

The background of the cover is a grayscale photograph of a laboratory. Several technicians in white lab coats are working at large, modern laboratory machines with open hoods. The floor is tiled, and the ceiling has recessed lights. A large yellow circle is overlaid on the bottom half of the image, containing the text "ANNUAL REPORT" and "2016-17".

ANNUAL REPORT

— 2016-17

Dr. Lal PathLabs has a country wide robust infrastructure network which reaches out to patients all over India. Our network comprises of a National Reference Lab at New Delhi and 188 clinical laboratories, 1759 patient service centres, 5021 pickup points and 4265 employees which enables wide reach and prompt diagnostic service access for patients.

We have also enabled patient's access to home collection booking, payment of tests and storage of historical reports via our app available on Android as well as iOS. The "book a test" facility on the app is now functional in 40 cities across the country.

Dr Lal Pathlabs has

- An exhaustive range of tests with over 1110 test panels, 2028 pathology tests and 1561 radiology and cardiology tests
- Over 6 decades of experience in the world of diagnostics
- Trust of over 13 million patients
- A range of specialty tests which are promoted mainly from high-end Molecular diagnostics, Cytogenetics, Flow Cytometry, Immunohistochemistry and Microbiology departments
- In the year 2016-17, recognizing the growing trend of health awareness, launched it's preventive testing packages under the brand name of "Swasth Plus" panels
- During the year also expanded its specialty test portfolio in Neurology segment catering to clinical needs for infectious and auto immunity based diseases diagnosis. Other launches in different segments include
 - Single Antigen bead testing platform launched for detection of early signs of graft failure.
 - Chromosomal Microarray, a revolutionary technology, launched for detecting abnormalities of chromosome number (trisomy, monosomy, etc.), including Down's syndrome. This high end test platform can be utilized for Prenatal as well as post-natal identification of many genetic abnormalities.
 - Oncology is another focus area for test launches. High end diagnostics based on PCR were developed in house for Blood disorders. Key launches were tests like JAK 2, V617F REFLEX TO JAK 2, EXON 12, MUTATION DETECTION & many panels with CALR and MPL Profiles.
 - For Diabetes patients **Glycemark Test** was launched that can identify patients who may need therapy changes despite a "good" HbA1c.



Corporate Information

Company Secretary

Mr. Rajat Kalra

Auditors

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

Registrar & Share Transfer Agent

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Corporate Office

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Registered Office

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New Delhi - 110 085
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Dear Shareholders,

Quality, Accuracy and Trust are the three guiding principles on which this business was established and I am proud to state that with all the changing dynamics of the sector, these continue to govern our business and are even more relevant to us than before.

Every action taken by the Company is aimed at expanding our ability to cater to the needs of an ever evolving healthcare and diagnostics sector. Our mission is to be pioneers in this space and introduce new trends and techniques that will enable us to refine and drive healthcare improvement. Infact we believe that ours is the only Company today that offers the most comprehensive range of tests in our industry, which span from basic routine tests to many complex esoteric tests.

Built on an integrated platform which is supported by technology, we wish to help our patients with the best quality of diagnostic services. Superior quality with timely delivery is a strategic imperative for us, and to accomplish this, we employ a unique systems-based approach for our business execution. We recognize that in today's day and age in order to create a prominent change and shift, the incorporation of technology is critical. We have consistently utilized this tool to create a competitive advantage which enables us to stay relevant and deliver results faster and with high levels of accuracy.

Going ahead our strategy positions us well to work on our passion of creating meaningful transformation and awareness in this industry. We are optimistic that given our brand equity, ability to leverage scale and domain knowledge, we will be able to capture the latent potential in the market as we widen our reach. We will seek to expand our presence opportunistically with the support of our well-seasoned hub and spoke model.

Lastly, I would like to extend my sincere gratitude to all stakeholders who have given us unwavering support in this exciting growth journey. I would like to thank the members of the Board for their insights and advice which have greatly contributed to the advancement of the Company.

Warm Regards



Chairman & Managing Director



Dear Shareholders,

As a leading diagnostic services company, I am pleased to share with you an encouraging performance with 15% increase in our revenues and 16% in earnings after tax.

I can confidently state that we have been able to enhance the level of healthcare services. For the Financial Year ended March 31, 2017, both the number of patients tested at 13.3 million and the number of samples processed at 29.3 million have shown healthy growth YoY. As a consumer facing brand we continued to register a higher proportion of walk in patients as opposed to contribution from the institutionalized segment.

Our operation comprises 189 clinical laboratories, 1,759 patient service centres (PSCs) and 5,021 pickup points (PUPs) as of March 31, 2017. This relates to a strengthening of our offering not only in terms of addition to the chain of company owned laboratories, additional PSCs and growth in our PUPs but also in terms of offering a wider range of tests to offer accurate diagnosis. As at the end of FY2017 Dr. Lal PathLabs (DLPL) offered 1,110 test panels, 2,028 pathology tests and 1,561 tests pertaining to radiology and cardiology.

We have stayed true to our strategy of carefully creating capacity across the system while fully utilising available and existing resources. The development of our Kolkata regional reference laboratory is proceeding per plan with the civil works largely completed. The patient pool from the Eastern and North Eastern states of the country will be able to access the DLPL brand more conveniently as a result. As you would be aware, that outside of Delhi NCR region we are witnessing consistent improvement in growth trackers from the Eastern and Central states.

DLPL's focus on the Southern and Western states is underlined by a focused city approach where we are building both presence and visibility in centres identified for growth and which include cities such as Pune and Bengaluru. We continue to look at suitable opportunities to fill our gaps to accelerate this expansion.

We continue to make progress in Hospital Lab Management segment. This segment is one of the Company's building blocks. In FY 18, a renewed thrust shall be given to this segment.

Further, although the impact of demonetisation in Q3 FY 17 and surge in volumes from the epidemics in Q2 FY17 we saw in North last year have both dissipated to a large extent, our execution has not wavered. We are course correcting in the immediate term and there is a greater emphasis on tightening costs and processes in order to bring out better efficiencies that can contribute to the bottom line on a sustainable basis.

Our confidence in the model and the opportunity at large is driving us to expand our scale at an optimal pace as we implement our strategic vision of being able to bring our brand uniformly to patients across the country.

I would like to specially offer my appreciation to our Board for its continued guidance and for giving us the benefit of their rich experience.

I would also like to extend our gratitude to the innumerable investors, employees, vendors and patients for placing their trust in the DLPL brand. As a growing organisation I am optimistic about delivering a performance that is commensurate with our position as a leading component of the diagnostics space.

Warm Regards

A handwritten signature in black ink, appearing to be 'Om' followed by a horizontal line.

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. Arun Duggal
Independent Director



Mr. Anoop Mahendra Singh
Independent Director



Mr. Sunil Varma
Independent Director



Harneet Singh Chandhoke
Independent Director



Dr. Saurabh Srivastava
Independent Director

Dear Members,

Your Directors have pleasure in presenting the 23rd Annual Report on the business and operations of your Company along with the audited statement of accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS

The Financial performance of your Company for the year ended 31st March, 2017 is summarized below:

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017 | Year ended March 31, 2016 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | ₹ (in Lakhs) | ₹ (in Lakhs) | ₹ (in Lakhs) | ₹ (in Lakhs) |
| | Consolidated | Consolidated | Standalone | Standalone |
| Total Revenue | 91,856.7 | 79,634.9 | 88,924.2 | 77,131.3 |
| Total Expenses | 67,583.5 | 58,159.8 | 65,278.3 | 56,155.3 |
| Total Income before Interest, Tax & Depreciation | 24,273.2 | 21,475.1 | 23,645.9 | 20,976.0 |
| Profit/(Loss) before Tax (PBT) | 23,329.8 | 20,071.6 | 22,290.4 | 19,175.3 |
| Profit/(Loss) after Tax (PAT) | 15,519.4 | 13,322.9 | 14,720.9 | 12,575.1 |

RESULT OF OPERATIONS

During the year under review, the consolidated income from operations of the Company increased to ₹ 91,856.7 Lakhs compared to ₹ 79,634.9 Lakhs in the previous year, registering growth of 15.3%. Net profit after tax for the group increased to ₹ 15,519.4 Lakhs from ₹ 13,322.9 Lakhs representing a growth of 16.5%.

During the year under review, the standalone income from operations of the Company increased to ₹ 88,924.2 Lakhs compared to ₹ 77,131.3 Lakhs in the previous year, registering growth of 15.3%. The standalone profit after tax for the year increased by 17.1% to ₹ 14,720.9 Lakhs compared to ₹ 12,575.1 Lakhs in the previous year.

DIVIDEND

During the Financial Year, your Company declared and paid an interim dividend of ₹ 1.30/- per equity share of the face value of ₹ 10/-. In addition, your Directors are pleased to recommend a dividend of ₹ 1.70/- per equity share as final dividend for the Financial Year 2016-17, for approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

If approved by the members, the total dividend for the Financial Year shall be ₹ 3/- per equity share.

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

TRANSFER TO RESERVES

Your Company proposes to transfer an amount of ₹ 1,450 Lakhs to the General Reserve.

SCHEME OF AMALGAMATION

The Board of Directors of the Company in their meeting held on May 12, 2017, approved a Scheme of Amalgamation of Delta Ria & Pathology Private Limited, a wholly owned subsidiary of the Company with the Company, subject to requisite approvals under Section 230 to 232 of the Companies Act, 2013.

The Company shall now proceed to file an petition Application before the National Company Law Tribunal, Principal Bench, New Delhi and National Company Law Tribunal, Ahmedabad for approval of the Scheme of Amalgamation.

The appointed date for the Scheme, if approved, shall be April 01, 2017 and the Scheme shall be effective from the date on which certified copies of the order of National Company Law Tribunal, Principal, New Delhi and National Company Law Tribunal, Ahmedabad, sanctioning the Scheme, is filed with the Registrar of Companies, NCT of Delhi & Haryana at Delhi and Registrar of Companies, Madhya Pradesh at Gwalior.

CHANGES IN SHARE CAPITAL

a. Increase/Reclassification of Authorized Share Capital

The Shareholders in their previous Annual General Meeting held on July 28, 2016 re-classified 1,91,39,675 0.01% Compulsorily Convertible Preference Shares of ₹ 10/- each forming part of the Authorised Share Capital of the Company into equivalent number of equity shares of face value ₹ 10/- each.

The Authorized Share Capital also got increased by ₹ 3,90,00,000/- (39,00,000 equity shares of ₹ 10/- each) pursuant to the Scheme of Amalgamation of Sanya Chemicals Limited, Amolak Diagnostic Private Limited, Medex Healthcare Private Limited, Medicave Diagnostic Centre Private Limited and Medicave Medical Systmes Private Limited with the Company

b. Increase in Paid up Equity Share Capital

During the year under review, the Company allotted 3,89,187 Equity Shares of ₹ 10/- each under the Employee Stock Option Scheme 2010 of the Company.

EMPLOYEES STOCK OPTION PLAN / SCHEME

During the year under review, there has been no material change in the ESOP-2010/ESPS-2015/RSU-2016 Scheme(s) of the Company and these Schemes continue to be in compliance with relevant/applicable ESOP Regulations/clauses.

Further the details required to be provided under the SEBI (Share Based Employee Benefits) Regulations, 2014 are disclosed on the website of the Company and can be accessed at <https://www.lalpathlabs.com/investor/quarterly-results.aspx>.

CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company for the

Financial Year 2016-17, 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, associates and joint venture companies as per the Companies Act, 2013 is set out in Annexure 2 and forms an integral part of this Annual Report.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report ('BRR') forms an integral part of this Annual Report. The Report provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

No material changes and commitments, other than disclosed as part of this report, affecting the financial position of the Company have occurred between March 31, 2017 and the date of the report.

PUBLIC DEPOSITS

During the Financial Year 2016-17, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE GOVERNANCE REPORT

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

The statement containing particulars of employees as required under Section 197(12) of the 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 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

I. Resignation(s):

Mr. Sandeep Singhal and Mr. Naveen Wadhera resigned as Nominee Directors with effect from October 07 and November 30, 2016 respectively. Dr. Murugan Rajaram Pandian resigned as an Independent Director with effect from February 14, 2017.

The Board places on record its appreciation for the services rendered by them during their tenure with the Company.

II. Retirement(s):

Dr. Om Prakash Manchanda, CEO & Whole Time Director is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers himself for reappointment. Brief profile of the Director and other related information has been detailed in the Notice convening the 23rd 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 2016-17. A structured

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

The directors expressed their satisfaction with the evaluation process.

REMUNERATION POLICY

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

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

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES & DETAILS OF ATTENDANCE

The details of the meetings of the Board of Directors and its Committees and attendance by Directors/Members, convened during the Financial Year 2016-17 are given in the Corporate Governance Report, which forms an integral part of this Annual 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.

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 31st March, 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 31st March, 2017 and of the profit and loss of the Company for the Financial Year ended 31st March, 2017;
- 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 AUDITORS' REPORT

I. Statutory Auditors

The Members are informed that M/s S.R. Batliboi & Co., LLP, Chartered Accountants are Statutory Auditors of the Company since 2005-06 and are required to retire by rotation at the conclusion of the ensuing Annual General Meeting (AGM).

As per the provisions of the Companies Act, 2013, an audit firm functioning as auditor of the Company for ten years or more after the commencement of provisions of Section 139(2) of the Act, may be appointed in the same Company for further period of three years from April 1, 2014. As maximum statutory tenure of M/s S.R. Batliboi & Co., LLP to continue as auditors is about to end and hence they are not eligible to be considered for re-appointment at the ensuing AGM of the Company.

The Board of Directors, therefore, on the recommendation of Audit Committee have appointed M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117366W/W100018) as statutory auditors of the Company for a period of five (5) years, subject to the approval of the members at the AGM.

The appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, if approved by the members of the Company, will take effect from the conclusion of the ensuing AGM.

They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limit under the Act and that they are not disqualified for appointment.

A resolution proposing appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Chartered Accountants as Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice for the ensuing AGM.

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

During the period under review, no incident of frauds was reported by the Statutory Auditors pursuant to Section 143(12) of the Companies Act 2013.

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 2017-18 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 ("Statutory Auditors") 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.

The Statutory Auditors have made an observation in their Report dated May 12, 2017 for the Financial Year 2016-17. The particulars of such observation and the management response to that is as under:

Observation:

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, to the extent applicable, as mentioned above except that the Company has paid remuneration to (Hony) Brig. Dr. Arvind Lal (Chairman & Managing Director) and Dr. Vandana Lal (Whole-time Director) during the audit period which is yet to be approved by members of the Company.

Management Response:

The shareholders of the Company in their Annual General Meeting held on July 28, 2016 approved increase in the remuneration as specified u/s 197(1) of the Companies Act, 2013 of Dr. Om Prakash Manchanda, CEO & Whole Time Director, for exercise of vested stock options granted to him under the Employee Stock Option Plan. The Central Government vide its e-mail/letter dated January 09, 2017, also approved increase in such remuneration to Dr. Manchanda.

The Secretarial Auditors of the Company M/s Sanjay Grover and Associates are of the opinion that the total remuneration paid to Dr. Om Prakash Manchanda, as per the said Central Government approval, for the Financial Year 2016-17 (including perk value arising due to exercise of stock options) exceeds the limits of Managerial Remuneration specified u/s 197(1) of the Companies Act, 2013 and therefore, approval of the shareholders shall also be required under Section II of Part II of Schedule V for payment of remuneration to the other two Executive Directors i.e. (Hony) Brig. Dr. Arvind Lal, Chairman and Managing Director and Dr. Vandana Lal, Whole Time Director.

The Board of Directors of the Company in their meeting on May 12, 2017 took note of the observation of Secretarial Auditor and in the interest of governance agreed seeking such additional approval from the shareholders, even though the Board Members were aware that the Company has been legally opined that no further approval is required.

Accordingly, the Notice of the Annual General Meeting contains the requisite resolutions for payment of remuneration to (Hony) Brig. Dr. Arvind Lal & Dr. Vandana Lal, for approval by the Members.

Besides the above, the Secretarial Auditor Report is 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/investor/policies-and-programs.aspx>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

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

LOANS AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 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. As on the date of this report, the Company don't foresee any critical risk, which threatens its existence.

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

VIGIL MECHANISM

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

CORPORATE SOCIAL RESPONSIBILITY

For your Company, Corporate Social Responsibility (CSR) means the