

Independent Auditor's review report on review of Interim Financial Results

To the Board of Directors of Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited)

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited)** ("the Company"), for the quarter and nine months ended 31 December, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Jitendra Agarwal
Partner
(Membership No. 87104)

Place: New Delhi
Date: 8 February, 2019

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31 December, 2018

(Rs. in million except as stated)

Particulars	3 months ended 31 December, 2018	Preceding 3 months ended 30 September, 2018 (Restated)	Corresponding 3 months ended 31 December, 2017 (Restated)	Year to date figures for current period ended 31 December, 2018	Year to date figures for previous period ended 31 December, 2017 (Restated)	Previous year ended 31 March, 2018 (Restated)
	(Unaudited)	(See note iii) (Unaudited)	(See note iii) (Unaudited)	(Unaudited)	(See note iii) (Unaudited)	(See note iii) (Audited)
1 (a) Revenue from operations	2,828	3,072	2,544	8,729	7,655	10,240
(b) Other income	119	107	70	335	228	315
Total income	2,947	3,179	2,614	9,064	7,883	10,555
2 Expenses						
(a) Cost of materials consumed	635	660	554	1,917	1,636	2,193
(b) Employee benefits expense	501	487	446	1,467	1,303	1,751
(c) Finance costs	2	2	2	6	6	8
(d) Depreciation and amortisation expense	90	89	75	263	211	310
(e) Fees to collection centers/channel partners	367	392	318	1,117	946	1,271
(f) Other expenses	699	700	680	2,042	1,838	2,465
Total expenses	2,294	2,330	2,075	6,812	5,940	7,998
3 Profit before tax	653	849	539	2,252	1,943	2,557
4 Tax expense						
(a) Current tax	211	318	195	798	710	909
(b) Deferred tax	(1)	(21)	(7)	(40)	(52)	(34)
Total tax expense	210	297	188	758	658	875
5 Profit for the period (A)	443	552	351	1,494	1,285	1,682
6 Other comprehensive income						
-Items that will not be reclassified to profit or loss Remeasurement of the defined benefit plan	1	2	2	4	5	5
-Income tax in relation to the items that will not be reclassified to profit or loss	-	(1)	(1)	(1)	(2)	(2)
Total other comprehensive income (B)	1	1	1	3	3	3
7 Total comprehensive income (A+B)	444	553	352	1,497	1,288	1,685
8 Paid-up equity share capital (Face Value of Rs. 10 per share)	833	833	833	833	833	833
9 Other equity						6,932
10 Earnings per share (Rs.) (not annualised)						
- Basic	5.38	6.71	4.28	18.15	15.71	20.54
- Diluted	5.37	6.69	4.28	18.12	15.69	20.52



Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited)

Notes:

- i. The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 8 February, 2019.
- ii. These financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- iii. 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 between the Company (Transferee Company) and its wholly owned subsidiary (Transferor Company) by the name Delta Ria and Pathology Private Limited on October 23, 2018 and December 11, 2018 respectively.
The appointed date as per scheme is 1 April, 2017. The Scheme envisages transfer of all properties, rights, assets, interests and claims of the Transferor Company to the Transferee Company
Pursuant to the Scheme becoming effective, the amalgamation has been accounted for under the 'pooling of interests' method in accordance with Ind AS 103 "Business Combinations" and the assets, liabilities and reserves of the Transferor Company have been accounted for at their book value, in the books of Transferee Company.
Accordingly, the results for the quarters and year to date periods ended 30 September 2018, 31 December 2017 and year ended 31 March, 2018 have been restated to give effect of the amalgamation. Consequent to this restatement, the impact on profit after tax for the quarter ended 30 September 2018 is INR Nil, profit after tax for the quarter and nine months ended 31 December 2017 is higher by INR 1 million and INR 2 Million respectively and profit after tax for the year ended 31 March, 2018 is higher by INR 2 million.
- iv. During the nine months ended 31 December, 2018, the Company has issued 8,866 equity shares having face value of Rs. 10 each to the employees on exercise of employee stock options.
- v. Effective 1 April, 2018, Ind AS 115 "Revenue from contracts with Customers" has been adopted by the Company using the cumulative catch-up transition method applied to contracts that were not completed as of 31 March, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 115 did not have any material impact on the standalone results for the quarter and nine months ended 31 December, 2018.
- vi. During the year ended 31 March 2018, the Company had acquired 70% equity stake in Dr. Lal PathLabs Bangladesh Pvt. Ltd., Bangladesh for a total consideration of Rs 18.09 million. During the quarter ended 31 December, 2018, the Company has made a further investment of Rs 24.58 million in Dr. Lal PathLabs Bangladesh Pvt. Ltd. through subscription of additional shares.
- vii. The Board of Directors had approved an interim dividend of Rs. 2.50 per equity share (face value of Rs. 10/- each) at their meeting held on 6 November, 2018 which was subsequently paid in the quarter ended on 31 December 2018.
- viii. 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', prescribed under Section 133 of the Companies Act, 2013.

For and on behalf of the Board of Directors of Dr. Lal PathLabs Limited



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

Place: New Delhi
Date: 8 February, 2019



Independent Auditor's review report on review of Interim Financial Results

**To the Board of Directors of
Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited)**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Ind AS Financial Results of **Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited)** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and nine months ended 31 December, 2018 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016.

This Statement which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the entities listed in Annexure A.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016, including



the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The consolidated unaudited financial results includes the interim financial results of four subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 27 million and Rs. 80 million for the quarter and nine months ended 31 December, 2018, respectively, and total loss after tax of Rs. 1 million and Rs. 1 million for the quarter and nine months ended 31 December, 2018, respectively, and total comprehensive loss of Rs. 1 million and Rs. 1 million for the quarter and nine months ended 31 December, 2018, respectively, as considered in the consolidated unaudited Ind AS financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our report on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)




Jitendra Agarwal
Partner
(Membership No. 87104)

Place: New Delhi
Date: 8 February, 2019

Annexure A

List of entities consolidated

S. No.	Name of the Entity
1	Paliwal Medicare Private Limited
2	Paliwal Diagnostics Private Limited
3	APL Institute of Clinical Laboratory & Research Private Limited
4	Dr. Lal PathLabs Nepal Private Limited
5	Dr. Lal PathLabs International B.V.
6	Dr. Lal Path Labs Bangladesh Pvt. Ltd. (w.e.f. 16 October, 2017)
7	DR. LAL VENTURES PRIVATE LIMITED (w.e.f. 10 December, 2018)
8	PATHLABS UNIFIERS PRIVATE LIMITED (w.e.f. 12 December, 2018)



Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December, 2018

(Rs. in million except as stated)

Particulars	3 months ended 31 December, 2018	Preceding 3 months ended 30 September, 2018 (Restated)	Corresponding 3 months ended 31 December, 2017 (Restated)	Year to date figures for current period ended 31 December, 2018	Year to date figures for previous period ended 31 December, 2017 (Restated)	Previous year ended 31 March, 2018 (Restated)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 (a) Revenue from operations	2,925	3,175	2,627	9,023	7,901	10,569
(b) Other income	122	109	71	325	223	312
Total income	3,047	3,284	2,698	9,348	8,124	10,881
2 Expenses						
(a) Cost of materials consumed	653	677	570	1,972	1,685	2,260
(b) Employee benefits expense	519	502	459	1,515	1,341	1,807
(c) Finance costs	3	2	2	7	6	8
(d) Depreciation and amortisation expense	96	94	80	278	224	331
(e) Fees to collection centers/channel partners	374	399	318	1,138	946	1,276
(f) Other expenses	723	729	714	2,124	1,929	2,586
Total expenses	2,368	2,403	2,143	7,034	6,131	8,268
3 Profit before tax	679	881	555	2,314	1,993	2,613
4 Tax expense						
(a) Current tax	220	329	198	825	729	930
(b) Deferred tax	(2)	(21)	(6)	(42)	(51)	(34)
Total tax expense	218	308	192	783	678	896
5 Profit for the period (A)	461	573	363	1,531	1,315	1,717
6 Other comprehensive income						
-Items that will not be reclassified to profit or loss	2	1	2	4	5	6
Remeasurement of the defined benefit plans						
-Income tax in relation to the items that will not be reclassified to profit or loss	-	(1)	(1)	(1)	(2)	(2)
-Items that may be reclassified to profit or loss	(1)	1	-	-	-	-
Exchange differences on translation of foreign operations						
-Income tax in relation to the items that will be reclassified to profit or loss	-	-	-	-	-	-
Total other comprehensive income (B)	1	1	1	3	3	4
7 Total comprehensive income (A+B)	462	574	364	1,534	1,318	1,721
Profit for the period attributable to:						
Owners of the Company	458	569	360	1,521	1,306	1,707
Non Controlling Interest	3	4	3	10	9	10
Other comprehensive income for the period attributable to:						
Owners of the Company	1	1	1	3	3	4
Non Controlling Interest	-	-	-	-	-	-
Total comprehensive income for the period attributable to:	1	1	1	3	3	4
Owners of the Company	459	570	361	1,524	1,309	1,711
Non Controlling Interest	3	4	3	10	9	10
8 Paid-up equity share capital (Face Value of Rs. 10 per share)	833	833	833	833	833	833
9 Other equity						7,045
10 Earnings per share (Rs.) (not annualised)						
-Basic	5.56	6.91	4.39	18.48	15.97	20.85
-Diluted	5.55	6.90	4.39	18.45	15.95	20.82

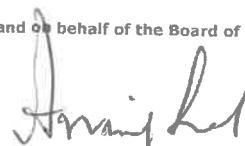


Dr. Lal PathLabs Limited (formerly Dr. Lal PathLabs Private Limited)

Notes:

- i. The above consolidated results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 8 February, 2019.
- ii. The above consolidated results represent consolidated results of the Company and its subsidiaries (together referred to as 'the Group').
- iii. These financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- iv. 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 between the Parent Company (Transferee Company) and its wholly owned subsidiary (Transferor Company) by the name Delta Ria and Pathology Private Limited on October 23, 2018 and December 11, 2018 respectively.
The appointed date as per scheme is 1 April, 2017. The Scheme envisages transfer of all properties, rights, assets, interests and claims of the Transferor Company to the Transferee Company
Pursuant to the Scheme becoming effective, the amalgamation has been accounted for under the 'pooling of interests' method in accordance with Ind AS 103 "Business Combinations" and the assets, liabilities and reserves of the Transferor Company have been accounted for at their book value, in the books of Transferee Company.
Accordingly, the results for the quarters and year to date periods ended 30 September 2018, 31 December 2017 and year ended 31 March, 2018 have been restated to give effect of the amalgamation. Consequent to this restatement, the profit after tax for the quarter ended 30 September 2018 is lower by INR 1 million, profit after tax for the quarter and nine months ended 31 December 2017 is lower by INR Nil and INR 1 million respectively and profit after tax for the year ended 31 March, 2018 is lower by INR 1 million.
- v. During the nine months ended 31 December, 2018, the Parent Company has issued 8,866 equity shares of face value of Rs. 10 each to the employees on exercise of employee stock options.
- vi. Effective 1 April, 2018, Ind AS 115 "Revenue from contracts with Customers" has been adopted by the Group using the cumulative catch-up transition method applied to contracts that were not completed as of 31 March, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 115 did not have any material impact on the consolidated results for the quarter and nine months ended 31 December, 2018.
- vii. During the year ended 31 March 2018, the Parent Company had acquired 70% equity stake in Dr. Lal Pathlabs Bangladesh Pvt. Ltd., Bangladesh for a total consideration of Rs 18.09 million. During the quarter ended 31 December 2018, the Parent Company has made a further investment of Rs 24.58 million in Dr. Lal PathLabs Bangladesh Pvt. Ltd. through subscription of additional shares.
- viii. The Board of Directors of the Parent company had approved an interim dividend of Rs. 2.50 per equity share (face value of Rs. 10/- each) at their meeting held on 6 November, 2018 which was subsequently paid in the quarter ended on 31 December 2018.
- ix. 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', prescribed under Section 133 of the Companies Act, 2013.

For and on behalf of the Board of Directors of Dr. Lal PathLabs Limited



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

Place: New Delhi

Date: 8 February, 2019

