

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

### To The Board of Directors of Dr. Lal PathLabs Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Dr. Lal PathLabs Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and six months ended 30 September, 2020 ("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 amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's 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 express a conclusion on the Statement based on our review.
3. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Statement includes the results of the entities listed in Annexure A.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

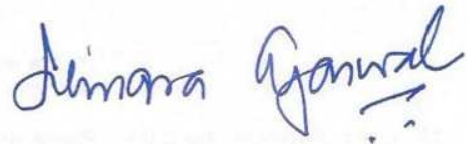


**Deloitte  
Haskins & Sells LLP**

6. The consolidated unaudited financial results includes the interim financial results of five subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 142 million as at 30 September, 2020 and total revenue of Rs. 45 million and Rs. 63 million for the quarter and six months ended 30 September, 2020, total profit/(loss) after tax of Rs. 4 million and Rs. (3) million for the quarter and six months ended 30 September, 2020 respectively and total comprehensive profit/(loss) of Rs. 3 million and Rs. (4) million for the quarter and six months ended 30 September, 2020 respectively and net cash flows (net) of Rs. (1) million for the six months ended 30 September, 2020, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our Conclusion 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)  
(UDIN: 20087104AAAAGS1374)

Place: New Delhi  
Date: 6 November 2020

# Deloitte Haskins & Sells LLP

## Annexure A List of entities consolidated

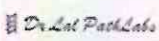
### a) Subsidiaries held directly

| S. No. | Name of the Entity  |
|--------|---|
| 1      | Paliwal Diagnostics Private Limited                             |
| 2      | Paliwal Medicare 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 PathLabs Bangladesh Pvt. Ltd.                           |
| 7      | Dr. Lal Ventures Private Limited                                |
| 8      | Pathlabs Unifiers Private Limited                               |
| 9      | Dr. Lal PathLabs Kenya Private Limited (w.e.f. 6 August, 2019)  |

### b) Subsidiaries held indirectly

| S. No. | Name of the Entity                                      |
|--------|---|
| 1      | Centrapath Labs Private Limited (w.e.f. 7 August, 2019) |
| 2      | APRL Pathlabs Private Limited (w.e.f 13 November, 2019) |





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, Gurgaon - 122 001, Haryana

Phone: +91 124 3016500 | Fax: +91 124 4234468; Website: www.lalpathlabs.com; Email: cs@lalpathlabs.com

Statement of Consolidated Unaudited Financial Results for the quarter and six months ended 30 September, 2020

(Rs. in million except as stated)

| Particulars  | 3 months ended<br>30 September, 2020 | Preceding 3 months<br>ended<br>30 June, 2020 | Corresponding 3<br>months ended<br>30 September,<br>2019 | Year to date figures<br>for the current period<br>ended 30 September,<br>2020 | Year to date figures<br>for the previous<br>period ended 30<br>September, 2019 | Previous year<br>ended<br>31 March, 2020 |
|--|--------------------------------------|--|--|---|--|--|
|  | (Unaudited)                          | (Unaudited)                                  | (Unaudited)  | (Unaudited)   | (Unaudited)  | (Audited)                                |
| <b>1 Income</b>  |                                      |  |  |   |  |  |
| (a) Revenue from operations  | 4,319                                | 2,660  | 3,656  | 6,979   | 7,008  | 13,304                                   |
| (b) Other income   | 129                                  | 114  | 148  | 243   | 292  | 550                                      |
| <b>Total income</b>  | <b>4,448</b>                         | <b>2,774</b>                                 | <b>3,804</b>   | <b>7,222</b>  | <b>7,300</b>   | <b>13,854</b>                            |
| <b>2 Expenses</b>  |                                      |  |  |   |  |  |
| (a) Cost of materials consumed   | 1,083                                | 759  | 811  | 1,842   | 1,523  | 2,987                                    |
| (b) Employee benefits expense  | 688                                  | 595  | 602  | 1,283   | 1,185  | 2,426                                    |
| (c) Finance costs  | 40                                   | 37   | 37   | 77  | 75   | 153                                      |
| (d) Depreciation and amortisation expense  | 195                                  | 179  | 177  | 374   | 340  | 728                                      |
| (e) Fees to collection centers/channel partners  | 561                                  | 293  | 480  | 854   | 916  | 1,730                                    |
| (f) Other expenses   | 715                                  | 530  | 674  | 1,245   | 1,344  | 2,725                                    |
| <b>Total expenses</b>  | <b>3,282</b>                         | <b>2,393</b>                                 | <b>2,781</b>   | <b>5,675</b>  | <b>5,383</b>   | <b>10,749</b>                            |
| <b>3 Profit before tax</b>   | <b>1,166</b>                         | <b>381</b>                                   | <b>1,023</b>   | <b>1,547</b>  | <b>1,917</b>   | <b>3,105</b>                             |
| <b>4 Tax expense</b>   |                                      |  |  |   |  |  |
| (a) Current tax  | 308                                  | 121  | 172  | 429   | 513  | 838                                      |
| (b) Deferred tax   | (13)                                 | (24)   | 41   | (37)  | 3  | (9)                                      |
| <b>Total tax expense</b>   | <b>295</b>                           | <b>97</b>                                    | <b>213</b>   | <b>392</b>  | <b>516</b>   | <b>829</b>                               |
| <b>5 Profit for the period (A)</b>   | <b>871</b>                           | <b>284</b>                                   | <b>810</b>   | <b>1,155</b>  | <b>1,401</b>   | <b>2,276</b>                             |
| <b>6 Other comprehensive income</b>  |                                      |  |  |   |  |  |
| -Items that will not be reclassified to profit or loss<br>Remeasurement of the defined benefit obligations     | 13                                   | (12)   | 7  | 1   | 14   | (17)                                     |
| -Income tax in relation to the items that will not be<br>reclassified to profit or loss                        | (3)                                  | 3  | (1)  | -   | (3)  | 5  |
| -Items that may be reclassified to profit or loss<br>Exchange differences on translation of foreign operations | (1)                                  | -  | -  | (1)   | (1)  | 1  |
| <b>Total other comprehensive income (B)</b>  | <b>9</b>                             | <b>(9)</b>                                   | <b>6</b>   | <b>-</b>  | <b>10</b>  | <b>(11)</b>                              |
| <b>7 Total comprehensive income (A+B)</b>  | <b>880</b>                           | <b>275</b>                                   | <b>816</b>   | <b>1,155</b>  | <b>1,411</b>   | <b>2,265</b>                             |
| <b>Profit for the period attributable to:</b>  |                                      |  |  |   |  |  |
| Owners of the Company  | 853                                  | 284  | 805  | 1,137   | 1,393  | 2,259                                    |
| Non Controlling Interest   | 18                                   | -  | 5  | 18  | 8  | 17                                       |
|  | <b>871</b>                           | <b>284</b>                                   | <b>810</b>   | <b>1,155</b>  | <b>1,401</b>   | <b>2,276</b>                             |
| <b>Other comprehensive income for the period<br/>attributable to:</b>  |                                      |  |  |   |  |  |
| Owners of the Company  | 9                                    | (9)  | 6  | -   | 10   | (11)                                     |
| Non Controlling Interest   | -                                    | -  | -  | -   | -  | -  |
|  | <b>9</b>                             | <b>(9)</b>                                   | <b>6</b>   | <b>-</b>  | <b>10</b>  | <b>(11)</b>                              |
| <b>Total comprehensive income for the period<br/>attributable to:</b>  |                                      |  |  |   |  |  |
| Owners of the Company  | 852                                  | 275  | 811  | 1,137   | 1,403  | 2,248                                    |
| Non Controlling Interest   | 18                                   | -  | 5  | 18  | 8  | 17                                       |
|  | <b>880</b>                           | <b>275</b>                                   | <b>816</b>   | <b>1,155</b>  | <b>1,411</b>   | <b>2,265</b>                             |
| <b>8 Paid-up equity share capital (Face Value of Rs. 10 per<br/>share)</b>                                     | <b>833</b>                           | <b>833</b>                                   | <b>833</b>   | <b>833</b>  | <b>833</b>   | <b>833</b>                               |
| <b>9 Other equity</b>  |                                      |  |  |   |  | <b>9,495</b>                             |
| <b>10 Earnings per share (Rs.) (Face value of Rs. 10 per share)<br/>(not annualised)</b>                       |                                      |  |  |   |  |  |
| -Basic   | 10.34                                | 3.45   | 9.77   | 13.79   | 16.91  | 27.42                                    |
| -Diluted   | 10.31                                | 3.44   | 9.75   | 13.75   | 16.86  | 27.37                                    |

For IDENTIFICATION ONLY

DELOITTE HASKINS & SELLS LLP

Dr. Lal PathLabs 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 6 November, 2020 respectively.
- ii. The above consolidated results represent consolidated results of the Company and its subsidiaries (together referred to as 'the Group').
- iii. These financial results of the Group 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 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
- iv. The Board of Directors of the Parent Company have approved an interim dividend of INR 6 per equity share (face value of INR 10 each) at their meeting held on 6 November, 2020.
- v. Subsequent to the quarter and half year ended 30 September, 2020, pursuant to approval of the Board of Directors of Pathlabs Unifiers Private Limited ("PUPL") (a wholly owned subsidiary), PUPL has signed binding term sheets on 6 November, 2020 for the acquisition of the business of Bindish Diagnostic Laboratory LLP ("BDL"), in Jamnagar, Gujarat on a going concern basis, for a purchase consideration not exceeding INR 40 million and equity stake of 70% in ChanRe Diagnostic Services Private Limited ("CDSPL"), in Bengaluru, Karnataka, for a purchase consideration not exceeding INR 175 million. BDL and CDSPL are engaged in the business of providing pathological diagnostic services.
- vi. The Board of Directors of the Parent Company and one of the subsidiary company's 'APL Institute of Clinical Laboratory & Research Private Limited' ("APL"), in their respective meetings held on 3 February, 2020 have approved the "Scheme of Amalgamation" of APL with the Parent Company w.e.f. 1 April, 2020 (the appointed date). As per the said scheme the undertaking of APL shall stand transferred to and vested in the Parent Company on a going concern basis without any further act, deed or matter. The scheme of amalgamation is subject to approval by the shareholders, National Company Law Tribunal and other statutory approvals.
- vii. The Board of Directors of the Group, 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.
- viii. 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.
- ix. The Group has taken into account the possible impacts of COVID-19 in preparation of the interim consolidated financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on costs. The Group has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports upto the date of approval of the consolidated financial results and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial results may differ from that estimated as at the date of approval of the interim consolidated financial results. Such changes, if any, will be prospectively recognised. The Group will continue to closely monitor any material changes to future economic conditions.
- x. Refer to Annexure - A for Statement of Consolidated Assets and Liabilities.

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

  
(Hon'g) Brig. Dr. Arvind Lal  
Executive Chairman

Place: Gurugram


Date: 6 November, 2020



**Dr. Lal PathLabs Limited**  
**Statement of Consolidated Assets and Liabilities**

(Rs. in millions except as stated)


| Particulars  | As at              | As at          |
|--|--------------------|----------------|
|  | 30 September, 2020 | 31 March, 2020 |
|  | (Unaudited)        | (Audited)      |
| <b>Assets</b>  |                    |                |
| <b>1 Non-current assets</b>  |                    |                |
| (a) Property, plant and equipment  | 1,587              | 1,573          |
| (b) Capital work-in-progress   | 45                 | 104            |
| (c) Right-of-use assets  | 1,355              | 1,345          |
| (d) Goodwill   | 772                | 772            |
| (e) Other intangible assets  | 428                | 441            |
| (f) Intangible assets under development  | 26                 | 10             |
| (g) Financial assets   |                    |                |
| (i) Loans  | 1                  | -              |
| (ii) Other financial assets  | 617                | 145            |
| (h) Non-current tax assets (net)   | 140                | 186            |
| (i) Deferred tax assets (net)  | 265                | 228            |
| (j) Other non-current assets   | 22                 | 13             |
| <b>Total non-current assets</b>  | <b>5,258</b>       | <b>4,817</b>   |
| <b>2. Current assets</b>   |                    |                |
| (a) Inventories  | 468                | 570            |
| (b) Financial assets   |                    |                |
| (i) Investments  | 1,217              | 1,643          |
| (ii) Trade receivables   | 633                | 514            |
| (iii) Cash and cash equivalents  | 1,270              | 1,967          |
| (iv) Bank balances other than (iii) above  | 5,875              | 3,724          |
| (v) Loans  | 5                  | 9              |
| (vi) Other financial assets  | 305                | 337            |
| (c) Other current assets   | 138                | 163            |
| <b>Total current assets</b>  | <b>9,911</b>       | <b>8,927</b>   |
| <b>Total assets</b>  | <b>15,169</b>      | <b>13,744</b>  |
| <b>Equity and Liabilities</b>  |                    |                |
| <b>1. Equity</b>   |                    |                |
| (a) Equity share capital   | 833                | 833            |
| (b) Other equity   | 10,732             | 9,495          |
| <b>Equity attributable to the owners of the Company</b>                                | <b>11,565</b>      | <b>10,328</b>  |
| Non controlling interest   | 230                | 212            |
| <b>Total equity</b>  | <b>11,795</b>      | <b>10,540</b>  |
| <b>2. Liabilities</b>  |                    |                |
| <b>Non-current liabilities</b>   |                    |                |
| (a) Financial liabilities  |                    |                |
| (i) Borrowings   | 1                  | -              |
| (ii) Other financial liabilities   | 959                | 930            |
| <b>Total non-current liabilities</b>   | <b>960</b>         | <b>930</b>     |
| <b>Current liabilities</b>   |                    |                |
| (a) Financial liabilities  |                    |                |
| (i) Trade payables   |                    |                |
| Total outstanding dues of micro enterprises and small enterprises;                     | 72                 | 64             |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,251              | 1,113          |
| <b>Sub-total</b>   | <b>1,323</b>       | <b>1,177</b>   |
| (ii) Other financial liabilities   | 770                | 792            |
| (b) Provisions   | 147                | 154            |
| (c) Current tax liabilities (net)  | 3                  | 2              |
| (d) Other current liabilities  | 171                | 149            |
| <b>Total current liabilities</b>   | <b>2,414</b>       | <b>2,274</b>   |
| <b>Total liabilities</b>   | <b>3,374</b>       | <b>3,204</b>   |
| <b>Total equity and liabilities</b>  | <b>15,169</b>      | <b>13,744</b>  |

For IDENTIFICATION ONLY  
  
 DELOITTE HASKINS & SELLS LLP

**Dr. Lal PathLabs Limited**  
**Statement of Consolidated Cash flows**

(Rs. in millions except as stated)

| Particulars   | Year to date figures for<br>the current period<br>ended 30 September,<br>2020 | Year to date figures<br>for the previous period<br>ended 30 September,<br>2019 |
|---|---|--|
|   | (Unaudited)   | (Unaudited)  |
| <b>A. Cash flows from operating activities</b>                      |   |  |
| Profit for the year   | 1,155   | 1,401  |
| <b>Adjustments for :</b>  |   |  |
| Tax expense   | 392   | 516  |
| Interest income   | (207)   | (230)  |
| Dividend income on current investments                              | -   | (7)  |
| Gain on sale or fair valuation of investments                       | (28)  | (51)   |
| Surrender value of keyman insurance policy                          | (3)   | (3)  |
| Sundry balances written back  | -   | (1)  |
| (Profit)/Loss on disposal/discard of property, plant and equipment  | -   | 2  |
| Expense recognised in respect of employee share based compensation  | 100   | 71   |
| Finance cost  | 77  | 76   |
| Depreciation and amortisation expense                               | 374   | 340  |
| Provision for impairment of trade receivables and advances          | 28  | 32   |
| Bad debts and advances written off (net)                            | 4   | 5  |
| Security deposits amortisation                                      | 3   | 3  |
| Remeasurement of the defined benefit obligation                     | 1   | 14   |
| Exchange differences on translation of foreign operations           | (1)   | (1)  |
| <b>Operating profit before working capital changes</b>              | <b>1,895</b>  | <b>2,167</b>   |
| <b>Adjustment for (increase)/decrease in operating assets:</b>      |   |  |
| (Increase) in inventories   | 102   | (66)   |
| (Increase)/decrease in trade receivables                            | (151)   | (80)   |
| Decrease in loans   | 3   | 1  |
| (Increase) in other financial assets                                | (4)   | (4)  |
| (Increase)/decrease in other assets                                 | 22  | (32)   |
| <b>Adjustment for increase/(decrease) in operating liabilities:</b> |   |  |
| Increase in trade payables  | 145   | 214  |
| Increase in other financial liabilities                             | 8   | 19   |
| (Decrease) in provisions  | (6)   | (33)   |
| Increase in other liabilities                                       | 22  | 30   |
| <b>Cash generated from operations</b>                               | <b>2,036</b>  | <b>2,216</b>   |
| Income taxes paid   | (382)   | (544)  |
| <b>Net cash generated by operating activities (a)</b>               | <b>1,654</b>  | <b>1,672</b>   |
| <b>B. Cash flows from investing activities</b>                      |   |  |
| Payments for purchase of property, plant and equipment              | (173)   | (207)  |
| Proceeds from disposal of property, plant and equipment             | 1   | 1  |
| Payments for purchase of other intangible assets                    | (49)  | (249)  |
| Interest received   | 240   | 214  |
| Payments for business purchase on slump sale basis                  | (13)  | (230)  |
| Payments for purchase of investments in mutual funds                | (2,311)   | (1,692)  |
| Proceeds from sale of investments in mutual funds                   | 2,765   | 1,920  |
| Bank deposits placed with the banks                                 | (5,922)   | (3,928)  |
| Bank deposits with banks encashed                                   | 3,301   | 2,743  |
| Fixed deposits encashed with body corporates                        | -   | 194  |
| <b>Net cash used in investing activities (b)</b>                    | <b>(2,161)</b>  | <b>(1,234)</b>   |
| <b>C. Cash flows from financing activities</b>                      |   |  |
| Proceeds from exercise of share options                             | 1   | 1  |
| Proceeds from issue of Preference shares                            | 1   | -  |
| Interest paid   | -   | (1)  |
| Repayment of lease liability  | (192)   | (170)  |
| Dividend paid on equity shares including dividend tax               | -   | (348)  |
| <b>Net cash generated used in financing activities (c)</b>          | <b>(190)</b>  | <b>(518)</b>   |
| <b>Net increase/ decrease in cash and cash equivalents (a+b+c)</b>  | <b>(697)</b>  | <b>(80)</b>  |
| Cash and cash equivalents at the beginning of the year              | 1,967   | 1,294  |
| <b>Cash and cash equivalents at the end of the year</b>             | <b>1,270</b>  | <b>1,214</b>   |
| <b>Components of cash and cash equivalents</b>                      |   |  |
| Cash on hand  | 17  | 10   |
| Balance with scheduled banks:                                       |   |  |
| - on current and cash credit accounts                               | 131   | 140  |
| - deposits with maturity of less than 3 months                      | 1,122   | 1,064  |
| <b>Total cash and cash equivalents</b>                              | <b>1,270</b>  | <b>1,214</b>   |

For IDENTIFICATION ONLY  
  
 DELOITTE HASKINS & SELLS LLP

# Deloitte Haskins & Sells LLP

Chartered Accountants  
7th Floor, Building 10, Tower B,  
DLF Cyber City Complex,  
DLF City Phase - II,  
Gurugram - 122 002,  
Haryana, India

Phone: +91 124 679 2000  
Fax: +91 124 679 2012

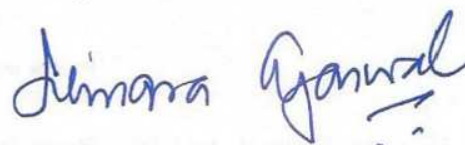
## Independent Auditor's review report on review of Interim Standalone Financial Results

### To The Board of Directors of Dr. Lal PathLabs Limited

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Dr. Lal PathLabs Limited** ("the Company"), for the quarter and six months ended 30 September, 2020 ("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 amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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 express a conclusion on the Statement based on our review.
3. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 amended, 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)

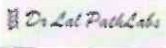
(Membership No. 87104)

(UDIN: 20087104AAAAGR3830)

Place: New Delhi

Date: 6 November, 2020





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, Gurgaon – 122 001, Haryana

Phone: +91 124 3016500 | Fax: +91 124 4234468; Website: www.lalpathlabs.com; Email: cs@lalpathlabs.com

Statement of Standalone Unaudited Financial Results for the quarter and six months ended 30 September, 2020

(Rs. in million except as stated)

| Particulars  | 3 months ended<br>30 September,<br>2020 | Preceding 3<br>months ended<br>30 June, 2020 | Corresponding 3<br>months ended<br>30 September,<br>2019 | Year to date figures<br>for the current<br>period ended 30<br>September, 2020 | Year to date figures<br>for the previous<br>period ended 30<br>September, 2019 | Previous year<br>ended<br>31 March, 2020 |
|--|---|--|--|---|--|--|
|  | (Unaudited)                             | (Unaudited)                                  | (Unaudited)  | (Unaudited)   | (Unaudited)  | (Audited)                                |
| <b>1 Income</b>  |   |  |  |   |  |  |
| (a) Revenue from operations  | 4,043                                   | 2,550  | 3,512  | 6,593   | 6,757  | 12,736                                   |
| (b) Other income   | 125                                     | 111  | 162  | 236   | 303  | 576                                      |
| <b>Total income</b>  | <b>4,168</b>                            | <b>2,661</b>                                 | <b>3,674</b>   | <b>6,829</b>  | <b>7,060</b>   | <b>13,312</b>                            |
| <b>2 Expenses</b>  |   |  |  |   |  |  |
| (a) Cost of materials consumed   | 1,016                                   | 730  | 784  | 1,746   | 1,475  | 2,869                                    |
| (b) Employee benefits expense  | 646                                     | 563  | 580  | 1,209   | 1,145  | 2,321                                    |
| (c) Finance costs  | 37                                      | 35   | 36   | 72  | 73   | 147                                      |
| (d) Depreciation and amortisation expense  | 177                                     | 164  | 165  | 341   | 321  | 680                                      |
| (e) Fees to collection centers/channel partners  | 553                                     | 288  | 471  | 841   | 900  | 1,696                                    |
| (f) Other expenses   | 671                                     | 495  | 640  | 1,167   | 1,281  | 2,572                                    |
| <b>Total expenses</b>  | <b>3,100</b>                            | <b>2,276</b>                                 | <b>2,676</b>   | <b>5,376</b>  | <b>5,195</b>   | <b>10,285</b>                            |
| <b>3 Profit before tax</b>   | <b>1,068</b>                            | <b>385</b>                                   | <b>998</b>   | <b>1,453</b>  | <b>1,865</b>   | <b>3,027</b>                             |
| <b>4 Tax expense</b>   |   |  |  |   |  |  |
| (a) Current tax  | 295                                     | 119  | 162  | 414   | 495  | 802                                      |
| (b) Deferred tax   | (26)                                    | (22)   | 41   | (48)  | 2  | (7)                                      |
| <b>Total tax expense</b>   | <b>269</b>                              | <b>97</b>                                    | <b>203</b>   | <b>366</b>  | <b>497</b>   | <b>795</b>                               |
| <b>5 Profit for the period (A)</b>   | <b>799</b>                              | <b>288</b>                                   | <b>795</b>   | <b>1,087</b>  | <b>1,368</b>   | <b>2,232</b>                             |
| <b>6 Other comprehensive income</b>  |   |  |  |   |  |  |
| -Items that will not be reclassified to profit or loss<br>Remeasurement of the defined benefit obligations | 14                                      | (12)   | 7  | 2   | 14   | (15)                                     |
| -Income tax in relation to the items that will not be<br>reclassified to profit or loss                    | (4)                                     | 3  | -  | (1)   | (3)  | 4  |
| <b>Total other comprehensive income (B)</b>  | <b>10</b>                               | <b>(9)</b>                                   | <b>7</b>   | <b>1</b>  | <b>11</b>  | <b>(11)</b>                              |
| <b>7 Total comprehensive income (A+B)</b>  | <b>809</b>                              | <b>279</b>                                   | <b>802</b>   | <b>1,088</b>  | <b>1,379</b>   | <b>2,221</b>                             |
| <b>8 Paid-up equity share capital (Face Value of Rs. 10 per<br/>share)</b>                                 | <b>833</b>                              | <b>833</b>                                   | <b>833</b>   | <b>833</b>  | <b>833</b>   | <b>833</b>                               |
| <b>9 Other equity</b>  |   |  |  |   |  | <b>9,329</b>                             |
| <b>10 Earnings per share (Rs.) (Face value of Rs. 10 per<br/>share) (not annualised)</b>                   |   |  |  |   |  |  |
| - Basic  | 9.68                                    | 3.50   | 9.65   | 13.18   | 16.61  | 27.09                                    |
| - Diluted  | 9.65                                    | 3.49   | 9.62   | 13.14   | 16.56  | 27.04                                    |

For IDENTIFICATION ONLY  
DELOITTE HASKINS & SELLS LLP


Notes:

- i. The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 6 November, 2020.
- 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. During the six months ended 30 September, 2020 the Company has made a further investment of INR 15 million in its wholly owned subsidiary, Pathlabs Unifiers Private Limited, through subscription of additional equity shares.
- iv. Subsequent to the quarter and six months ended 30 September, 2020 the Company has made a further investment of INR 40 million (KSH 59 million) in its wholly owned subsidiary, Dr. Lal PathLabs Kenya Private Limited, through subscription of additional equity shares.
- v. The Board of Directors of the Company have approved an interim dividend of INR 6 per equity share (face value of INR 10 each) at their meeting held on 6 November, 2020.
- vi. The Board of Directors in their meeting held on 3 February, 2020 have approved the "Scheme of Amalgamation" of APL Institute of Clinical Laboratory & Research Private Limited with the Company w.e.f. 1 April, 2020 (the appointed date). As per the said scheme the undertaking of APL shall stand transferred to and vested in the Company on a going concern basis without any further act, deed of matter. The scheme of amalgamation is subject to approval by the shareholders, National Company Law Tribunal and other statutory approvals.
- vii. 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.
- viii. 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.
- ix. The Company has taken into account the possible impacts of COVID-19 in preparation of these interim standalone financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on costs. The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports upto the date of approval of the financial results and expects to recover the carrying amount of its assets. The impact of COVID-19 may differ from that estimated as at the date of approval of these interim standalone financial results. Such changes, if any, will be prospectively recognised. The Company will continue to closely monitor any material changes to future economic conditions.
- x. Refer Annexure A for Statement of standalone Assets and Liabilities.

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

  
**(Hon'ry) Brig. Dr. Arvind Lal**  
Executive Chairman

Place: Gurugram  
Date: 6 November, 2020

For IDENTIFICATION ONLY  
  
DELOITTE HASKINS & SELLS LLP

**Dr. Lal PathLabs Limited**  
**Statement of Standalone Assets and Liabilities**

(Rs. in millions except as stated)

| Particulars   | As at              | As at          |
|---|--------------------|----------------|
|   | 30 September, 2020 | 31 March, 2020 |
|   | (Unaudited)        | (Audited)      |
| <b>Assets</b>   |                    |                |
| <b>1. Non-current assets</b>  |                    |                |
| (a) Property, plant and equipment   |                    |                |
| (b) Capital work-in-progress  | 1,488              | 1,467          |
| (c) Right-of-use assets   | 37                 | 103            |
| (d) Goodwill  | 1,314              | 1,303          |
| (e) Other intangible assets   | 11                 | 11             |
| (f) Intangible assets under development   | 182                | 184            |
| (g) Financial assets  | 26                 | 10             |
| (i) Investments   |                    |                |
| (ii) Loans  | 954                | 939            |
| (iii) Other financial assets  | 1                  | -              |
| (h) Non-current tax assets (net)  | 606                | 131            |
| (i) Deferred tax assets (net)   | 123                | 172            |
| (j) Other non-current assets  | 269                | 222            |
|   | 15                 | 13             |
| <b>Total non-current assets</b>   | <b>5,026</b>       | <b>4,555</b>   |
| <b>2. Current assets</b>  |                    |                |
| (a) Inventories   |                    |                |
| (b) Financial assets  | 440                | 550            |
| (i) Investments   |                    |                |
| (ii) Trade receivables  | 1,120              | 1,589          |
| (iii) Cash and cash equivalents   | 590                | 503            |
| (iv) Bank balances other than (iii) above   | 1,125              | 1,892          |
| (v) Loans   | 5,795              | 3,600          |
| (vi) Other financial assets   | 5                  | 9              |
| (c) Other current assets  | 291                | 326            |
|   | 131                | 155            |
| <b>Total current assets</b>   | <b>9,497</b>       | <b>8,624</b>   |
| <b>Total assets</b>   | <b>14,523</b>      | <b>13,179</b>  |
| <b>Equity and Liabilities</b>   |                    |                |
| <b>1. Equity</b>  |                    |                |
| (a) Equity share capital  |                    |                |
| (b) Other equity  | 833                | 833            |
| <b>Total equity</b>   | <b>10,518</b>      | <b>9,329</b>   |
| <b>2. Liabilities</b>   |                    |                |
| <b>Non-current liabilities</b>  |                    |                |
| (a) Financial liabilities   |                    |                |
| (i) Other financial liabilities   | 933                | 904            |
| <b>Total non-current liabilities</b>  | <b>933</b>         | <b>904</b>     |
| <b>Current liabilities</b>  |                    |                |
| (a) Financial liabilities   |                    |                |
| (i) Trade payables  |                    |                |
| Total outstanding dues of micro enterprises and small enterprises;                      | 69                 | 62             |
| Total outstanding dues of creditors other than micro enterprises and small enterprises; | 1,180              | 1,065          |
| <b>Subtotal</b>   | <b>1,249</b>       | <b>1,127</b>   |
| (ii) Other financial liabilities  |                    |                |
| (b) Provisions  | 688                | 699            |
| (c) Current tax liabilities (net)   | 135                | 144            |
| (d) Other current liabilities   | 2                  | 2              |
| <b>Total current liabilities</b>  | <b>165</b>         | <b>141</b>     |
|   | <b>2,239</b>       | <b>2,113</b>   |
| <b>Total liabilities</b>  | <b>3,172</b>       | <b>3,017</b>   |
| <b>Total equity and liabilities</b>   | <b>14,523</b>      | <b>13,179</b>  |

For IDENTIFICATION ONLY

DELOITTE HASKINS & SELLS LLP

**Dr. Lal PathLabs Limited**  
**Statement of Standalone Cash Flows**

(Rs. in millions except as stated)

| Particulars  | Year to date figures for<br>the current period<br>ended 30 September,<br>2020 | Year to date figures for<br>the previous period<br>ended 30 September,<br>2019 |
|--|---|--|
|  | (Unaudited)   | (Unaudited)  |
| <b>A. Cash flows from operating activities</b>                       |   |  |
| Profit for the period  | 1,087   | 1,368  |
| <b>Adjustments for :</b>   |   |  |
| Tax expense  | 366   | 497  |
| Interest income  | (201)   | (225)  |
| Dividend income on current investments                               | -   | (7)  |
| Dividend income from a subsidiary company                            | -   | (17)   |
| Gain on sale or fair valuation of investments                        | (27)  | (50)   |
| Surrender value of keyman insurance policy                           | (3)   | (3)  |
| Sundry balances written back   | -   | (1)  |
| (Profit)/Loss on disposal / discard of property, plant and equipment | -   | 2  |
| Expense recognised in respect of employee share based compensation   | 100   | 72   |
| Finance cost   | 72  | 73   |
| Depreciation and amortisation expense                                | 341   | 321  |
| Provision for impairment of trade receivables and advances           | 25  | 29   |
| Bad debts and advances written off (net)                             | 3   | 4  |
| Security deposits amortisation                                       | 3   | 2  |
| Remeasurement of the defined benefit obligation                      | 2   | 14   |
| <b>Operating profit before working capital and other changes</b>     | <b>1,768</b>  | <b>2,079</b>   |
| <b>Changes in working capital:</b>                                   |   |  |
| <b>Adjustment for (increase)/decrease in operating assets:</b>       |   |  |
| (Increase)/decrease in inventories                                   | 110   | (63)   |
| (Increase) in trade receivables                                      | (116)   | (65)   |
| Decrease in loans  | 3   | 1  |
| (Increase)/decrease in other financial assets                        | (2)   | 1  |
| (Increase)/decrease in other assets                                  | 22  | (30)   |
| <b>Adjustment for increase/(decrease) in operating liabilities:</b>  |   |  |
| Increase in trade payables   | 121   | 207  |
| Increase in other financial liabilities                              | 9   | 18   |
| (Decrease) in provisions   | (9)   | (35)   |
| Increase in other liabilities  | 23  | 22   |
| <b>Cash generated from operations</b>                                | <b>1,929</b>  | <b>2,135</b>   |
| Income taxes paid  | (367)   | (524)  |
| <b>Net cash generated from operating activities (a)</b>              | <b>1,562</b>  | <b>1,611</b>   |
| <b>B. Cash flows from investing activities</b>                       |   |  |
| Payments for purchase of property, plant and equipment               | (150)   | (193)  |
| Proceeds from disposal of property, plant and equipment              | 1   | 1  |
| Payments for purchase of other intangible assets                     | (49)  | (7)  |
| Dividend received from a subsidiary company                          | -   | 17   |
| Interest received  | 236   | 209  |
| Net cash outflow for investment in subsidiaries                      | (15)  | (530)  |
| Payments for purchase of investments in mutual funds                 | (2,219)   | (1,616)  |
| Proceeds from sale of investments in mutual funds                    | 2,715   | 1,882  |
| Bank deposits placed with the banks                                  | (5,904)   | (3,887)  |
| Bank deposits with banks encashed                                    | 3,236   | 2,714  |
| Fixed deposits encashed with body corporates                         | -   | 194  |
| <b>Net cash used in investing activities (b)</b>                     | <b>(2,149)</b>  | <b>(1,216)</b>   |
| <b>C. Cash flows from financing activities</b>                       |   |  |
| Proceeds from exercise of share options                              | 1   | 1  |
| Repayment of lease liability   | (181)   | (164)  |
| Dividend paid on equity shares including dividend tax                | -   | (346)  |
| <b>Net cash generated used in financing activities (c)</b>           | <b>(180)</b>  | <b>(509)</b>   |
| <b>Net increase/ decrease in cash and cash equivalents (a+b+c)</b>   | <b>(767)</b>  | <b>(114)</b>   |
| Cash and cash equivalents at the beginning of the year               | 1,892   | 1,239  |
| <b>Cash and cash equivalents at the end of the year</b>              | <b>1,125</b>  | <b>1,125</b>   |
| <b>Components of cash and cash equivalents</b>                       |   |  |
| Cash on hand   | 14  | 9  |
| Balance with scheduled banks:  |   |  |
| - on current and cash credit accounts                                | 82  | 98   |
| - deposits with maturity of less than 3 months                       | 1,029   | 1,018  |
| <b>Total cash and cash equivalents</b>                               | <b>1,125</b>  | <b>1,125</b>   |

For IDENTIFICATION ONLY

DELOITTE HASKINS & SELLS LLP