Reserve.

CONVERSION INTO A PUBLIC LIMITED COMPANY

Your Board of Directors in their meeting held on August 05, 2015 approved the conversion of the Company into a Public Limited Company. Further the shareholders of the Company approved the proposal for such conversion in their Extra-Ordinary General Meeting held on August 07, 2015.

The Registrar of Companies NCT of Delhi & Haryana, also took note of the conversion and issued a new Certificate of Incorporation dated August 19, 2015 to this effect.

Your Company, therefore, became a Public Limited Company with effect from August 19, 2015.

INITIAL PUBLIC OFFERING (IPO)

During the year under review, your Company completed its Initial Public Offering (IPO) of 1,16,00,000 equity shares of ₹ 10/- each, comprising of offer for sale of 12,61,996 equity shares by (Hony) Brig. Dr. Arvind Lal, 20,56,747 equity shares by Dr. Vandana Lal, 2,38,226

equity shares by M/s Eskay House (HUF), 5,50,386 equity shares by Mr. Anjaneya Lal, 58,60,000 equity shares by M/s Wagner Limited, 14,71,575 equity shares by M/s Westbridge Crossover Fund LLC and 1,61,070 by M/s Sanjeevini Investment Holdings through the Book Building Process.

The Issue constituted 14.04 % of the post issue paid-up equity share capital of the Company. The equity shares were offered at a price band of ₹ 540/- to ₹ 550/- with a discount of ₹ 15 being offered to Retail Investors. The Issue Price was fixed at ₹ 550/- per share.

Your Directors would like to state with great pleasure that the issue received an overwhelming response from the investing community and was subscribed by over 23 times, with the QIB portion getting oversubscribed by over 63 times, Non Institutional portion by over 61 times and the Retail portion by over 4 times. The success of IPO reflects the trust, faith & confidence that our customers, business partners and markets have reposed in your Company.

The shares were transferred to the successful allottees on December 21, 2015 and trading in shares commenced on December 23, 2015 at the Bombay Stock Exchange and The National Stock Exchange of India.

SCHEME OF AMALGAMATION

Pursuant to a Scheme of Amalgamation ("Scheme"), Wholly Owned Subsidiaries of your Company, namely, Sanya Chemicals Private Limited, Amolak Diagnostics Private Limited, Medex Healthcare Private Limited, Medicave Diagnostic Centre Private Limited and Medicave Medical Systems Private Limited ("Transferor Subsidiaries"), have got amalgamated with the Company.

Your Company and the Transferor Subsidiaries filed petitions under Sections 391 to 394 of the Companies Act, 1956, before the relevant High Courts, namely, the Bombay High Court, the High Court of Telangana and Andhra Pradesh, the Calcutta High Court and the High Court of Rajasthan for the Transferor Subsidiaries, and the Delhi High Court for your Company. While the relevant High Courts in relation to the respective Transferor Subsidiaries approved the Scheme, the Delhi High Court held that there was no requirement of holding meetings of creditors or shareholders of your Company, or for filing a petition sanctioning the Scheme, since the Scheme contemplated

BOARD'S REPORT

the amalgamation of Wholly Owned Subsidiaries with their Holding Company (the "Delhi High Court Order").

Thereafter, the Transferor Subsidiaries filed the respective High Court orders with the relevant Registrar of Companies ("RoC"). On July 3, 2015, in order to notify the ROC of the effectiveness of the Scheme and the increase in Authorized Share Capital of your Company consequent to amalgamation, your Company filed the necessary form with the Delhi High Court Order ("RoC Form") with the RoC. The RoC, by responses dated July 3, 2015 and July 6, 2015, directed your Company to submit a condonation of delay from the Delhi High Court, since the RoC Form was filed after a period of 30 days from the date of the Delhi High Court Order.

Your Company believes, based on legal advice, that since the Delhi High Court Order was not an order sanctioning the Scheme under Sections 391 to 394 of the Companies Act, 1956, your Company was not required to file a copy of the Delhi High Court Order with the ROC either pursuant to the Scheme or pursuant to the applicable provisions of the Companies Act, 1956. The ROC Form was filed by your Company solely to notify the ROC regarding such Amalgamation and consequent increase in the Authorized Share Capital of your Company.

Based on this understanding, the Scheme has become operative and the Transferor Subsidiaries stand amalgamated with your Company from the effective date i.e. May 21, 2015, and has been given effect from the appointed date i.e. April 1, 2013. The revenues of the Transferor Subsidiaries have also been consolidated with your Company with effect from the appointed date.

CHANGES IN SHARE CAPITAL

a. Increase/Reclassification of Authorized Share Capital

Pursuant to the Shareholders Resolution dated August 7, 2015 the Authorized Share Capital of our Company was increased from ₹ 82,50,00,000/- (Rupees Eighty Two Crores Fifty Lakhs) to ₹ 97,00,00,000/- (Rupees Ninety Seven Crores) divided into 6,95,00,000 (Six Crore Ninety Five Lakh) Equity Shares of ₹ 10/- each and 2,75,00,000 (Two Crore Seventy Five Lakh) Preference Share of ₹ 10/- each.

The Shareholders in their previous Annual General Meeting held on September 29, 2015 re-classified 83,60,325 Preference Shares into Equity and also increased the Authorized Share Capital to ₹ 1,04,00,00,000 (Rupees One Hundred and Four Crores only) divided into 8,48,60,325 (Eight Crore Forty Eight Lakh Sixty Thousand Three Hundred and Twenty Five) Equity Shares of ₹ 10/- each and 1,91,39,675 (One Crore Ninety One Lakh Thirty Nine Thousand Six Hundred and Seventy Five) Preference Share of ₹ 10/- each.

b. Increase in Paid up Equity Share Capital

During the year under review,

- (i) the Company has allotted 14,15,157 Equity Shares of ₹ 10/- each under the Employee Stock Option Scheme 2010 of the Company.
- (ii) the Company has converted 2,66,32,320 Preference Shares of ₹ 10/- each into Equity Shares.

EMPLOYEES STOCK OPTION PLAN / SCHEME

The details required to be provided under the SEBI (Share Based Employee Benefits) Regulations, 2014 are set out in Annexure 1 and forms an integral part of this Annual Report.

CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company for the financial year 2015-16, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Listing Regulations as prescribed by the Securities and Exchange Board of India (SEBI). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its subsidiary Companies, as approved by their respective Board of Directors.

SUBSIDIARIES

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

No material changes and commitments affecting the financial position of the Company have occurred between March 31, 2016 and the date of the report.

PUBLIC DEPOSITS

During the financial year 2015-16, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE GOVERNANCE REPORT

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

AUDIT COMMITTEE

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

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

DIRECTOR'S AND KEY MANAGERIAL PERSONNEL

During the year under review, following changes occurred in the position of Directors/ Key Managerial Personnel's of the Company:

I. Appointment(s)

Mr. Arun Duggal (DIN 00024262), Mr. Anoop Mahendra Singh (DIN 01963056), Mr. Sunil Varma (DIN 01020611), Dr. Saurabh Srivastava (DIN 00380453), Mr. Harneet Singh Chandhoke (DIN 02758084) were appointed as Additional (Independent) Directors with effect from August 21, 2015 and Dr. Murugan Rajaram Pandian (DIN 07271000) with effect from August 28, 2015 to hold office for 3 (Three) consecutive years. There appointment was regularized by the shareholders in the previous Annual General Meeting of the Company held on September 29, 2015.

(Hony) Brig. Dr. Arvind Lal, Dr. Vandana Lal & Dr. Om Prakash Manchanda were re-appointed as Chairman & Managing Director, Whole Time Director and CEO & Whole Time Director respectively for 5 (Five) years commencing from August 21, 2015.

Mr. Rajat Kalra was appointed as the Company Secretary with effect from June 12, 2015.

II. Retirement(s)

Mr. Rahul Sharma, Non-Executive Director is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers himself for reappointment. Brief profile of the Director and other related information has been detailed in the Notice convening the 22nd AGM of your Company.

KEY MANAGERIAL PERSONNEL

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

1. (Hony) Brig. Dr. Arvind Lal - Chairman and Managing Director
2. Dr. Om Prakash Manchanda - CEO and Whole Time Director
3. Dr. Vandana Lal - Whole Time Director

4. Mr. Dilip Bidani - Chief Financial Officer; and

5. Mr. Rajat Kalra - Company Secretary

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of all Committees of the Board for the Financial Year 2015-16. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

The directors expressed their satisfaction with the evaluation process.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee of the Company framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

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

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2015-16 are given in the Corporate Governance Report, which forms an integral part of this report.

DECLARATION OF INDEPENDENCE

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

DIRECTOR'S 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, 2016, 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, 2016 and of the profit and loss of the Company for the financial year ended March 31, 2016;

BOARD'S REPORT

- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITOR'S REPORT

I. Statutory Auditors

The Statutory Auditors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and they have confirmed their eligibility and willingness to be re-appointed. The Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the limits prescribed under section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of the said section. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules framed thereunder, it is proposed to re-appoint M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors from the conclusion of ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

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

II. Cost Auditors

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year. The Board appointed M/s. A.G. Agarwal & Associates, Cost Accountants, as cost auditors of the Company for the Financial Year 2016-17 at a fee of ₹ 50,000 (Rupees Fifty Thousand only) plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the shareholders at the ensuing annual general meeting.

III. Secretarial Audit

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 has appointed M/s Sanjay Grover & Associates, Company Secretaries to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as Annexure 5 and forms an integral part of this Annual Report.

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form

MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as Annexure 6 and forms an integral part of this Annual Report.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <https://www.lalpathlabs.com/policies-and-programs.aspx>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

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

LOANS AND INVESTMENTS

Details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 is included in Note 12 of the Notes to the Financial Statements.

RISK MANAGEMENT

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

Your Company, through its risk management policy, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

VIGIL MECHANISM

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

CORPORATE SOCIAL RESPONSIBILITY

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