

February 3, 2020

The National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (E)
Mumbai - 400051

The Bombay Stock Exchange Limited
15th Floor, Phiroze Jeejeeboy Towers
Dalal Street,
Mumbai – 400001

Subject: Unaudited Financial Results for the Quarter and Nine months ended December 31, 2019

Ref: Regulation 30 & 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 (hereinafter referred as Listing Regulations)

Dear Sir/Madam,

Please take note that the Board of Directors in their meeting held today i.e. February 3, 2020 approved unaudited Standalone & Consolidated Financial Results of the Company for the Quarter and Nine months ended December 31, 2019.

A copy of the Results along with Limited Review Report issued by the Statutory Auditors M/s Deloitte Haskins & Sells, LLP on such financials for the Quarter and Nine months ended December 31, 2019 is attached herewith.

The Board Meeting commenced at 12:00 Noon and concluded at 2:45 PM.

We request you to please take the same on record.

Thanking You,

Yours Faithfully,

For Dr. Lal PathLabs Limited



Rajat Kalra

Company Secretary and Legal Head

Encl: As above



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 nine months ended 31 December, 2019 ("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

Jitendra Agarwal
(Partner)

(Membership No. 87104)
(UDIN: 20087104AAAAAZ4776)

Place: New Delhi
Date: 3 February, 2020

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31 December, 2019

Particulars		3 months ended 31 December, 2019	Preceding 3 months ended 30 September, 2019	Corresponding 3 months ended 31 December, 2018	Year to date figures for the current period ended 31 December, 2019	Year to date figures for the previous period ended 31 December, 2018	Previous year ended 31 March, 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	(a) Revenue from operations	3,104	3,512	2,828	9,861	8,729	11,649
	(b) Other income	133	162	119	436	335	465
	Total Income	3,237	3,674	2,947	10,297	9,064	12,114
2	Expenses						
	(a) Cost of materials consumed	708	784	635	2,183	1,917	2,550
	(b) Employee benefits expense	587	580	501	1,732	1,467	2,019
	(c) Finance costs	37	36	2	110	6	7
	(d) Depreciation and amortisation expense	174	165	90	495	263	362
	(e) Fees to collection centers/channel partners	411	471	367	1,311	1,117	1,483
	(f) Other expenses	634	640	699	1,915	2,042	2,770
	Total expenses	2,551	2,676	2,294	7,746	6,812	9,191
3	Profit before tax	686	998	653	2,551	2,252	2,923
4	Tax expense						
	(a) Current tax	157	162	211	652	798	1,005
	(b) Deferred tax	18	41	(1)	20	(40)	(36)
	Total tax expense	175	203	210	672	758	969
5	Profit for the period (A)	511	795	443	1,879	1,494	1,954
6	Other comprehensive income						
	-Items that will not be reclassified to profit or loss	-	7	1	14	4	(30)
	-Remeasurement of the defined benefit plan	-	-	-	(3)	(1)	11
	-Income tax in relation to the items that will not be reclassified to profit or loss	-	-	-	-	-	-
	Total other comprehensive income (B)	-	7	1	11	3	(19)
7	Total comprehensive income (A+B)	511	802	444	1,890	1,497	1,935
8	Paid-up equity share capital (Face Value of Rs. 10/- per share)	833	833	833	833	833	833
9	Other equity						
10	Earnings per share (Rs.) (not annualised)						
	- Basic	6.20	9.65	5.38	22.82	18.15	23.74
	- Diluted	6.19	9.62	5.37	22.76	18.12	23.69

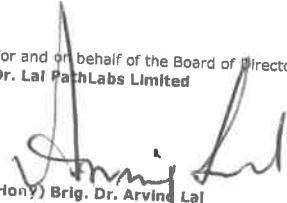


Dr. Lal PathLabs Limited

Notes:

- i. The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 3 February, 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. Effective 1 April, 2019, Ind AS 116 "Leases" has been adopted by the Company using the modified retrospective transition method. Accordingly, the comparatives for earlier periods presented have not been restated. This has resulted in recognising right of use of assets amounting to INR 1437 million and lease liabilities amounting to INR 1280 million. Consequently on transition to Ind AS 116, profit before tax for the current quarter and nine months ended 31 December 2019 is lower by INR 23 million and INR 72 million respectively.
- iv. During the quarter ended 30 June, 2019, quarter ended 30 September 2019 and quarter ended 31 December 2019, the Company has made a further investment of INR 30 million, INR 500 million and INR 69 million respectively in its wholly owned subsidiary, PathLabs Unifilers Private Limited, through subscription of additional equity shares.
- v. The Board of Directors of the Company had approved an interim dividend of INR 6 per equity share (face value of INR 10 each) at their meeting held on 8 November, 2019 which was paid during the quarter ended on 31 December 2019.
- 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' (APL), a wholly owned subsidiary, 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 shareholder's, 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 Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the previous quarter. The full impact of this change was recognised in the Statement of Profit and Loss for the quarter and six months ended 30 September, 2019. Provision for income tax for the quarter and nine months ended 31 December, 2019 and measurement of deferred tax assets has been done considering the reduced rate prescribed in the said section.

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


(Hon'ble) Brig. Dr. Arvind Lal
Chairman and Managing Director

Place: New Delhi
Date: 3 February 2020

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 nine months ended 31 December, 2019 ("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 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.
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 revenue of Rs. 35 million and Rs 106 million for the quarter and nine months ended 31 December, 2019 respectively, total loss after tax of Rs. 1 million and Rs 2 million for the quarter and nine months ended 31 December, 2019 and total comprehensive loss of Rs. 1 million and Rs 2 million for the quarter and nine months ended 31 December, 2019 respectively, 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

Jitendra Agarwal
Partner

(Membership No. 87104)

(UDIN: 20037104AAABA7107)

Place: New Delhi
Date: 3 February, 2020

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 (w.e.f. 10 December, 2018)
8	Pathlabs Unifiers Private Limited (w.e.f. 12 December, 2018)
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)



Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December, 2019

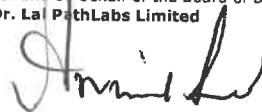
Particulars		3 months ended 31 December, 2019	Preceding 3 months ended 30 September, 2019	Corresponding 3 months ended 31 December, 2018	Year to date figures for the current period ended 31 December, 2019	Year to date figures for the previous period ended 31 December, 2018	Previous year ended 31 March, 2019
		(Rs. in million except as stated)					
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	(a) Revenue from operations	3,279	3,656	2,925	10,287	9,023	12,034
	(b) Other income	138	148	122	430	325	460
	Total Income	3,417	3,804	3,047	10,717	9,348	12,494
2	Expenses						
	(a) Cost of materials consumed	744	811	653	2,267	1,972	2,624
	(b) Employee benefits expense	616	602	519	1,801	1,515	2,083
	(c) Finance costs	39	37	3	114	7	8
	(d) Depreciation and amortisation expense	188	177	96	528	278	382
	(e) Fees to collection centers/channel partners	421	480	374	1,337	1,138	1,509
	(f) Other expenses	675	674	723	2,019	2,124	2,882
	Total expenses	2,683	2,781	2,368	8,066	7,034	9,488
3	Profit before tax	734	1,023	679	2,651	2,314	3,006
4	Tax expense						
	(a) Current tax	166	172	220	679	825	1,036
	(b) Deferred tax	19	41	(2)	22	(42)	(35)
	Total tax expense	185	213	218	701	783	1,001
5	Profit for the period (A)	549	810	461	1,950	1,531	2,005
6	Other comprehensive income						
	-Items that will not be reclassified to profit or loss	-	7	2	14	4	(30)
	-Remeasurement of the defined benefit plans	-	(1)	-	(3)	(1)	10
	-Income tax in relation to the items that will not be reclassified to profit or loss	-	-	-	-	-	-
	-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 may be reclassified to profit or loss	-	-	-	-	-	-
	Total other comprehensive income (B)	1	6	1	11	3	(20)
7	Total comprehensive income (A+B)	550	816	462	1,961	1,534	1,985
	Profit for the period attributable to:						
	Owners of the Company	541	805	458	1,934	1,521	1,992
	Non Controlling Interest	8	5	3	16	10	13
	Other comprehensive income for the period attributable to:						
	Owners of the Company	1	6	1	11	3	(20)
	Non Controlling Interest	-	-	-	-	-	-
	Total comprehensive income for the period attributable to:	550	816	462	1,961	1,534	1,985
	Owners of the Company	542	811	459	1,945	1,524	1,972
	Non Controlling Interest	8	5	3	16	10	13
8	Paid-up equity share capital (Face Value of Rs. 10 per share)	833	833	833	833	833	833
9	Other equity						
10	Earnings per share (Rs.) (not annualised)						
	-Basic	6.56	9.77	5.56	23.48	18.48	24.19
	-Diluted	6.55	9.75	5.55	23.42	18.45	24.15

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 3 February, 2020.
- 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 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. Effective 1 April, 2019, Ind AS 116 "Leases" has been adopted by the Group using the modified retrospective transition method. Accordingly, the comparatives for earlier periods presented have not been restated. This has resulted in recognising right of use of assets amounting to INR 1477 million and lease liabilities amounting to INR 1320 million. Consequently on transition to Ind AS 116, profit before tax for the current quarter and nine months ended 31 December 2019 is lower by INR 23 million and INR 74 million respectively.
- v. During the nine months ended 31 December, 2019, PathLabs Unifiers Private Limited (a wholly owned subsidiary) has purchased the business of "Bawankar Pathology" engaged in the business of providing pathological diagnostics services in Bhandara, on a going concern basis for a purchase consideration of INR 52 million.
- vi. As approved in their meeting held on 7 August, 2019, during the quarter ended 30 September, 2019, the Board of Directors of PathLabs Unifiers Private Limited (a wholly owned subsidiary), acquired an equity stake of 70% in Centrapath Labs Private Limited engaged in pathology business for a consideration of INR 469 Million.
- vii. As approved in their meeting held on 13 November 2019, during the quarter ended 31 December, 2019, the Board of Directors of PathLabs Unifiers Private Limited (a wholly owned subsidiary), acquired an equity stake of 70% in APRL Pathlabs Private Limited engaged in pathology business for a consideration of INR 53 Million.
- viii. The Board of Directors of the Parent Company had approved an interim dividend of INR 6 per equity share (face value of INR 10 each) at their meeting held on 8 November, 2019 which was paid during the quarter ended on 31 December 2019.
- ix. The Board of Directors of the Parent Company and its wholly owned subsidiary Company '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 shareholder's, National Company Law Tribunal and other statutory approvals.
- x. The Board of Directors of PathLabs Unifiers Private Limited (a wholly owned subsidiary) in their meeting held on 3 February, 2020, have approved signing of binding term sheets for acquisition of business of "M/s Shree Computerised Pathology Laboratory" in Yavatmal and "Modern Diagnostics & Modern Lab" in Sangli, engaged in the business of providing pathological diagnostics services in the state of Maharashtra, on a going concern basis for a purchase consideration not exceeding INR 41 million and INR 36 million respectively.
- xi. 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', notified under the Companies (Indian Accounting Standard) Rules, 2015.

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: 3 February 2020