

Statement Pursuant to Regulation 14 'Disclosure by the Board of Directors' of SEBI (Share Based Employee Benefits) Regulations, 2014

A. Relevant disclosures has been made in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time. - **Please refer to Note Nos. 49.1, 49.2 and 49.3 contained in the Notes to Accounts forming part of Annual Financial Statements for the Financial Year ended on March 31, 2018**

B. Diluted Earnings per Share (EPS) on issue of Ordinary Shares on Exercise of Options calculated in accordance with Indian Accounting Standard (Ind AS) 33 'Earning Per Share' is **Rs. 20.48**

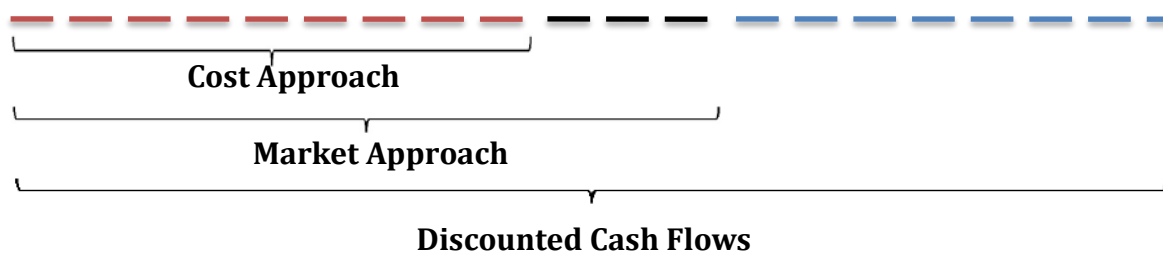
C. Details related to ESOP

Sr. No.	Description		
		ESOP 2010	RSU 2016
		Financial Year 2017-18	Financial Year 2017-18
(i)	a) Date of Shareholders' approval	: August 31, 2010	July 28, 2016
	b) Total number of options approved under the Scheme	: 38,08,960	12,44,155
	c) Vesting Requirements	: Monthly vesting over a period of 5 years	Options would vest not before one year and not later than four years from the date of grant of such Options.
	d) Exercise Price or Pricing Formula	: Fair Market Value on the date of Grant	Exercise Price per Option shall be at the face value of Rs. 10/- per Share as on date of grant of Option
	e) Maximum term of options granted	: 15 Years from the date of grant (5 years for vesting and then 10 years of exercise period from the date of respecting vesting)	9 Years from the date of grant (4 years for vesting and then 5 years of exercise period from the date of respecting vesting)
	f) Source of shares (primary, secondary or combination)	: Combination	Secondary
	g) Variation in terms of options	: -	-
(ii)	Method used to account for ESOP	Fair value method	Fair value method
(iii)	Difference between the employee compensation cost so computed at (ii) above and the employee compensation cost that shall have been recognized if it had used the fair value / intrinsic value of the Options.	Nil	Nil
	The impact of this difference on Profits and on EPS of the Company	Nil	Nil
(iv)	Option movement during the year		
	Number of options outstanding at the beginning of the period	4,20,676	2,18,775
	Number of options granted during the year	0	2,25,716
	Number of options forfeited / lapsed during the year	0	9602
	Number of options vested during the year	46,145	52,775
	Number of options exercised during the year	2,66,560	23,591
	Number of shares arising as	2,66,560	23,591

Sr. No.	Description		
		<u>ESOP 2010</u>	<u>RSU 2016</u>
		Financial Year 2017-18	Financial Year 2017-18
	a result of exercise of options		
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	2,95,34,848	2,35,910
	Loan repaid by the Trust during the year from exercise price received (in INR)	Nil	66,73,421
	Number of options outstanding at the end of the year	1,54,116	4,11,298
	Number of options exercisable at the end of the year	1,17,062	29,184
(v)	Weighted average exercise price and weighted average fair value of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	12,133 @110.80 1,41,983@311.30	INR 10/-
(vi)	Details of Options granted to	:	
	i) Senior managerial personnel	None	Dr. Om Prakash Manchanda – 83,066 Dilip Bidani – 11,000 Bharath U – 15,000 Shankha Banerjee-11,000 Manoj Kumar Sahay-8,000 Manoj Garg – 11,000 Munender Soperna – 7,500 Dr. Neelum Tripathi – 3,750 Rajat Kalra – 3,000
	ii) Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	None	None
	iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	None

Sr. No.	Description	ESOP 2010		RSU 2016
		Financial Year 2017-18		Financial Year 2017-18
(vii)	A description of the method	:	#	The Black-Scholes model- is a formula used to assign prices to option contracts. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate.
(viii)	Significant assumption used during the year to estimate the fair values of Options		N.A.	<ul style="list-style-type: none"> o Stock Price- considered the NSE Closing price of previous trading day o Annual Volatility- Considered the volatility of traded share price for last one year o Risk Free Rate-Considered Zero Coupon Yield for respective time to maturity o Exercise Price- considered as mentioned in RSU plan o Time to Option Maturity- Calculated basis vesting & exercise period mentioned in plan o Dividend Yield- Considered the same basis historical pattern of company

The valuation cannot proceed solely on the basis of what is known as historical profits or profits of past years. The present valuation exercise would have to proceed on a going concern basis and hence has to lay emphasis on cash generation capacity of the company.



In the ultimate analysis, valuation will have to be finalized/arrived at by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield or securities and market sentiment etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. Moreover, this valuation is based on the going concern assumption and thus lends more weightage to projected values.

In the light of the aforesaid, we have used weighted average value derived from DCF and Transaction Multiple methods, as detailed earlier to derive the Fair Value of shares. The same has been encapsulated below :

Particulars	Weightage
Book Value Method	0
Discounted Cash Flows	50%
Transaction Multiple Method	50%
Total	100%

E. Details related to Trust

Sr. No.	Particulars		Details
1	Name of the Trust	:	Dr. Lal PathLabs Employee Welfare Trust
2	Details of the Trustee(s)	:	Mr. Manoj Kumar Garg Mr. Ved Prakash Goel Dr. Neelum Tripathi
3	Amount of loan disbursed by company / any company in the group, during the year	:	Nil
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	:	Nil (excluding the Trust Corpus Money of Rs. 1,00,000/-)
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	:	Nil
6	Any other contribution made to the Trust during the year	:	Nil

(ii) Brief details of transactions in shares by the Trust

Sr. No.	Particulars		Details
1	Number of shares held at the beginning of the year	:	15,48,903
2	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	:	Nil
3	Number of shares transferred to the employees / sold along with the purpose thereof	:	4,94,451*
4	Number of shares held at the end of the year	:	10,54,452

* Out of the said shares 4,65,979 were sold by the Trust in the open market for repayment of loan and the remaining 28,472 were transferred to the demat account of eligible employees as per the RSU 2016 Scheme of the Company

(iii) There was no Secondary Acquisition of shares by the Trust during the Financial Year 2017-18