

To,

Date: 06.09.2023

BSE Limited  
P.J. Towers, Dalal Street  
Mumbai - 400001

Dear Sir/Madam,

**Sub: Submission of 37<sup>th</sup> Annual Report for the Financial Year 2022-23 under Regulation 34 of SEBI (LODR) Regulation 2015.**

**Unit: Decipher Labs Limited (Scrip Code: 524752)**

In Compliance with Regulation 34 of SEBI (LODR) Regulations 2015, we are herewith submitting the 37th Annual Report for the Financial Year 2022-23 of the Company, which is dispatched to our shareholders on 06th September, 2023. The Annual General Meeting of the Company is scheduled to be held on Saturday, 30th day of September, 2023 at 11:00 A.M. through Video Conference “VC” / Other Audio-Visual Means.

This is for the information and records of the Exchange, please.

Thanking you.

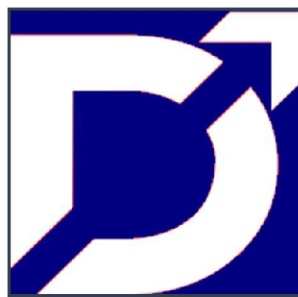
Yours sincerely,  
**For Decipher Labs Limited**

**Siva Kumar Reddy Chappidi**  
Company Secretary and Compliance Officer

Encl: as above

# 37<sup>th</sup> Annual Report

2022 - 2023



## DECIPHER LABS LIMITED

*Formerly Known as Combat Drugs Limited*

*Formulating Growth, Deciphering Tomorrows*

## ANNUAL REPORT

2022 - 2023

### FORWARD-LOOKING STATEMENT

*In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and make informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*

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## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

Mr. Sushant Mohanlal	:	Executive Director
Mr. G. Venkateswara Rao	:	Independent Director
Mr. Mary Vara Prasad Mutluri	:	Independent Director
Mrs. Lakshmi Vijaya Nimmala	:	Independent Director
Mr. Janaki Ram Ajjarapu	:	Non- Executive Director
*Mrs. Gayathri Raghuram	:	Independent Director (Additional Director)
* Appointed w.e.f. 04.09.2023		

**CFO (CHIEF FINANCIAL OFFICER)** : Mrs. Sonam Jalan

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

: Mr. Siva Kumar Reddy Chappidi

### **REGISTERED OFFICE**

: 4th Floor, Plot No. 94, Sagar Society, Banjara Hills, Road No.2, Hyderabad - 500034, Telangana  
Ph. No. 040-4853 6100,  
Fax: 040-4853 6100

### **STATUTORY AUDITORS**

: M/s. Ramanatham & Rao,  
Chartered Accountants  
P. B. No. 2102, Flat #302, Kala Mansion,  
Sarojini Devi Road, Secunderabad – 500003

### **SECRETARIAL AUDITORS**

: M/s. S.S. Reddy & Associates  
Practicing Company Secretaries  
Plot No.8-2-603/23/3 & 8-2-603/23, 15, 2nd Floor, HSR Summit, Banjara Hills, Road No. 10, Hyderabad–500034

### **BANKERS**

: AXIS Bank Limited  
Karnataka Bank Limited

### **AUDIT COMMITTEE**

Mr. G. Venkateswara Rao	:	Chairman
Mrs. Lakshmi Vijaya Nimmala	:	Member
Mr. Sushant Mohan Lal	:	Member



## **NOMINATION & REMUNERATION COMMITTEE**

Mrs. Lakshmi Vijaya Nimmala : Chairperson  
Mr. G. Venkateswara Rao : Member  
Mr. Mary Vara Prasad Mutluri : Member

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. G. Venkateswara Rao : Chairman  
Mrs. Lakshmi Vijaya Nimmala : Member  
Mr. Janaki Ram Ajjarapu : Member

## **REGISTRAR & SHARE TRANSFER AGENTS**

Venture Capital & Corporate Investments Private Limited,  
“AURUM”, 4th & 5th Floors, Plot No.57, Jayabheri Enclave,  
Phase – II, Gachibowli, Hyderabad –500032, Telangana.

Toll free No. (+91)- 4023818475/476

**LISTED AT** : BSE Limited  
**DEMAT ISIN NUMBER IN NSDL & CDSL** : INE643N01012  
**WEBSITE** : [www.decipherlabs.in](http://www.decipherlabs.in)  
**INVESTOR E-MAIL ID** : [cs@decipherlabs.in](mailto:cs@decipherlabs.in)  
**CORPORATE IDENTITY NUMBER** : L24230TG1986PLC006781

## NOTICE

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the members of Decipher Labs Limited will be held on Saturday, 30<sup>th</sup> September, 2023 at 11:00 A.M. through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March 2023, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Janaki Ram Ajjarapu (DIN: 02155939) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. **RE-APPOINTMENT OF MR. SUSHANT MOHAN LAL AS EXECUTIVE DIRECTOR OF THE COMPANY.** (Brief Profile: Annexure A to this Notice)

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a Special Resolution: -

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, 178 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded for the reappointment of Mr. Sushant Mohan Lal as Executive Director of the Company for a further term of 3 years w.e.f. 29.09.2023 on the same existing remuneration i.e., salary, perquisites and allowances and terms and conditions as mentioned in the Explanatory Statement annexed hereto.”

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during her tenure, the Company shall pay to Mr. Sushant Mohan Lal, the same remuneration by way of salary, perquisites and allowances, as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government of India from time to time.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, desirable, proper or expedient and file necessary e-forms with the Registrar of Companies, Telangana to give effect to this resolution.”

**4. APPOINTMENT OF MRS. GAYATHRI RAGHURAM (DIN: 09775806) AS AN INDEPENDENT DIRECTOR OF THE COMPANY. (Brief Profile: Annexure A to this Notice)**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Provisions of SEBI (LODR) Regulations, 2015, Mrs. Gayathri Raghuram (DIN: 09775806), who was appointed as additional Director of the Company in the Independent category in the board meeting held on 04.09.2023 and holds office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and the rules made thereunder, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years with effect from 04.09.2023 to 03.09.2028, not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**5. TO APPROVE RELATED PARTY TRANSACTIONS.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members of the Company be and is hereby accorded to the Company to enter into such related party transactions as detailed below and authorize the Audit Committee and the Board of Directors of the Company to enter into arrangements/ transactions with the following entities and finalize all such terms and conditions, as it may deem fit, within the limits mentioned below:

Related party transactions which may be entered during the Financial Year 2023-24					
S. No.	Name of Related Party	Name of the related party including director, promoter or key managerial personnel who is related, if any	Nature of relationship	Maximum Transaction Value (Amt in Crores.)	Nature of Transaction
1.	ICP Solutions Limited	Janaki Ram Ajarapu	Promoter of Decipher Labs Limited and Promoter cum Director of ICP Solutions Limited	5	Rendering and obtaining services / business Payment of rent
2.	Vitpro LLC and Associated Companies	Janaki Ram Ajarapu	Promoter of Vitpro LLC and Decipher Labs Limited	10	Rendering and Obtaining services / business

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**For Decipher Labs Limited**

Sd/-

**Sushant Mohan Lal  
Director  
(DIN: 01227151)**

**Place: Hyderabad  
Date: 04.09.2023**

## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT TO SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **ITEM NO: 3 - RE-APPOINTMENT OF MR. SUSHANT MOHAN LAL AS EXECUTIVE DIRECTOR OF THE COMPANY**

Pursuant to the provisions of Sections 196,197, 203 and 178 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, the applicable provisions of the SEBI (LODR) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sushant Mohan Lal was appointed earlier as Executive Director of the Company w.e.f., 29.09.2020 at the 34<sup>th</sup> Annual General Meeting for a period of 3 (Three) consecutive years which ends on 28<sup>th</sup> September 2023.

Pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 04.09.2023 and pursuant to the provisions of Sections 196, 197, 203 and 178 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (LODR) (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent and approval of the Members of the Company by way special resolution is sought for re-appointment of Mr. Sushant Mohan Lal as Executive Director of the Company for a further term of 3 (Three) consecutive years w.e.f. 29<sup>th</sup> September 2023 to 28<sup>th</sup> September, 2026 at a remuneration of 2,00,000/- p.m., along with other perquisites and allowances and terms and conditions as mentioned below:

1. Period of Appointment: Three Years with effect from 28.09.2023.
2. Remuneration: Executive Director shall be paid a remuneration of Rs. 2,00,000/- p.m. towards salary.
3. Other perquisites and allowances:
  - a) Encashment of Leave: as per the rules of the Company.
  - b) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the applicable provisions of Law in force from time to time.
  - c) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in every financial year.
  - d) Any other allowance as may be permitted under the provisions of the Companies Act read with Schedule V of the Companies Act.
- E ) The above remuneration, perquisites and allowances be allowed as minimum remuneration during her tenure in case of loss or inadequacy of profits and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government of India from time to time.

None of the other Directors /Key Managerial Personnel and their relatives except Mr. Sushant Mohan Lal himself, is in any way interested or concerned financially or otherwise, in the Resolution as set out in the notice.

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the item no. 3 of the Notice.

### **Information in accordance with Schedule V of Companies Act, 2013**

#### **I. GENERAL INFORMATION**

1	Nature of Industry: Pharmaceuticals			
2	Date or expected date of commencement of commercial: The Company started its commercial operations on 17.09.1986.			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
	<b>Particulars</b>	<b>2020-21 (Rs. in Lakhs)</b>	<b>2021-22 (Rs. in Lakhs)</b>	<b>2022-23 (Rs. in Lakhs)</b>
	Turnover (Total Income)	112.02	103.42	83.82
	Net profit after Tax	9.61	36.03	(261.75)
5	Foreign investments or collaborations, if any: Not Applicable			

#### **II. INFORMATION ABOUT THE APPOINTEE**

##### **I) Mr. Sushant Mohan Lal:**

1.	<b>Background Details:</b> Mr. Sushant Mohan Lal is a MBA from Kansas University, USA. He has been associated with the Company since long.
2.	<b>Past Remuneration:</b> Rs. 1,00,000 P.M. in capacity of Executive Director
3.	<b>Recognition or awards:</b> Not Applicable
4.	<b>Job Profile and her suitability:</b> Based on his work experience and suitability it was proposed to re- appoint Mr. Sushant Mohan Lal as Executive Director of the Company.
5.	<b>Remuneration proposed:</b> As set out in the Explanatory Statement for Item No.3.The remuneration payable to Mr. Sushant Mohan Lal, Executive Director has the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors.

6.	<b>Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):</b> Taking into consideration of the size of the Company, the profile of Mr. Sushant Mohan Lal the responsibilities shouldered by him, the aforesaid remuneration package is comparable to the remuneration package paid to managerial personal prevailing in other companies.
7.	<b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:</b> Besides the remuneration proposed, he is holding 2,16,315 Equity Shares of Rs.10/- each of the Company (2.14% of the paid-up equity share capital).

### **III. OTHER INFORMATION:**

1.	<b>Reasons for inadequate Profits:</b> The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in considerable revenue enhancements in the near future.
	<b>Steps taken or proposed to be taken for improvement:</b> Necessary efforts are being made to increase the productivity and efficiency which in turn will add to the growth of the business as well as the profitability.
2.	<b>Expected increase in productivity and profit in measurable terms:</b> The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the Company will improve considerably in the coming years.

### **ITEM NO:4: APPOINTMENT OF MRS. GAYATHRI RAGHURAM (DIN: 09775806) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

Mrs. Gayathri Raghuram was appointed as an Additional Directors of the Company on 04.09.2023 in terms of Section 161 (1) of the Companies Act, 2013 and provisions of SEBI (LODR) Regulations, 2015 in the category of 'Non-Executive Independent', who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier and are eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Mrs. Gayathri Raghuram for the office of Director in Independent category.

Pursuant to reg. 17(1)(C) of SEBI (LODR) Regulations, 2015, the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, in order to ensure compliance with the provisions of SEBI (LODR)

Regulations, 2015 and Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mrs. Gayathri Raghuram as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of her appointment as an Additional Director i.e. w.e.f., 04.09.2023 to 03.09.2028.

Accordingly, the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 4 of the notice for appointment of Mrs. Gayathri Raghuram as an independent director.

Save and except Mrs. Gayathri Raghuram, Independent Director, being the appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in their respective Resolutions set out in the notice.

#### **ITEM NO: 5 – TO APPROVE RELATED PARTY TRANSACTION**

Your company may enter into transactions with the entities, as mentioned in the resolution, which are falling under the definition of "related party" as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1) (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Pursuant to provisions of Section 188(1) of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said Section requires a Company to obtain prior approval of the audit committee, Board of Directors and the Shareholders of the Company by way of an Ordinary Resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15(3) of the said Rules. Further, as required under Regulation 23 of SEBI (Listing Obligation and Disclosures Requirements), 2015 Regulations, all material related party transactions shall require prior approval of the shareholders through an Ordinary Resolution.

On the basis of the same, the Company hereby proposes to seek shareholders' approval for the said / proposed transaction by way of an Ordinary Resolution under Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligation and Disclosures Requirements), 2015 Regulations, to enable the Company to enter into Related Party Transactions in one or more tranches.

The particulars of the Related Party Transactions, which are required to be stated in the Explanatory Statement, as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are mentioned in the said resolution item no.5 of the Notice.



All entities falling under definition of related party shall abstain from voting irrespective of whether the entity is party to the particular transaction or not. The Board of Directors recommends the ordinary resolution set forth at item no. 5 of this Notice for your approval.

None of the Directors or Key Managerial Personnel or any relative of any of the Directors/ Key Managerial Personnel of the Company are, in any way, concerned or interested, financially or otherwise, in the resolution.

**Disclosure as per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021:**

<b>Sl. No</b>	<b>Particulars</b>	<b>Details</b>
1	A summary of the information provided by the management of the listed entity to the audit committee;	The audit committee has been provided all the information as prescribed in SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021
2	Justification for why the proposed transaction is in the interest of the listed entity	The Company is able to utilize its facilities optimally and expand in various fields and also generate revenue resulting in more profitability.
3	Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary,	NA
4	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders	NA
5	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.	Around 15% of the Turnover for each transaction for each related party
6	Any other information that may be relevant	NA

**For Decipher Labs Limited**

Sd/-

**Sushant Mohan Lal**

**Director**

**DIN: 01227151**

**Place: Hyderabad**

**Date: 04.09.2023**

## Annexure-A

**As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under:**

Name of the Director	Mr. Sushant Mohan Lal	Mr. Janakiram Ajarapu	Mrs. Gayathri Raghuram
<b>DIN</b>	01227151	02155939	09775806
<b>Date of Birth</b>	07/05/1980	15/06/1968	19/03/1962
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of first Appointment</b>	19/05/2006	14/02/2023	04/09/2023
<b>Board Meetings attended during the year</b>	7	2	NA
<b>Brief Resume, Qualification and Experience</b>	He is MBA from Kansas University, USA. He has been associated with the Company since long.	Mr. Janakiram Ajarapu is the Promoter of the company. He is a Person of Indian Origin and an NRI. He holds a Master's degree in Business Administration from the University of South Florida with a major in Finance.	Mrs. Gayathri Raghuram is Post Graduate in Electrical Engineering and did M.S. in Electrical Engineering Spath Dakota State University, Brookings South Dakota, USA
<b>Expertise in specific functional areas</b>	Marketing, Finance, M&A	Master's degree in Business Administration from the University of South Florida with a major in Finance.	M.S. in Electrical Engineering Spath Dakota State University, Brookings South Dakota, USA
<b>Terms and conditions of appointment</b>	Reappointment as Executive Director of the Company for a further term of 3 years w.e.f. 29.09.2023	Liable to Retire by rotation, Eligible for re-appointment.	Appointment as Independent Director of the Company.
<b>Remuneration drawn, if any</b>	Rs. 1,00,000/- Per Month Apart from other perquisites and allowances as stated above	Not Applicable	Not Applicable
<b>Names of Listed entities in which the person also holds the Directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years</b>	Nil	Nil	NIL
<b>Shareholding in the Company.</b>	2,16,315 equity shares (2.14% of the paid-up equity share capital)	16,59,075 equity shares (16.43% of the paid-up equity share capital)	25,000 equity shares (0.25% of the paid-up equity share capital)
<b>Inter se relationship with any Director</b>	Nil	Nil	Nil

## NOTES:

1. In view of the continuing Covid-19 pandemic and consequential restrictions imposed on the movements of people, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020 in conjunction with Circular No. 14/2020 dated April 08, 2020 and Circular No. 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 and Circular No. 03/2022 dated 05.05.2022 (collectively referred to as “MCA Circulars”) and SEBI Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 dated May 12, 2020, SEBI/ HO/ /CMD2/ CIR/ P/ 2021/ 11 dated January 15, 2021 and Circular SEBI/ HO/ CFD/ CMD2/ CIR/ P/ 2022/ 62 dated May 13, 2022 and Circular no. SEBI/ HO/ CFD/ PoD-2/P/ CIR/ 2023/ 4 dated January 5, 2023, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the MCA Circulars granted certain relaxations and thus permitted the holding of Annual General Meeting (“AGM”) of the companies through VC/OAVM viz. without the physical presence of the Members at a common venue. Hence in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA / SEBI Circulars, as applicable, the AGM of the Company is being held through VC / OAVM (e-AGM).
2. The Deemed Venue of the 37th AGM of the Company shall be its Registered Office.
3. Since the AGM will be held through VC/OAVM (e-AGM), the Route Map for venue of AGM is not annexed to the Notice.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.decipherlabs.in](http://www.decipherlabs.in). The Notice can also be accessed from the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -**

The remote e-voting period begins on 27.09.2023 at 9:00 A.M. and ends on 29.09.2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 23.09.2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23.09.2023.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be</li> </ol>

redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

**NSDL Mobile App is available on**



Individual Shareholders holding securities in demat mode with CDSL

1) Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.

2) After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e., NSDL**. Click on NSDL to cast your vote.

3) If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>

4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above-mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL*



*eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

<b>Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**



6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ssrfcs@gmail.com](mailto:ssrfcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. SwapneelPuppala at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids fore-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@decipherlabs.in](mailto:cs@decipherlabs.in)

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@decipherlabs.in](mailto:cs@decipherlabs.in) If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@decipherlabs.in](mailto:cs@decipherlabs.in). The same will be replied by the company suitably.
6. Those shareholders who have registered themselves as a speaker at least 5 days in advance before the date of AGM will only be allowed to express their views/ask questions during the meeting.
7. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
8. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

9. M/s. S. S Reddy & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

**For DECIPHER LABS LIMITED**

**Sd/-**

**SUSHANT MOHAN LAL**

**DIRECTOR**

**DIN: 01227151**

**Place: Hyderabad**

**Date: 04.09.2023**

## BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the 37<sup>th</sup> Boards' Report of the Company together with the Audited Statements of Accounts (standalone and consolidated) for the year ended 31<sup>st</sup> March, 2023.

### 1. FINANCIAL SUMMARY /HIGHLIGHTS:

The performance during the period ended 31<sup>st</sup>March, 2023 has been as under:

*(Rs. In Lakhs)*

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	81.00	98.84	4557.27	6,532.24
Other income	2.82	4.59	737.06	767.40
Profit/loss before Depreciation, Finance Costs,	(34.00)	30.78	(106.34)	1369.92
Less: Depreciation/ Amortisation/ Impairment	5.74	5.01	42.75	86.66
Profit /loss before Finance Costs, Exceptional items and Tax Expense	(39.74)	40.80	(149.09)	1282.26
Less: Finance Costs	-	-	42.69	47.66
Profit /loss before Exceptional items and Tax Expense	(-39.74)	35.79	(191.78)	1235.60
Add/(less): Exceptional items	224.15	-	224.15	-
Profit /loss before Tax Expense	(263.89)	35.79	(415.93)	1235.60
Less: Tax Expense (Current & Deferred)	(2.14)	(0.25)	(147.70)	97.22
Profit /loss for the year (1)	(261.75)	36.04	(268.23)	1138.38
Total Comprehensive Income/loss (2)	-	-	172.57	56.09
Total (1+2)	(261.75)	36.04	(95.66)	1194.47
Balance of profit /loss for earlier years	-	-	-	-
Earnings per share	(2.59)	0.36	(2.66)	11.27

## **2. OVERVIEW & STATE OF THE COMPANY'S AFFAIRS:**

### **Revenues – standalone**

During the year under review, the Company on a *standalone basis* has recorded an income of Rs.83.82 Lakhs and incurred a loss of Rs. 261.75 Lakhs as against the income of Rs. 103.43 Lakhs and Profit of Rs. 36.04 Lakhs respectively in the previous financial year ending 31.03.2022.

### **Revenues – Consolidated**

During the year under review, the Company on a *consolidated basis* has recorded an income of Rs. 5294.33 Lakhs and incurred a loss of Rs. 95.66 Lakhs as against the income of Rs. 7299.63 Lakhs and Profit of Rs. 1194.47 Lakhs respectively in the previous financial year ending 31.03.2022.

## **3. BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:**

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of this Report.

## **4. TRANSFER TO RESERVES:**

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

## **5. DIVIDEND:**

No dividend has been recommended by the Board of Directors for the Financial Year 2022-23.

## **6. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the period under review and the date of Board's Report there was no change in the nature of Business.

## **7. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

## **8. REVISION OF FINANCIAL STATEMENTS:**

There was no revision of the financial statements for the year under review.

## **9. AUTHORISED AND PAID-UP CAPITAL OF THE COMPANY:**

During the year under review, there was no change in the share capital. The Authorized Share Capital of your Company as on March 31, 2023 stood at Rs.10,50,00,000/- and the issued and paid-up share capital of the Company consists of 1,01,00,000 shares of face value Rs.10/- each amounting to Rs.10,10,00,000/-.

## **10. FURTHER ISSUE OF SHARE CAPITAL:**

During the year under review, your Company has not made any allotments.

## **11. TRANSFER OF SHARES AND UNPAID OR UMCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to the provisions of Section 124 of the Companies Act 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”) read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (“IEPF”), constituted by the Central Government

During the Year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

## **12. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANAGERIAL PERSONNEL**

As on date of this report, the Company has 6 Directors, out of which four are Independent including two women Directors and one is executive director and one non-executive Directors.

### **a) Appointment/Re-appointment/Resignation of Directors/KMP of the Company**

- Appointment of Ms. Megha Agarwal as Company Secretary and Compliance Officer of the Company with effect from 01<sup>st</sup> May, 2022.
- Resignation of Mr. Janaki Ram Ajjarapu as Whole- Time Director of the Company with effect from 13<sup>th</sup> August, 2022.

- Appointment of Mr. G. Venkateswara Rao as Independent Director of the Company with effect from 13<sup>th</sup> August, 2022.
- Appointment of Mr. Mary Vara Prasad Mutluri as Independent Director of the Company with effect from 14<sup>th</sup> February, 2023.
- Appointment of Mrs. Lakshmi Vijaya Nimmala as Independent Director of the Company with effect from 14<sup>th</sup> February, 2023.
- Appointment of Mr. Janaki Ram Ajjarapu as Non-Executive Director of the Company with effect from 14<sup>th</sup> February, 2023.
- Resignation of Mrs. Vemuri Shilpa as Independent Director of the Company with effect from 28<sup>th</sup> February, 2023.
- Resignation of Mr. Bhupendralal Waghray as Independent Director of the Company with effect from 28<sup>th</sup> February, 2023.
- Resignation of Ms. Megha Agarwal as Company Secretary and Compliance Officer of the Company with effect from 30<sup>th</sup> June, 2023.
- Appointment of Mr. Siva Kumar Reddy as Company Secretary and Compliance Officer of the Company with effect from 19<sup>th</sup> July, 2023.
- Appointment of Mrs. Gayathri Raghuram as Additional Director (Non-Executive Independent Category) of the Company with effect from 04<sup>th</sup> September, 2023.

**b) Key Managerial Personnel:**

Key Managerial Personnel as on date of this report

- Mr. Sushant Mohan Lal, Executive Director of the company.
- Mrs. Sonam Jalan, CFO of the company.
- Mr. Siva Kumar Reddy, Company Secretary and Compliance Officer of the company.

**c) Information u/r 36(3) of SEBI (LODR), Regulations, 2015:**

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointments are given as **Annexure A** to the notice of the AGM forming part of this Annual Report.



### **13. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received declarations from Mr. G. Venkateswara Rao, Mr. Mary Vara Prasad Mutluri and Mrs. Lakshmi Vijaya Nimmala, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and under regulation 16(1)(b) read with regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Declarations to the effect of meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and under regulation 16(1)(b) read with regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 were received from the Directors on being appointed as additional Directors (Independent category).

Considering the requirement of skill sets on the Board, persons having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise, integrity and experience (including proficiency) and number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence and recommends to the Board their appointment. The Board confirms that all the independent directors possess the required proficiency to continue as independent director.

The Independent Directors have also confirmed that they have complied Company's Code of Conduct and that they possess valid Registration certificate in Independent Directors' Databank.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

### **14. BOARD MEETINGS:**

The Board of Directors duly met Seven (7) times on 30.04.2022, 16.05.2022, 13.08.2022, 29.08.2022, 14.11.2022, 14.02.2023 and 06.03.2023 and in respect of which meetings, proper notices

were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

#### **15. BOARD EVALUATION:**

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement.

All the Directors participated in the evaluation process conducted in February 2023. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors. The Board upon discussion noted the inputs of the Directors.

The detailed procedure followed for the performance evaluation of the Board, Committees and Individual Directors is enumerated in the Corporate Governance Report.

#### **16. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure IX (a)** to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as **Annexure IX (b)**.

During the year, NONE of the employees (excluding Executive Directors) is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act,2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **17. RATIO OF REMUNERATION TO EACH DIRECTOR:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014, the ratio of remuneration to median employees is as mentioned in **Annexure- IX (a)**.

## **18. DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **19. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment.

The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

## **20. DETAILS OF FRAUDS REPORTED BY STATUTORY AUDITORS:**

During the Financial Year 2022-23, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

**21. CEO/ CFO CERTIFICATION:**

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certification is attached with the annual report as Annexure VI.

**22. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary company in Form AOC- 1 is annexed as **Annexure III** herewith forming part of the Annual Report. In accordance with the proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing therein its audited standalone and the consolidated financial statements has been placed on the website of the Company.

**23. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:**

During the financial year, M/s. Decipher Soft Middle East W.L.L. was incorporated on 06.09.2022 as wholly owned subsidiary to the M/s. Decipher Software Solutions LLC, which is subsidiary of Decipher Labs Limited

**24. CONSOLIDATED FINANCIAL STATEMENTS:**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and Section 129 of the Companies Act, 2013, the Consolidated Financial Statements which have been prepared by the Company in accordance with the applicable provisions of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS) forms part of this Annual Report.

**25. DEPOSITS FROM PUBLIC:**

The Company has not accepted any public deposits during the Financial Year ended March 31, 2023 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

**26. DETAILS OF DEPOSITS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THE ACT:**

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2023, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company complied with this requirement within the prescribed timelines.

**27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given loans, Guarantees or made any investments attracting the provisions of Section 186 of the Companies Act, 2013 during the year under review.

**28. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business. The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure-IV** to this report.

**29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder:

**A. Conservation of Energy:** Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

**B. Technology Absorption:** All the Factors mentioned in Rule 8 (3)(b) Technology absorption are not applicable to the Company.

**C. Foreign Exchange Earnings and Out Go:**

Foreign Exchange Earnings : US \$23,000

Foreign Exchange Outgo : NIL

**30. COMMITTEES:**

## **(I). AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of SEBI (LODR) Regulations with the Stock Exchange read with Section 177 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report

## **(II). NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of SEBI (LODR) Regulations with the Stock Exchange read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

## **(III). STAKEHOLDERS RELATIONSHIP/ INVESTOR GRIEVANCE COMMITTEE**

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations with the Stock Exchange read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

### **31. COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY:**

Since the Company does not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

### **32. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company promotes ethical behaviour and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company [www.decipherlabs.in](http://www.decipherlabs.in).

### **33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

### **34. STATUTORY AUDITORS AND STATUTORY AUDITORS REPORT:**

The members of the Company in accordance with Section 139 of the Companies Act, 2013 have passed a resolution for appointment of M/s. Ramnatham& Rao., Chartered Accountants, Hyderabad as Statutory Auditors of the Company for a period of 5 years in the AGM held on 25.09.2021 to hold office up to the conclusion of 40<sup>th</sup> Annual General Meeting of the Company to be held for the financial year 2025-2026.

The notes of the financial statements referred to in the Auditors' Report issued by M/s. Ramnatham& Rao., Chartered Accountants, Hyderabad for the financial year ended on 31<sup>st</sup> March, 2023 are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### **35. SECRETARIAL AUDIT REPORT:**

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. S.S. Reddy & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2023.

The Secretarial Audit was carried out by M/s. S.S. Reddy & Associates, Company Secretaries for the financial year ended March 31, 2023. The Report given by the Secretarial Auditor is annexed herewith as **Annexure- I** and forms integral part of this Report.

### **36. ANNUAL SECRETARIAL COMPLIANCE REPORT:**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. Further, Secretarial Compliance Report dated May 30, 2023, was given by Mr. S. Sarveswar Reddy, Practicing Company Secretary which was submitted to BSE Limited.

### **37. INTERNAL AUDITORS:**

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditor of the Company on quarterly basis.

Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

### **38. SECRETARIAL STANDARDS**

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

### **39. DECLARATION BY THE COMPANY:**

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

### **40. ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an annual return is uploaded on website of the Company [www.decipherlabs.in](http://www.decipherlabs.in).

### **41. DETAILS FOR APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the year under review, there were no applications made or proceedings pending in the name of the Company under Insolvency and Bankruptcy Code, 2016.

### **42. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS:**



During the year under review, there has been no one time settlement of loans taken from Banks and Financial Institutions.

**43. STATUTORY COMPLIANCE:**

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

**44. FAILURE TO IMPLEMENT CORPORATE ACTIONS:**

During the year under review, no corporate actions were done by the Company which were failed to be implemented.

**45. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**46. DISCLOSURE ABOUT COST AUDIT:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

**47. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management discussion and analysis report for the year under review as stipulated under Regulation 34 (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is annexed herewith as **Annexure- X** to this report.

**48. FAMILIARISATION PROGRAMMES:**

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a

continuing basis. The familiarisation programme for Independent Directors is disclosed on the Company's website [www.decipherlabs.in](http://www.decipherlabs.in).

#### **49. POLICIES:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website [www.decipherlabs.in](http://www.decipherlabs.in).

#### **50. INSURANCE:**

The properties and assets of your Company are adequately insured.

#### **51. CORPORATE GOVERNANCE:**

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Regulations. A separate section on Corporate Governance, forming a part of this Report and the requisite certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance as **Annexure-II**.

#### **52. CREDIT & GUARANTEE FACILITIES:**

The Company has not availed any credit and guarantee facilities during the year apart from the banking facilities for its day-to-day operations.

#### **53. RISK MANAGEMENT POLICY:**

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks and also to identify business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management on a periodical basis.

#### **54. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgement of the Board may affect the independence of the Directors except Mr. Ajjarapu Janakiram (Non- Executive Director & Promoter) who is holding 16,59,075 Equity Shares of the Company.

None of the Independent/ Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**55. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and the applicable Securities laws. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website ([www.decipherlabs.in](http://www.decipherlabs.in)).

**56. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace.

This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on our website ([www.decipherlabs.in](http://www.decipherlabs.in)).

All employees are covered under this policy. The Company is having less than 10 employees and therefore not required to constitute Internal Complaints Committee. No Complaints were pending at the beginning of the year or received during the year.

**57. EVENT BASED DISCLOSURES:**

During the year under review, the Company has not taken up any of the following activities except as mentioned:

- |   |      |
|---|------|
| 1. Issue of sweat equity share                          | : NA |
| 2. Issue of shares with differential rights             | : NA |
| 3. Issue of shares under employee's stock option scheme | : NA |
| 4. Disclosure on purchase by Company or giving of loans |      |

by it for purchase of its shares : NA  
5. Buy back shares : NA  
7. Preferential Allotment of Shares : NA

**58. ACKNOWLEDGEMENTS:**

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities.

Your Directors also thank the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company, SEBI, BSE, NSDL, CDSL, Banks etc. for their continued support for the growth of the Company.

**For DECIPHER LABS LIMITED**

**Place: Hyderabad**  
**Date: 04.09.2023**

**Sd/-**  
**SUSHANT MOHAN LAL**  
**DIRECTOR**  
**DIN: 01227151**

**Sd/-**  
**JANAKIRAM AJJARAPU**  
**DIRECTOR**  
**DIN: 02155939**

**FORM MR-3  
SECRETARIAL AUDIT REPORT**

**{Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014}**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

To  
The Members of  
**Decipher Labs Limited**  
Hyderabad.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Decipher Labs Limited** (hereinafter called “the Company”). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Decipher Labs Limited (“The Company”) for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') is furnished hereunder for the financial year 2022-23: -

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **including the provisions with regard to disclosures and maintenance of records required under the said Regulations;**
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., [www.decipherlabs.in](http://www.decipherlabs.in)**
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable as there was no reportable event during the financial year under review;**
- d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: **Not Applicable as the Company has not issued any debt securities during the year under review.**
- f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.**
- g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. I have also examined compliance with the applicable provisions / clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
  - b. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.
  - c. Listing Agreements entered into by the Company with BSE Limited.
4. I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.
5. We have relied on the representation made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations which are listed below and it was noted that the Company has complied with the said Laws to the extent applicable.
- a) The Payment and Settlement Systems Act, 2007
  - b) The Information Technology Act, 2000
  - c) The Consumer Protection Act, 2019
  - d) The Trademarks Act, 1999
  - e) Copyright Act, 1957 and the rules thereunder
  - f) Contract Labour (Regulation and Abolition) Act, 1970;
  - g) Shops and Establishment Act, 1948
  - h) Employees' Compensation Act, 1923;
  - i) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
  - j) Employees' State Insurance Act, 1948;
  - k) Minimum Wages Act, 1948;
  - l) Payment of Bonus Act, 1965;
  - m) Payment of Gratuity Act, 1972;
  - n) Payment of Wages Act, 1936;
  - o) Maternity Benefit Act, 1961;
  - p) Industrial Disputes Act, 1947;
  - q) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - r) The Child Labor (Prohibition and Regulation) Act, 1986;
  - s) The Equal Remuneration Act, 1976;
  - t) The Code on Wages, 2019;
  - u) The Occupational Safety, Health and Working Conditions Code, 2020\*\*;
  - v) The Industrial Relations Code, 2020;
  - w) The Code on Social Security, 2020;
  - x) Indian Stamp Act, 1899;

6. During the period under review the Company has complied with the provisions of the Companies Act, 2013, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

During the year the Company has conducted 7 meetings of the Board of Directors, 4 meetings of the Audit committee, 2 Meetings of Stakeholder Relationship Committee, 4 meetings of Nomination, Remuneration Committee and 1 meeting of Independent Directors.

7. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under review;
- Foreign Direct Investment (FDI) was compiled by the company under the financial year under report;
- Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

8. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- i. During the period under review, Ms. Sonam Jalan was the Chief Financial Officer and Ms. Megha Agarwal was the Company Secretary and Compliance Officer of the Company. However, Ms. Megha Agarwal resigned w.e.f. 30.06.2023. Further, Mr. Siva Kumar Reddy was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 19.07.2023.
- ii. The composition of the Nomination and Remuneration Committee is not as per the provisions of Companies Act, 2013. However, after the appointment of Mr. G. Venkateswara Rao as an Independent Director, the committee was re-constituted on 13.08.2022.



- iii. The website of the company contains applicable policies as specified by SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the provisions of Companies Act, 2013.
- iv. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- v. Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance or on shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- vi. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- vii. We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- viii. We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For S.S. Reddy & Associates**

Sd/-

**S. Sarveswar Reddy**  
**Practicing Company Secretary**  
**M.NO. 12619; CP. No: 7478**  
**UDIN: F012619E000914916**  
**Peer Review Cer. No.: 1450/2021**

**Place: Hyderabad**

**Date: 01.09.2023**

## ANNEXURE A

**To**  
**The Members of**  
**Decipher Labs Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For S.S. Reddy & Associates**

Sd/-

**S. Sarveswar Reddy**  
**Practicing Company Secretary**  
**M.NO. 12619; CP. No: 7478**  
**UDIN: F012619E000914916**  
**Peer Review Cer. No.: 1450/2021**

**Place: Hyderabad**  
**Date: 01.09.2023**

**CORPORATE GOVERNANCE REPORT**

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Decipher labs Limited (“Decipher”) as follows:

**1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Corporate Governance is a set of principles, processes and systems to be followed by the Directors, Management and Employees of the Company for enhancement of shareholder value while keeping in view the interest of other stakeholders as well.

Company believes that good corporate governance is the foundation for being a truly sustainable Company.

Set procedures, guidelines and practices have been evolved to ensure timely disclosures of information regarding the financials, performance, significant events and governance etc. of the Company. The Company has adopted a code of conduct for its Board, Key Managerial Personnel (KMPs) and Senior Management Employees which has been communicated to them and they have affirmed the compliances of the same through their annual disclosures to the Company.

The Company lays emphasis on transparency across the entire spectrum of its business. The Company, as a conscientious corporate citizen, is fully committed to the principles of integrity, transparency and compliance with applicable regulations while dealing with the Government, Customers, Suppliers, Employees and other Stakeholders. Directors fully endorse and support the Corporate Governance practices in accordance with the provisions of Listing Regulations of SEBI.

**2. BOARD DIVERSITY:**

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website.

### 3. BOARD OF DIRECTORS:

#### (a) COMPOSITION AND CATEGORY OF DIRECTORS:

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on date of this report, the Company's Board comprises of 6 Directors. There are one (1) Executive Director, one (1) Non - Executive Director and four (4) Independent Directors including woman Director. In terms of clause 17(1) (b) of SEBI (LODR) Regulations, 2015, the company is required to have one third of total Directors as Independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the Directors other than Independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

#### (b) ATTENDANCE AND DIRECTORSHIPS HELD:

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, then they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in **Table 1**.

#### (c) NO. OF MEETINGS OF THE BOARD OF DIRECTORS HELD AND DATES ON WHICH HELD:

**Date of the Board meetings:** 30.04.2022, 16.05.2022, 13.08.2022, 29.08.2022, 14.11.2022, 14.02.2023 and 06.03.2023.

Name of Director	Category	Relation ship with another Director	Whether Attended Last AGM	No. of Meetings Held during the tenure	No. of Meetings Attended	No. of Outside Directorship	No. of Committee Memberships	No. of Committee Chairmanships
* Mr. Janaki Ram Ajjarapu	Whole-time Director	None	NA	2	2	2	-	-
Mr. Sushant Mohan Lal	Executive Director	None	Yes	7	7	1	-	-

# Mrs. Vemuri Shilpa	Independent Director	None	Yes	6	6	NA	NA	NA
# Mr. Bhupendralal Waghay	Independent Director	None	Yes	6	6	NA	NA	NA
** Mr. G. Venkateswara Rao	Independent Director	None	Yes	4	4	1	-	-
*** Mr. Mary Vara Prasad Mutluri	Independent Director	None	NA	1	1	2	-	-
*** Mrs. Lakshmi Vijaya Nimmala	Independent Director	None	NA	1	1	-	-	-
*** Mr. Janaki Ram Ajarapu	Promoter and Non-Executive Director	None	NA	1	0	2	-	-
^Mrs. Gayathri Raghuram	Independent Director	None	None	-	-	-	-	-

\*Resigned w.e.f. 13.08.2022

\*\*Appointed w.e.f. 13.08.2022

\*\*\*Appointed w.e.f. 14.02.2023

#Resigned w.e.f. 28.02.2023

^Appointed w.e.f. 04.09.2023

**(d) THE NAME OF OTHER LISTED ENTITIES WHERE DIRECTORS OF THE COMPANY ARE DIRECTORS AND THE CATEGORY OF DIRECTORSHIP**

Name of Director	Other Listed Entities in which concern Director is Director	Category of Directorship
Mr. Janaki Ram Ajarapu	NIL	--
Mr. Sushant Mohan Lal	NIL	--
Mr. G. Venkateswara Rao	NIL	--
Mr. Mary Vara Prasad Mutluri	NIL	--
Mrs. Lakshmi Vijaya Nimmala	NIL	--
Mrs. Gayathri Raghuram	NIL	--

**(e) CHART OR A MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

Sl. No.	Names of the Director	Skills / Expertise / Competence of the Board of Directors are required in the context of business of the Company
1.	Mr. Janaki Ram Ajjarapu	Trading, Technology, Marketing, Regulatory, Finance & Accounting, Research & Development, Legal and General Management
2.	Mr. Sushant Mohan Lal	Trading, Technology, Marketing, Regulatory, Finance & Accounting, Legal and General Management
3.	Mr. G. Venkateswara Rao	Regulatory, Finance & Accounting, Legal and General Management
4.	Mr. Mary Vara Prasad Mutluri	Technology Services Solutions, Global Service Delivery and Account Management, Strategizing, building, operating and establishing offshore delivery centres.
5.	Mrs. Lakshmi Vijaya Nimmala	Finance and Human Resources department.
6.	Mrs. Gayathri Raghuram	Technology, Marketing, Regulatory, Finance & Accounting, Research & Development

**(f) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:**

Mr. Janaki Ram Ajjarapu, Non-executive director has a pecuniary relationship to the extent of 16,59,075 Equity shares held by him in the company.

**(g) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2022-23 are also disclosed on the Company's website i.e., <https://decipherlabs.in/> .

**(h) DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Act.

**(i) DECLARATION BY BOARD:**

The Board has confirmed that in its opinion, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

**(j) RESIGNATION OF INDEPENDENT DIRECTOR**

During the year under review, Mr. Bhupendralal Waghray and Mrs. Vemuri Shilpa were Resigned as Independent directors on 28<sup>th</sup> February 2023 before expiry of their tenure.

**Detailed Reason:** Both Independent Directors Resigned w.e.f. 28.02.2023 due to their personal commitments.

**(k) PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:**

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board evaluation was conducted for FY 2022-23 on March 06, 2023, including the following:

- i. Evaluation of IDs by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
- ii. Evaluation of the Board of Directors, its committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on March 06, 2023, mainly to review the performance of Directors and the Chairman & Managing Director as also the Board as a whole. All IDs were present at the said meeting.

- (i) **Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- (ii) **Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- (iii) **Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- (iv) **Chairman:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

- (v) **Committees:** Terms of reference, participation of members, responsibilities delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

Observations of Board evaluation carried out for the year	No observations.
Previous year's observations and actions taken	Since no observations were received, no actions were taken.
Proposed actions based on current year observations	Since no observations were received, no actions were taken.

## **COMMITTEES OF THE BOARD:**

The Company has the following three Board-level Committees:

- Audit Committee
- Stakeholder Relationship Committee
- Nomination & Remuneration Committee

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in this report below.

## **2. AUDIT COMMITTEE:**

Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

### **A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 read with Schedule II thereof, inter alia, includes:

- i. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;



- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
- v. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a 380[public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. scrutiny of inter-corporate loans and investments;
  - x. valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the whistle blower mechanism;

- xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- xxi. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- xxii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- xxiii. Carrying out any other function as may be referred to the Committee by the Board.
- xxiv. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

**B. THE AUDIT COMMITTEE SHALL MANDATORILY REVIEW THE FOLLOWING INFORMATION:**

- i. management discussion and analysis of financial condition and results of operations;
- ii. management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii. internal audit reports relating to internal control weaknesses; and
- iv. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- v. statement of deviations:
- vi. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- vii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**C. COMPOSITION, MEETINGS & ATTENDANCE**

There were Four (4) Audit Committee Meetings held during the year on 16.05.2022, 13.08.2022, 14.11.2022 and 14.02.2023.

Name	Designation	Category	No of Meetings held during the tenure	No of Meetings attended
*Mr. G. Venkateswara Rao	Chairman	Independent Director	2	2
Mr. Sushant Mohan Lal	Member	Executive Director	4	4
**Mrs. Lakshmi Vijaya Nimmala	Member	Independent Director	0	0
#Mr. Bhupendralal Waghay	Member	Independent Director	4	4
*#Ms. Vemuri Shilpa	Chairperson	Independent Director	2	2

\*Appointed w.e.f. 13.08.2022

\*\*Appointed w.e.f. 14.02.2023

#Resigned w.e.f. 28.02.2023

\*#Resigned w.e.f. 13.08.2022

Previous Annual General Meeting of the Company was held on 29<sup>th</sup> September, 2022 and Mr. G. Venkateswara Rao, Chairman of the Audit Committee for that period, attended the previous AGM.

### **3. NOMINATION AND REMUNERATION COMMITTEE:**

#### **A. BRIEF DESCRIPTION OF TERMS OF REFERENCE**

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- iii. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iv. devising a policy on diversity of board of directors;
- v. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- vi. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### **B. COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE, MEETINGS & ATTENDANCE:**

There were four (4) Nomination and Remuneration Committee Meetings held during the financial year on 30.04.2022, 13.08.2022, 29.08.2022 and 14.02.2023

Name	Designation	Category	No of Meetings held during the tenure	No of Meetings attended
*Mrs. Lakshmi Vijaya Nimmala	Chairperson	Independent Director	0	0
**Mr. G. Venkateswara Rao	Member	Independent Director	2	2
*Mr. Mary Vara Prasad Mutluri	Member	Independent Director	0	0
#Mr. Bhupendralal Waghay	Chairman	Independent Director	4	4
#Ms. VemuriShilpa	Member	Independent Director	4	4
*#Mr. Sushant Mohan Lal	Member	Director	2	2

\*Appointed w.e.f. 28.02.2023

\*\* Appointed w.e.f. 13.08.2023

# Resigned w.e.f. 28.02.2023

\*# Resigned w.e.f. 13.08.2023

### **C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:**

The performance evaluation criteria for Independent Directors are already mentioned under the head “Board Evaluation” in Directors’ Report.

### **POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS’ INDEPENDENCE:**

#### **1. Scope:**

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

#### **2. Terms and References:**

2.1 “Director” means a director appointed to the Board of a Company.

2.2 “Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 “Independent Director” means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **3. Policy:**

#### **Qualifications and criteria**

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company’s operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the Company’s business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the Company for Directors and senior Management personnel;
- shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any prescribed, from time to time, under the Companies Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company’s business.

#### **3.2 Criteria of Independence**

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall reassess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent Director in relation to a Company, means a director other than a managing Director or a whole-time Director or a nominee Director

- i. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
- ii. who is or was not a promoter of the listed entity or its holding, subsidiary or associate company [or member of the promoter group of the listed entity];
- iii. who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
- iv. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the 68[three] immediately preceding financial years or during the current financial year;
- v. none of whose relatives—
  - a. is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
  - b. is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
  - c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
  - d. has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income: Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.]

- vi. who, neither himself ["/herself], nor whose relative(s) —
  - a. holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company [or any company belonging to the promoter group of the listed entity,] in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed:  
[Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.]
  - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - (i) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
    - (ii) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - c. holds together with his relatives two per cent or more of the total voting power of the listed entity; or
  - d. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;
  - e. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- vii. who is not less than 21 years of age.
- viii. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director:

3.2.3 The independent Director shall abide by the “code for independent Directors “as specified in Schedule IV to the companies Act, 2013.

### 3.3 Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed Company.



3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds Directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the companies Act, 2013 shall be excluded.

### **Remuneration policy for Directors, key managerial personnel and other employees:**

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

### **Remuneration policy for Directors, key managerial personnel and other employees**

#### **1. Scope:**

0.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the Directors, key managerial personnel and other employees of the Company.

#### **2. Terms and Reference:**

In this policy the following terms shall have the following meanings:

2.1 "Director" means a Director appointed to the Board of the Company.

2.2 "key managerial personnel" means

- (i) The Chief Executive Officer or the managing Director or the manager;
- (ii) The Company Secretary;
- (iii) The Whole-time Director;
- (iv) The Chief Financial Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



### **3. Policy:**

#### 3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR)

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

#### 3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

#### 3.3. Remuneration to other employees

1.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

### **C. MECHANISM FOR EVALUATION OF THE BOARD**

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/ HO/ CFD/ CMD/ CIR/ P/ 2017/ 004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given five Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of each Committee of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson; and
- (v) Evaluation of Managing Director and Whole-time Director

The Directors were requested to give following ratings for each criteria:

- 1. Could do more to meet expectations;
- 2. Meets expectations; and
- 3. Exceeds expectations.

The Directors have sent the duly filled forms to the Board. Based on the evaluation done by the Directors, the report on Evaluation was submitted to the Board. And based on the report, the Board of Directors has informed that the performance of Directors is satisfactory.

#### **OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS:**

5.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

5.2 Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

5.3 Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

5.4 Director shall not be a member in more than 10 committees or act as chairman of more than 5 committees across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

#### **4. STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

##### **A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

The Committee's role includes:

i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

ii. Review of measures taken for effective exercise of voting rights by shareholders;

iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

v. Such other matter as may be specified by the Board from time to time.

vi. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

##### **B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:**

Two (2) Stakeholders' relationship Committee Meetings were held during the year on 13.08.2022 and 14.11.2022.

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No of Meetings held during the tenure</b>	<b>No of Meetings attended</b>
*Mr. Venkateswara Rao Gudipudi	Chairman	Independent Director	0	0
*Mrs. Lakshmi Vijaya Nimmala	Member	Independent Director	0	0
*Janaki Ram Ajarapu	Member	Non- Executive Director	0	0
#VemuriShilpa	Chairperson	Independent Director	2	2
#Sushant Mohan Lal	Member	Executive Director	2	2

#BhupendralalWaghray	Member	Independent Director	2	2
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\*Appointed w.e.f. 28.02.2023

#Resigned w.e.f. 28.02.2023

## 5. SENIOR MANAGEMENT:

Particulars of senior management including the changes therein since the close of the previous financial year: **NIL**

## 6. REMUNERATION OF DIRECTORS:

### a. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY:

Mr. Janaki Ram Ajjarapu, Non-executive director is holding 16,59,075 Equity shares (16.43% of paid-up Capital) in the Company.

### b. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

#### Policy:

#### Remuneration to Executive Director and key managerial personnel

1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Directors of the company in terms of approval of the General Body.

1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.

1.3 The remuneration structure to the Executive Directors and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission
- (vi) Retirement benefits

1.4 The Annual plan and Objectives for Executive Directors shall be reviewed by the NR committee and Annual Performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

#### 2. Remuneration to Non – Executive Directors

2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### 3. Remuneration to other employees

3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

#### c. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2022-2023 AND OTHER DISCLOSURES:

Name of the Director	Salary (Rs)	Sitting Fees (Rs)	Number of Equity shares held as on 31.03.2023	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. Sushant Mohan Lal	3,00,000	--	2,16,315	--	--	--	--
Mr. Janaki Ram Ajarapu	--	--	16,59,075	--	--	--	--
Mr. Venkateswara Rao Gudipudi	--	--	--	--	--	--	--
Mrs. Lakshmi Vijaya Nimmala	--	--	--	--	--	--	--
Mr. Mary Vara Prasad Mutluri	--	--	--	--	--	--	--
Mrs. Vemuri Shilpa	--	--	--	--	--	--	--
Mr. Bhupendralal Waghay	--	--	--	--	--	--	--

## **INDEPENDENT DIRECTORS' MEETING:**

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of non-independent directors) was held on 06<sup>th</sup> March 2023, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program is given at company's website (<https://decipherlabs.in/>)

## **7. ANNUAL GENERAL MEETINGS:**

### **C. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL/ORDINARY RESOLUTIONS THERE AT AS UNDER:**

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>Special Resolution Passed</b>
2021-22	29.09.2022	11.30 A.M.	Video Conferencing and Other Audio-Visual Means	Yes
2020-21	29.09.2021	11.00 A.M.	Video Conferencing and Other Audio-Visual Means	Yes
2019-20	29.09.2020	11.30 A.M.	Video Conferencing and Other Audio-Visual Means	Yes

### **D. PASSING OF RESOLUTIONS BY POSTAL BALLOT**

There were no resolutions passed by the Company through Postal Ballot during the financial year 2022-23.

### **E. Extraordinary General Meeting**

There were no Extraordinary General Meetings held during the financial year 2022-23.

### **F. SUSPENSION FROM TRADING**

There was no suspension from trading in equity shares of the Company during the year 2022-23.

## 8. MEANS OF COMMUNICATION

The Company regularly intimates its financial results, audited/limited reviewed, to the Stock Exchange, as soon as the same are taken on record/approved.

IN terms of the requirements of SEBI (Listing Obligations & Disclosures Requirements), the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate Governance Report are electronically submitted, unless there are technical difficulties and are displayed through Corporate Filing and Dissemination System viz., on [www.bseindia.com](http://www.bseindia.com). The un-audited financial results as well as audited financial results, shareholding pattern of the Company and Report on Corporate Governance are displayed on [www.bseindia.com](http://www.bseindia.com).

All important information and official press releases are displayed on the website for the benefit of the public at large. Analysts 'Reports/ Research Report, if any, are also uploaded on the website of the Company. The Company's website can be accessed at <https://decipherlabs.in/>

## 9. GENERAL SHAREHOLDER INFORMATION:

### A. ANNUAL GENERAL MEETING:

The 37<sup>th</sup> (Thirty Seventh) Annual General Meeting of the Company will be held as per the following schedule:

<b>Day</b>	Saturday
<b>Date</b>	30 <sup>th</sup> September, 2023
<b>Time</b>	11: 00 A.M
<b>Venue</b>	Through Video Conferencing / other audio video means

### B. FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2023-24 (TENTATIVE SCHEDULE)

The financial calendar (tentative) shall be as under:

<b>Financial Year</b>	<b>2023-24</b>
<b>First Quarterly Results</b>	14.08.2022
<b>Second Quarterly Results</b>	On or before 14.11.2023
<b>Third Quarterly Results</b>	On or before 14.02.2024
<b>Fourth Quarterly Results</b>	On or before 30.05.2024
<b>Annual General Meeting for year ending 31<sup>st</sup> March, 2024</b>	On or before 30.09.2024

### C. Dividend Payment Date:

The Company has not paid any dividend during the year.

### D. NAME AND ADDRESS OF STOCK EXCHANGE WHERE THE COMPANY'S SECURITIES ARE LISTED:

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

### E. LISTING ON STOCK EXCHANGES:

The equity shares of the Company are listed on BSE Ltd. The Company has paid the listing fees for the year 2023-2024 to BSE Limited.

### F. STOCK MARKET PRICE DATA: DECIPHER (BSE LIMITED)

Month	Open Price	High Price	Low Price	Close Price	No. of Share Traded
Apr-22	52.95	63	50.35	52.1	1064579
May-22	51.5	57.35	37.35	54.3	829401
Jun-22	54.3	58.1	40	40.7	948777
Jul-22	40.05	42.5	38	39.4	369789
Aug-22	39.45	53.9	36.9	45.5	897422
Sep-22	45.4	55.2	31.6	31.6	7039403
Oct-22	30.05	34.8	29.6	31	1661478
Nov-22	31	31.7	27.5	28.8	868614
Dec-22	28.65	35.4	28.2	31.55	1284251
Jan-23	31.55	34	25.5	26.1	497517
Feb-23	26.1	26.85	19.5	19.6	778943
Mar-23	19.6	20.98	14.05	14.19	684117

### PERFORMANCE IN COMPARISON TO BOARD BASED INDICES:





The price movement of the securities of the Company, by and large, is in tandem with the movement of board-based index such as BSE Sensex.

#### **G. REGISTRAR AND SHARE TRANSFER AGENTS:**

Venture Capital & Corporate Investments Private Limited,  
 “AURUM”, DOOR No.4-50/P-II/57/4F & 5F, Plot No.57, 4th & 5th Floors, Jayabheri Enclave  
 Phase – II, Gachibowli, Hyderabad – 500 032.

#### **H. SHARE TRANSFER SYSTEM:**

The requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository and the transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and dispatched within a period of 15 days from the date of receipt.

#### **I. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2023:**

<b>Category</b>	<b>Number of shareholders</b>	<b>%</b>	<b>Number of shares</b>	<b>%</b>
1 - 500	35552	92.84	2607586	25.82
5001 - 1000	1493	3.9	1155141	11.44
10001- 2000	730	1.91	1085899	10.75
20001- 3000	197	0.51	496934	4.92
30001- 4000	100	0.26	353155	3.5
40001 - 5000	60	0.16	278699	2.76
50001 - 10000	107	0.28	740495	7.33
100001 & above	55	0.14	3382091	33.49
<b>Total:</b>	<b>38294</b>	<b>100</b>	<b>10100000</b>	<b>100</b>

#### **J. DEMATERIALISATION & LIQUIDITY OF SHARES:**

Trading in Company’s shares is permitted only in dematerialized form for all investors. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares held in demat and Physical mode as on March 31, 2023 is as follows:

<b>Particulars</b>	<b>No. of Equity Shares</b>	<b>% Share Capital</b>
NSDL	26,71,251	26.45
CDSL	67,91,631	67.30

PHYSICAL	6,31 118	6.25
<b>Total</b>	<b>101,00,000</b>	<b>100.00</b>

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with respective depository participants.

**K. LOCATIONS & ADDRESS FOR CORRESPONDENCE:**

4th Floor, Plot No. 94, Sagar Society, Banjara Hills, Road no.2 Hyderabad Hyderabad TG 500034  
IN

**L. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD**

Since the Company has not issued any Debt Instruments or Fixed Deposit Programme, therefore company has not obtained any Credit Ratings during the Financial Year.

**M. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:**

The Company has not issued these types of securities.

**N. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

NIL Charges for Monitoring Foreign Investment Limit

**O. BOOK CLOSURE DATE:**

The date of Book Closure for the purpose of Annual General Meeting shall be from September 24, 2023 to September 30, 2023 (both days inclusive).

**P. ELECTRONIC CONNECTIVITY:**

Demat ISIN Number: INE643N01012

## Q. NATIONAL SECURITIES DEPOSITORY LIMITED

Trade World, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai – 400 013.

## R. CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Phiroze Jeejeebhoy Towers, 28th Floor  
Dalal Street, Mumbai – 400 023.

## S. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2023:

S. No.	CATEGORY OF SHAREHOLDER	No. of shares held	Percentage of shareholding
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>		
(1)	Indian:		
(a)	Individual	16,59,075	16.43
(b)	Others	0	0
	<b>Sub-Total A(1) :</b>	<b>16,59,075</b>	<b>16.43</b>
(2)	Foreign:	--	--
(a)	Individuals	--	--
	<b>Sub-Total A(2) :</b>	<b>--</b>	<b>--</b>
	<b>Total A=A(1)+A(2)</b>	<b>16,59,075</b>	<b>16.43</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>		
(1)	INSTITUTIONS:		
(a)	Financial Institutions /Banks	300	0
(b)	Foreign Institutional Investors	--	--
	<b>Sub-Total B(1) :</b>	<b>300</b>	<b>0</b>
(2)	NON-INSTITUTIONS:		
(a)	Bodies Corporate	51588	0.51
(b)	Individuals	8143677	80.63
(c)	Central Government /State Government	--	--
(d)	Directors and their relatives	223480	2.21
	<b>Sub-Total B(2) :</b>	<b>8418745</b>	<b>81.14</b>
<b>(C)</b>	<b>OTHERS:</b>		
(1)	HUF	--	--
(2)	Employees	--	--
(3)	Clearing Members	2097	0.02
(4)	Foreign Bodies	--	--
(5)	Foreign Nationals	--	--
(6)	Corporate Body - Others	--	--
(7)	NBFC	--	--

(8)	Non-Resident Indians	19783	0.20
(9)	Trusts	--	--
	<b>Sub-Total C:</b>	<b>21880</b>	<b>0.22</b>
	<b>GRAND TOTAL (A+B+C) :</b>	<b>15480215</b>	<b>100.00</b>

## **10. OTHER DISCLOSURES:**

### **A. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE:**

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

### **B. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS;**

There was no penalty imposed on company by stock exchange during the year 2022-23.

### **C. WHISTLE BLOWER POLICY:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI (LODR) Regulations 2015 and in terms of Section 177 of the Companies Act, 2013.

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person has been denied access to the Audit Committee.

### **D. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of non- mandatory requirements.

**E. WEB LINK WHERE POLICY FOR DETERMINING ‘MATERIAL’ SUBSIDIARIES IS DISCLOSED;**

The Company does not have any material subsidiary as defined under Listing Regulations.

**F. WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company’s Website <https://decipherlabs.in/> . The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm’s Length. All Related Party Transactions are subjected to independent review by the statutory auditor to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm’s Length basis. No Material Related Party Transactions, Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 annexed as **Annexure IV**

**G. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES**

Price and demand of the Company’s finished products are inherently volatile and remain strongly influenced by global economic conditions. Any fluctuation in finished product prices or currency has direct impact on the Company’s revenue and profits.

The Company considers exposure to commodity price fluctuations to be an integral part of our business and its usual policy is to sell its products at prevailing market prices. The Company has a well-defined policy framework wherein no speculative positions are taken and limited commodity hedging is done with and endeavors to achieve month average rates both in currency and metal prices. The Company follows the policy of taking forward cover for net foreign exposure, if the net is payable in foreign currency, with negligible exposure in non-USD currencies All policies are periodically reviewed basis local and global economic environment.

**H. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A).**

The Company has not raised any fund through preferential allotment or Qualified Institutional Placement during the financial year 2022-23.

#### **I. CERTIFICATE FROM PRACTICING COMPANY SECRETARY**

The Company has obtained certificate from Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such authority. And the Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

#### **J. RECOMMENDATIONS OF COMMITTEES**

The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

#### **K. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR**

The Total Audit Fee for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditor (s) is Rs. 16,78,912/-

#### **L. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace.

This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on our website ([www.decipherlabs.in](http://www.decipherlabs.in)).

All employees are covered under this policy. The Company is having less than 10 employees and therefore not required to constitute Internal Complaints Committee. No Complaints were pending at the beginning of the year or received during the year.

#### **M. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT**

Neither the listed company nor the subsidiary company has advanced any loan to other firm/ companies in which directors are interested.

**N. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES: NIL**

**11. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT.**

The company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

**12. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015.**

The company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee.

**13. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:**

Regulation	Particulars	Compliance Status
17	Board of Directors	yes
18	Audit Committee	yes
19	Nomination and Remuneration Committee	yes
20	Stakeholders Relationship Committee	yes
21	Risk Management Committee	NA, Company does not fall in list of top 1000 Companies as per Market cap in BSE
22	Vigil Mechanism	yes
23	Related Party Transactions	yes
24	Corporate Governance requirements with respect to subsidiary of Listed company	NA The Subsidiary is not a material subsidiary.
25	Obligations with respect to Independent Directors	yes
26	Obligations with respect to Directors and Senior Management	yes
27	Other Corporate Governance Requirements	yes
46 (2) (b) to (i)	Website	yes

#### **14. CODE OF CONDUCT**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

#### **15. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2022-23.**

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended on March 31, 2023 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

#### **16. MD/ CFO Certification**

The Managing Director and CFO certification of the financial statements as specified in Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the Financial Year 2022-2023 is provided elsewhere in this Annual Report

#### **17. RECONCILIATION OF SHARE CAPITAL:**

A qualified Practicing Company Secretary carry out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. Reconciliation of Share Capital Audit Report confirms that the total paid up capital was in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### **18. DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:**

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years except one penalty due to the delay in intimation for declaration of dividend. The penalty was paid and the management assured the Board that due care would be taken in order to avoid any further non-compliances.

#### **19. COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS:**

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:



- **Audit qualifications:** Company's financial statements have no qualifications.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2) (a) of the Listing Regulations.

## 20. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

## 21. GREEN INITIATIVE IN THE COPORATE GOVERNANCE

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited financial Statements, Auditors Report, Dividend intimations etc., by email are sent only to those shareholders whose email addresses are not registered with the Company and for bounced mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent/concerned depository to enable the Company to send the documents in electronic form or inform the Company, in writing, in case they wish to receive the above documents in paper mode.

**For DECIPHER LABS LIMITED**

**Place: Hyderabad**  
**Date: 04.09.2023**

**Sd/-**  
**SUSHANT MOHAN LAL**  
**DIRECTOR**  
**DIN: 01227151**

**Sd/-**  
**JANAKIRAM AJJARAPU**  
**DIRECTOR**  
**DIN: 02155939**

## Form AOC – 1

**Statement containing salient features of the financial statements of Subsidiaries (Pursuant to proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)**

Name of the Subsidiary	Decipher Software Solutions LLC	Decipher Soft Middle East W.L.L.
Reporting Period	01.04.2022 to 31.03.2023	06.09.2022 to 31.03.2023
Reporting Currency	US Dollar	US Dollar

1. Name of the Subsidiaries: DECIPHER SOFTWARE SOLUTIONS LLC
2. Reporting Period: 01.04.2022 to 31.03.2023
3. Reporting Currency: US Dollar

S.No.	Particulars	Decipher Software Solutions LLC	Decipher Soft Middle East W.L.L.
		Amount in USD	Amount in USD
1.	Share Capital:	1,181,767	132,687
2.	Reserves and surplus for the year ending	1,705,479	(124,552)
3.	Total Assets	3,474,148	17,207
4.	Total Liabilities	586,902	9,072
5.	Investments	738,978	-
6.	Turnover (Income)	6,316,679	25,093
7.	Profit / loss before Taxation	115,632	(123,599)
8.	Provision for Taxation	--	--
9.	Profit / loss after Taxation	115,632	(123,599)
10.	Proposed Dividend	--	--
11.	% of Shareholding	100	100

The following information shall be furnished at the end of the statement:

1. Names of Subsidiaries which are yet to commence operation: None
2. Names of subsidiaries which have been liquidated or sold during the year: None

## Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable as all the Related Party Transactions have been entered into at an arm's length basis.**
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions:	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any: Approved by Audit Committee and Board Meeting in last Financial Year:
1.	Mr. Sushant Mohan Lal	Remuneration	3 years	As approved by the Board of Directors	01.09.2020
2.	Mr. Suchit Mohan Lal	Rent	Not Defined	As approved by the Board of Directors	NA
3.	M/s. ICP Solutions Private Limited	Rent	Not Defined	As approved by the Board of Directors	NA
4.	Vitpro LLC	Consultancy Services	Not Defined	As approved by the Board of Directors	NA
5.	Ms. Sonam Jalan	Remuneration	Not Defined	As approved by the Board of Directors	NA
6.	Ms. Megha Agarwal	Remuneration	Not Defined	As approved by the Board of Directors	NA

**For DECIPHER LABS LIMITED**

Sd/-

**SUSHANT MOHAN LAL  
EXECUTIVE DIRECTOR  
DIN: 01227151**

**Place: Hyderabad  
Date: 04.09.2023**

Sd/-

**JANAKIRAM AJJARAPU  
DIRECTOR  
DIN: 02155939**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
**Decipher Labs Limited**  
Hyderabad

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Decipher Labs Limited** having CIN **L24230TG1986PLC006781** and having registered office at 4th Floor, Plot No. 94, Sagar Society, Banjara Hills, Road no.2 Hyderabad - 500034 (herein after referred to as the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in Company</b>
1.	Mr. Sushant Mohan Lal	01227151	19/05/2006
2.	Mr. Janaki Ram Ajjarapu	02155939	14/02/2023
3.	Mr. Mary Vara Prasad Mutluri	01726581	14/02/2023
4.	Mr. Venkateswara Rao Gudipudi	02147615	13/08/2022
5.	Mrs. Lakshmi Vijaya Nimmala	09788849	14/02/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.S. Reddy & Associates**

Sd/-

**S. Sarveswar Reddy**  
**Practicing Company Secretary**  
**M.NO. 12619; CP. No: 7478**  
**UDIN: F012619E000914905**  
**Peer Review Cer. No.: 1450/2021**

**Place: Hyderabad**  
**Date: 01.09.2023**

**CERTIFICATE BY THE DIRECTOR AND CFO OF THE COMPANY**

**To**  
**The Board of Directors**  
**Decipher Labs Limited**

Dear Sirs,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 23 and to the best of our knowledge and belief;

a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and

b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,

4. That we have informed the auditors and the audit committee of:

a) Significant changes in the internal control during the year;

b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**For and on behalf of the Board**  
**Decipher Labs Limited**

**Place: Hyderabad**  
**Date: 30.05.2023**

**Sd/-**  
**Sushant Mohan Lal**  
**Executive Director**  
**DIN: 01227151**

**Sd/-**  
**SonamJalan**  
**CFO**

**DECLARATION ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Sushant Mohan Lal, Whole-time Director of Decipher Labs Limited (“**the Company**”) hereby state and affirm Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management of the company during Financial Year 2022-2023

**For Decipher Labs Limited**

**Sd/-**

**Sushant Mohan Lal**

**Executive Director**

**DIN: 01227151**

**Place: Hyderabad**

**Date:04.09.2023**

**CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF  
Decipher Labs Limited**

We have examined the compliance of the conditions of Corporate Governance by **Decipher Labs Limited** ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para-C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For S.S. Reddy & Associates**

Sd/-

**S. Sarveswar Reddy**  
**Practicing Company Secretary**  
**M.NO. 12619; CP. No: 7478**  
**UDIN: F012619E000914872**  
**Peer Review Cer. No.: 1450/2021**

**Place: Hyderabad**

**Date: 01.09.2023**

ANNEXURE – IX(a)

**STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

3. The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.

(Amount in Mn)

Director	Total Remuneration	Ratio to median remuneration
Sushant Mohan Lal	3,00,000*	1.16:1

\* Mr. Janakiram Ajarapu and Mr. Sushant Mohan Lal had in their earlier communication opted not to draw any remuneration from the Company for the financial year ended 31<sup>st</sup> March, 2023. The above reflects only partial payout prior to consideration of the request.

4. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

(Amount in INR)

Name	Designation	Remuneration		Increase/(Decrease) %
		FY 2022-23	FY 2021-22	
Sushant Mohan Lal	Director	3,00,000	3,00,000	--
Sonam Jalan	Chief Financial Officer	9,00,000	9,00,000	--
Megha Agarwal	Company Secretary	4,95,000	--	--

**There has been no Increase in the remuneration.**

3. The percentage increase in the median remuneration of employees in the financial year

(Amount in INR)

Particulars	Remuneration		Increase/(Decrease)%
	FY 2022-23	FY 2021-22	
Median Remuneration of all the employees per annum*	2,57,806	3,24,000	<b>(20.00%)</b>

\*Employees who have served for whole of the respective financial years have been considered



**2. No. of Employees on the Roll of Company:**

<b>Particulars</b>	<b>Number</b>
<b>The number of employees on the rolls of the company as on March 31, 2023</b>	<b>5</b>

**5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration**

<b>Particulars</b>	<b>Increase/(Decrease) %</b>
<b>Average percentage increase in the remuneration of all Employees* (Other than Key Managerial Personnel)</b>	<b>---</b>
<b>Average Percentage increase in the Remuneration of Key Managerial Personnel</b>	<b>---</b>

*\*Employees who have served for whole of the respective financial years have been considered.*

**6. Affirmation that the remuneration is as per the remuneration policy of the company.**

The Company is in compliance with its remuneration policy.

ANNEXURE – IX (b)

**Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014**

*(Amount in Rs.)*

S No .	Name of the Employee	Designation of the employee	Remuneration received	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Mr. Sushant Mohan Lal	Director	3,00,000	Whole-time	MBA	19.05.2006	43	-	-	No
2	Ms. Megha Agarwal	Company Secretary and Compliance Officer	4,95,000	Whole-time	Company Secretary	01.05.2022	27	-	-	No
3	Ms. Sonam Jalan	Chief Executive Officer	9,00,000	Whole-time	Chartered Accountant	27.03.2019	31	-	-	No
4	Ms. Kasturi	Office Manager	1,38,120	Whole-time	Graduate	04.04.2018	42	-	-	No
5	Ms. Aruna Dalavat	Bouduppall Manager	1,19,686	Whole-time	Graduate	21.03.2012	52	-	-	No

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**Overview**

We look ahead and push ourselves to re-innovate and Decipher the Future by grasping the opportunity while being introspective and realising and building on our core strengths. We see great potential and seek to explore new markets and new fields.

**Industry Structure and Developments**

Companies across the globe have expanded and are capitalizing on numerous opportunities that they come across. Your Company has also utilised its investment plans and close collaboration with customers, banks, financial institutions, suppliers and employees and was able to focus on costs, efficiency and initiatives for the long term. The numbers of the company may have declined today compared to the earlier year, but the initiatives taken by the company this year have yielded creditable market share and is set to enhance its financial performance in the future catapulting it as one of the leaders in the business.

Your company by itself and/or through its Subsidiary / SDS now operates in India, USA and Bahrain and targets to expand further to other countries.

Looking ahead, our long-term outlook continues to remain positive. The management is continuously experimenting with the business and operating models without any presumptions and the series of initiatives set in motion, to reconfigure the Company aimed at sustainable growth whilst focusing its efforts on securing contracts, completing key collaborations for growth while developing integrated digital channels to enhance the values of the company and its subsidiary to be an agile player geared up for sustained growth in the coming years, are yielding results.

**Opportunities and Threats**

The company is continuously striving to acquire niche, low competition and high-tech barrier/complex products and enter into various Joint venture(s) to develop products and Services and bring to US market in a short period of time.

The Company is concentrating on new products with very high scope and is also in the process of entering Joint Ventures while contemplating takeovers of Pharma companies and IT Companies in India and USA. The IT subsidiary Company in USA, caters to various healthcare companies apart from other clients and is helping the company expand its presence across the globe. The company has also started offering its services in the Middle East through its Step Down Subsidiary in Bahrain. Led by the enterprising Promoter, the company expects to see substantial growth in the new areas of operation and further looks to expand to other countries.

While the pharmaceutical industry sees a growth pattern in the recent months, several key challenges have emerged which include setting up of an alternate of the suppliers from China while

ensuring compliances with global CGMP standards; thereby involving continuous improvement in systems and processes including training of the work force

Further, due to the economic pressure envisaged due to the withdrawal of the Pharmaceutical supplies across the globe, pricing and anti-dumping will become the key concern for the pharmaceutical sector in the coming years adding to the concern and eminent threat of decline in the margins because of increasing competition from smaller new entrants, Generic medicine pricing & policies of various Governments.

### **Segment –wise or product wise performance**

#### **Revenues – standalone**

During the year under review, the Company on a *standalone basis* has recorded an income of Rs.83.82 Lakhs and incurred a loss of Rs. 261.75 Lakhs as against the income of Rs. 103.43 Lakhs and Profit of Rs. 36.04 Lakhs respectively in the previous financial year ending 31.03.2022.

#### **Revenues – Consolidated**

During the year under review, the Company on a *consolidated basis* has recorded an income of Rs. 5294.33 Lakhs and incurred a loss of Rs. 95.66 Lakhs as against the income of Rs. 7299.63 Lakhs and Profit of Rs. 1194.47 Lakhs respectively in the previous financial year ending 31.03.2022.

The details of the financial performance of the Company are comprised in the Balance Sheet, Profit and Loss Account and other financial statements which are annexed hereto along with the Directors and the Auditors Report.

#### **Internal Control Systems and their Adequacy**

The Company has an adequate internal control system which commensurate with the size and nature of its business. The internal control system is being supported by internal audits, regular reviews by management to ensure reliability of financial and all other records to prepare financial statements and other data. Further the Audit Committee of the Board review the findings and recommendations of the internal audit and suitable implementations are affected.

#### **Risk Management System**

The company manages our business risk through strict compliance and internal control system.

#### **Risk and Concerns**

Decipher Labs Limited does a regular and stringent monitoring of its business activities to identify, evaluate and resolve risks. The top management of the Company and the Board are involved in monitoring of risk assessment and mitigation, thus ensuring a quick resolution mechanism.

In line with our stated philosophy and strategy, the company will continue to pursue various options to achieve growth while trying to reduce the cost and focus more on marketing tie-ups to expand its market reach.

Your Company has adequate internal control systems commensurate with the size of its operations for the purpose of exercising adequate controls on day to day operations of the Company and is at present involved in sourcing the products and services through third party facilities in various locales.

The details of the financial performance of the Company are comprised in the Balance Sheet, Profit and Loss Account and other financial statements which are annexed hereto along with the Directors and the Auditors Report for the financial year 2022-2023.

### **Outlook**

FY23 has been a year of experimentation and that of consolidation with focus on trimming the expenses and narrowing fields to generate maximum profitability. Growth is expected in most of our business segments and we expect to reach greater numbers in FY24. As part of the consolidation and expansion targets, the company is also aggressively pursuing collaborations and Joint Ventures and Takeovers in USA and in India. We expect to sustain the healthy core EBITDA margins in FY24.

We intend to complete the organizational structuring and strengthening of Businesses and the human resources required to fully operationalize all the core Revenue enhancing Divisions in the coming years.

### **Disclosure of Accounting Treatment:**

The Company has not carried out any treatment different from that prescribed in Accounting Standards.

### **Details of significant changes**

<b>Particulars</b>	<b>F.Y 2022-23</b>	<b>F.Y 2021-22</b>	<b>% of changes</b>	<b>Remarks</b>
Debtors Turnover	4.72	3.65	0.29	Due to writeoff of Debtors
Inventory Turnover	36.648	22.36	0.64	Due to write off of non-Moving inventory in the current year.
Interest Coverage Ratio	-	-	-	--
Current Ratio	2.15	32.37	-0.93	Due to write off of Deposit made to others and Inventory
Debt Equity Ratio	0	0	-	--
Operating Profit Margin (%)	-49.00%	36.00%	-0.50	Due to Sale of Plant and Machinery and Write off of

				Inventory.
Net Profit Margin (%)	-323.00%	36.00%	-0.986	Due to Sale of Plant and Machinery and Write off of Inventory.
Return on Net-worth	-4.00%	3.00%	-0.244	Loss reported in current financial year when compared to profit in previous financial year.

There is change in net worth as compared to the immediately previous financial year.

### **Human Resources**

The company is in the process of expansion of its operations and with time will need to expand the man power which had previously come down during consolidation. There is a conscious effort by the Company to build diversity in the workforce. The company through its subsidiary has sufficient manpower.

### **Cautionary Statement**

*Some of the statements in this Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations may be "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operation including changes in the industry structure, significant changes in political and economic environment in India, tax laws, import duties, litigation and labor relations. The Company does not undertake endeavors to update these statements.*

## **Independent Auditor's Report**

### **To the Members of Decipher Labs Limited Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **Decipher Labs Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by the Institute of Chartered Accountants of India. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters. We have determined that there are no key audit matters to communicate in our report.

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Corporate Governance Report but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one



resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act based on our audit, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have pending litigations on its financial position in its standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company

from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend was declared or paid during the year by the Company.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. As maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is not applicable to the Company for the year 2022.23, hence, we are unable to report under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor’s Report) Order, 2020, (‘the Order’) issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Ramanatham & Rao  
Chartered Accountants  
(FRN: 002934S)

Sd/-

K Sreenivasan  
Partner  
Membership No: 206421

UDIN: 23206421BGTHOZ7332  
Place: Hyderabad  
Date: 30.05.2023

## **Annexure “A” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to the standalone financial statements of **Decipher Labs Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

#### **Meaning of Internal Financial Controls with reference to these Standalone Financial Statements**

A Company's internal financial control with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ramanatham & Rao  
Chartered Accountants  
(FRN: 002934S)

Sd/-

K Sreenivasan  
Partner  
Membership No: 206421

UDIN: 23206421BGTHOZ7332  
Place: Hyderabad  
Date: 30.05.2023

### **Annexure “B” to the Independent Auditor’s Report**

With reference to Paragraph 2 under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of the Company, we report that

- i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The property, plant and equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such physical verification
  - (c) The Company does not hold any immovable properties. Accordingly the provisions of paragraph 3 (1) (c) of the Order is not applicable to the Company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does have any inventories at the year end Hence, reporting under clause 3(ii)(a) of the Order is not applicable.  
(b) The Company has not availed working capital facility from banks or financial Institutions and hence clause 3(ii)(b) of the Order is not applicable.
- iii. During the year the Company has not made investments, not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans wherever applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act and hence clause 3(vi) of the Order is not applicable.
- vii. In respect of statutory dues:

- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Customs, Cess and other statutory dues applicable to it with the appropriate authorities.  
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, Cess and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- b) There are no disputed statutory dues as referred in Sub-clause(a) above that have not been deposited on account of any dispute by the Company.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a) In our opinion and based on our examination and enquiries with the management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act is required to be filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.



- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- b. The Company is not engaged in any non-banking financial housing finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company
- c. The Company is not a core investment company as defined in the Regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company
- d. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash loss of Rs.34.00 lakhs during the financial year covered by our audit and has not incurred cash loss in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion, the provisions of Section 135 of the Act are not applicable to the Company and hence reporting under clause 3(xx) of the Order are not applicable.

For Ramanatham & Rao  
Chartered Accountants  
(FRN: 002934S)

Sd/-  
K Sreenivasan  
Partner  
Membership No: 206421

UDIN: 23206421BGTHOZ7332  
Place: Hyderabad  
Date: 30.05.2023



**DECIPHER LABS LIMITED**  
**STANDALONE BALANCE SHEET AS AT 31 MARCH 2023**  
**Standalone Statement of Assets and Liabilities**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	11.87	33.46
(b) Financial assets			
Investments	4	866.41	866.41
(c) Other non-current assets	5	0.30	0.30
(d) Deferred Tax Assets	12	2.00	-
<b>Current Assets</b>			
(a) Inventories	6	-	4.42
(b) Financial assets			
(i) Trade receivables	7.1	12.74	21.54
(ii) Cash and cash equivalents	7.2	5.62	4.76
(iii) Other financial assets	7.3	-	0.55
(c) Current tax assets	8	0.03	0.06
(d) Other current assets	9	-	228.85
<b>TOTAL ASSETS</b>		<b>898.98</b>	<b>1,160.35</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	1,010.00	1,010.00
(b) Other equity	11	(119.57)	142.17
<b>Non-current assets</b>			
(a) Deferred tax liabilities (net)	12	-	0.14
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13.1	-	-
(ii) Trade Payables	13.2		
a) Total outstanding dues of Micro and small enterprises		-	-
b) Total outstanding dues of creditors other than Micro and small enterprises		-	-
(iii) Other financial liabilities	13.3	7.73	7.00
(b) Other current liabilities	14	0.81	1.04
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>898.98</b>	<b>1,160.35</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For Ramanatham & Rao  
Chartered Accountants  
FRN. S - 2934

For and on behalf of the Board

K.Srinivasan  
Partner  
M.No: 206421

sd/- Sushant Mohan Lal Director DIN: 01227151	sd/- Venkateswara Rao Gudipudi Director DIN: 02147615
--	--

Place: Hyderabad  
Date: 30.05.2023  
UDIN:23206421BGTHOZ7332

sd/- Megha Agarwal Company Secretary DAHPA1005D	sd/- Sonam Jalan Chief Financial Officer COFPK5981R
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**DECIPHER LABS LIMITED**  
**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Note	Year ended 31st March, 2023	Year ended 31st March, 2022
I. Revenue from operations	15	81.00	98.84
II. Other income	16	2.82	4.59
<b>III. Total revenue (I + II)</b>		<b>83.82</b>	<b>103.43</b>
<b>IV. Expenses</b>			
Purchase of stock-in-trade	17	47.25	15.53
Changes in inventories of stock in trade	18	4.42	-
Employee benefits expense	19	20.11	23.32
Finance costs	20	-	-
Depreciation expense	3	5.74	5.01
Other expenses	21	46.03	23.78
<b>Total expenses</b>		<b>123.55</b>	<b>67.64</b>
<b>V. Profit/(Loss) before exceptional items and tax (III - IV)</b>		<b>(39.74)</b>	<b>35.79</b>
Exceptional items		224.15	-
<b>VI. Profit before tax (III-IV)</b>		<b>(263.89)</b>	<b>-</b>
<b>VII. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax	12	(2.14)	(0.25)
<b>VIII. Profit/(Loss) for the period (VI-VII)</b>		<b>(261.75)</b>	<b>36.04</b>
<b>IX. Other comprehensive income</b>		-	-
<b>X. Total comprehensive income for the year</b>		<b>(261.75)</b>	<b>36.04</b>
<b>XI. Earning per equity share (Face Value of Rs. 10/- each)</b>			
(1) Basic		(2.59)	0.36
(2) Diluted		(2.59)	0.36
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			
As per our report of even date		For and on behalf of the Board	
For Ramanatham & Rao			
Chartered Accountants			
FRN. S - 2934			
	sd/-	sd/-	
K.Srinivasan	Sushant Mohan Lal	Venkateswara Rao	
Partner	Director	Gudipudi	
M.No: 206421	DIN: 01227151	Director	
	sd/-	sd/-	
Place: Hyderabad	Megha Agarwal	Sonam Jalan	
Date: 30.05.2023	Company Secretary	Chief Financial Officer	
UDIN:23206421BGTHOZ7332	DAHPA1005D	COFPK5981R	

**DECIPHER LABS LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(263.89)	35.79
Adjustments for :		
Depreciation expense	5.74	5.01
Loss on sale of asset	7.34	-
Advance to suppliers written off	-	3.05
Balances written off	224.15	(2.14)
<b>Operating Profit before Working Capital Changes</b>	<b>(26.66)</b>	<b>41.71</b>
Adjustments for:		
(Increase) / Decrease in Trade Receivables	8.80	16.83
(Increase) / Decrease in Inventories	4.42	-
(Increase) / Decrease in Other Assets	5.28	(4.38)
Increase / (Decrease) in Trade Payable	-	2.06
Increase / (Decrease) in Other Liabilities	0.51	(1.44)
	19.01	13.07
<b>Cash Generated from Operations</b>	<b>(7.65)</b>	<b>54.78</b>
Direct Taxes Paid	-	-
<b>Net Cash generated from/(used in) Operating Activities</b>	<b>(7.65)</b>	<b>54.78</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/Sale of Property, Plant & Equipment Investments	8.50	(12.91)
	-	(25.41)
<b>Net Cash used in Investing Activities</b>	<b>8.50</b>	<b>(38.32)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Short Term Borrowings (net)	-	(13.63)
<b>Net Cash generated from Financing Activities</b>	<b>-</b>	<b>(13.63)</b>
<b>Net decrease in Cash and Cash Equivalents</b>	<b>0.86</b>	<b>2.83</b>
Cash and Cash Equivalents at the beginning of the year	4.76	1.93
<b>Cash and Cash Equivalents at the end of the year</b>	<b>5.62</b>	<b>4.76</b>

**Notes to cash flow statement**

1	Components of cash and cash equivalents	
	Balances with banks	5.40
	Cash on hand	0.22
	<b>Cash and cash equivalents considered in the cash flow statement</b>	<b>5.62</b>
		<b>4.76</b>

2 The above cash flow statement has been prepared under with the 'Indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.

Significant Accounting Policies

Note 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Ramanatham & Rao

Chartered Accountants

FRN. S - 2934

sd/-

sd/-

K.Srinivasan

Partner

M.No: 206421

Sushant Mohan Lal

Director

DIN: 01227151

Venkateswara Rao Gudipudi

Director

DIN: 02147615

sd/-

sd/-

Place: Hyderabad

Date: 30.05.2023

UDIN:23206421.BGTHOZ7332

Megha Agarwal

Company Secretary

DAHPA1005D

Sonam Jalan

Chief Financial Officer

COFPK5981R

**DECIPHER LABS LIMITED**  
**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**

All amounts in ₹ Lakhs, unless otherwise stated

**a. Equity share capital**

Particulars	Note	Equity share capital
Balance at the beginning of the year	10	1,010.00
Add: Change in equity share capital due to prior period error		-
<b>Restated balance at the beginning of the year</b>		<b>1,010.00</b>
Add: Changes in equity share capital during the year		-
<b>Balance at the end of the year</b>		<b>1,010.00</b>

**b. Other equity**

	Note	Retained Earnings	Securities Premium	Total
Balance as at 1st April, 2022	11	(487.83)	630.00	142.17
Profit/(loss) for the year		(261.75)	-	(261.75)
<b>Balance as at 31st March 2023</b>		<b>(749.57)</b>	<b>630.00</b>	<b>(119.57)</b>
Balance as at 01 April 2021		(523.87)	630	96.51
Profit/(loss) for the year		36.04	-	9.62
<b>Balance as at 31st March, 2022</b>		<b>(487.83)</b>	<b>630.00</b>	<b>106.13</b>

As per our report of even date

For Ramanatham & Rao

Chartered Accountants

FRN. S - 2934

K.Srinivasan

Partner

M.No: 206421

Place: Hyderabad

Date: 30.05.2023

UDIN:23206421BGTHOZ7332

For and on behalf of the Board

sd/-

Sushant Mohan Lal

Director

DIN: 01227151

sd/-

Megha Agarwal

Company Secretary

DAHPA1005D

sd/-

Venkateswara Rao Gudipudi

Director

DIN: 02147615

sd/-

Sonam Jalan

Chief Financial Officer

COFPK5981R

**DECIPHER LABS LIMITED (FORMERLY KNOWN AS COMBAT DRUGS LIMITED)**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2023**

**1. Background**

Decipher Labs Limited (Formerly Knowns as Combat Drugs Limited) was incorporated in 1989 having its registered office in Hyderabad. The Company deals in trading and manufacturing of Pharmaceutical drugs.

The Board of Directors approved the financial statements for the year ended 31<sup>st</sup> March, 2023 and authorized for issue on 30.05.2023. The shareholders have the power to amend the Financial Statements after the issue.

**2. Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Statement of Compliance**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") read along with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

**b) Basis of preparation**

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**c) Use of estimates and critical accounting judgements**

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

**d) Revenue Recognition**

**i) Revenue from contract with customers**

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods is transferred from the Company to the customer.

Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.

Revenue is measured based on consideration specified in the contract with a customer which is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties.

**ii) Other income**

Dividend income is recognised when the shareholder's right to receive the income is established.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

**e) Income tax**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised in outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**f) Impairment of assets**

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**g) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**h) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

**i) Inventories****Raw Materials, Fuel, Stores & Spares and Packing Materials**

Valued at lower of cost and net realizable value (NRV). These items are considered to be realizable at cost, if the finished products, in which they are intended for use, are expected to be sold at or above cost. Cost is determined on weighted average basis.

**Work-in-Progress (WIP) and Finished Goods**

Valued at lower of cost and NRV. Cost of Finished Goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis

**j) Other financial assets****i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**ii) Measurement**

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments:**

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**iii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 20 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**iv) Derecognition of financial assets**

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**k) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**l) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation/Amortisation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortised over the period of lease.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal are determined by comparing proceeds with carrying amount.

**m) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**n) Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

**o) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

**p) Provisions**

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

**q) Employee benefits****Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**r) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**s) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**t) Earning per share**

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**u) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.



**v) Leases**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

**w) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**x) Recent accounting pronouncements:**

On March 23, 2022, the Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022. Amendments applicable to the Company are given below:

Ind AS 16 – Proceeds before intended use - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment, amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the statement of profit and loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**y) Unless specifically stated to be otherwise, these policies are consistently followed.**

**DECIPHER LABS LIMITED**

Notes to the financial statements for the year ended 31 March 2023

**3 Property, Plant and Equipment**

Changes in the carrying value property, plant and equipment for the year ended 31 March 2023

All amounts in ₹ Lakhs, unless otherwise stated

Sr. No	Particulars	Plant and Equipment	Furniture & Fixtures	Electrical Equipment	Mobile Phones	Computers	Total
1	<b>Gross Carrying Amount</b>						
	As at 1st April, 2022	19.14	0.18	11.58	0.78	11.18	42.85
	<b>Additions</b>						
	Disposal / Adjustments	18.75	-	-	-	-	18.75
	<b>As at 31st March, 2023</b>	<b>0.39</b>	<b>0.18</b>	<b>11.58</b>	<b>0.78</b>	<b>11.18</b>	<b>24.10</b>
2	<b>Depreciation</b>						
	As at 1st April, 2022	2.06	0.01	0.18	0.05	7.09	9.40
	Charge for the year	1.16	0.02	1.10	0.15	3.30	5.73
	Disposal / Adjustments	2.91	-	-	-	-	2.91
	<b>As at 31st March, 2023</b>	<b>0.32</b>	<b>0.03</b>	<b>1.28</b>	<b>0.20</b>	<b>10.39</b>	<b>12.22</b>
3	<b>Net Carrying Amount</b>						
	As at 31st March, 2023	0.07	0.15	10.30	0.58	0.79	11.89

**3.1 Other Intangible Assets - Computer Software**

Changes in the carrying value property, plant and equipment for the year ended 31st March, 2023

Sr. No	Particulars	Rs. In Lakh
1	<b>Gross Carrying Amount</b>	
	As at 1st April, 2022	0.17
	<b>Additions</b>	
	As at 31st March, 2023	0.17
2	<b>Amortisation</b>	
	As at 1st April, 2022	0.16
	Charge for the year	0.01
	<b>As at 31st March, 2023</b>	<b>0.17</b>
3	<b>Net Carrying Amount</b>	
	As at 31st March, 2023	-

**3 Property, Plant and Equipment**

Changes in the carrying value property, plant and equipment for the year ended 31st March, 2022

Sr. No	Particulars	Plant and Equipment	Furniture & Fixtures	Electrical Equipment	Mobile Phones	Computers	Total
1	<b>Gross Carrying Amount</b>						
	As at 1st April, 2021	19.14	-	-	-	10.80	29.94
	<b>Additions</b>						
	Disposal / Adjustments	-	0.18	11.58	0.78	0.38	12.91
	<b>As at 31st March, 2022</b>	<b>19.14</b>	<b>0.18</b>	<b>11.58</b>	<b>0.78</b>	<b>11.18</b>	<b>42.85</b>
2	<b>Depreciation</b>						
	As at 1st April, 2021	0.80	-	-	-	3.65	4.45
	Charge for the year	1.26	0.01	0.18	0.05	3.45	4.96
	Disposal / Adjustments	-	-	-	-	-	-
	<b>As at 31st March, 2022</b>	<b>2.06</b>	<b>0.01</b>	<b>0.18</b>	<b>0.05</b>	<b>7.11</b>	<b>9.41</b>
3	<b>Net Carrying Amount</b>						
	As at 31st March, 2022	17.08	0.17	11.40	0.73	4.07	33.44

**3.1 Other Intangible Assets - Computer Software**

Changes in the carrying value other intangible assets for the year ended 31st March, 2022

Sr. No	Particulars	Rs. In Lakh
1	<b>Gross Carrying Amount</b>	
	As at 1st April, 2021	0.17
	<b>Additions</b>	
	As at 31st March, 2022	0.17
2	<b>Amortisation</b>	
	As at 1st April, 2021	0.11
	Charge for the year	0.05
	<b>As at 31st March, 2021</b>	<b>0.16</b>
3	<b>Net Carrying Amount</b>	
	As at 31st March, 2022	0.01

**DECIPHER LABS LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

All amounts in ₹ Lakhs, unless otherwise stated

**4. Investments**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Investments in Equity Instruments (Unquoted - Measured at amortised cost)</b>		
<b>Wholly owned subsidiaries</b>		
Decipher Software Solutions LLC., (2,000(P.Y 2,000) common stock @ USD1 each)	840.00	840.00
ICP Solutions Limited (16,490 (P.Y 16,490) Equity Shares of Rs. 10/- each)	26.41	26.41
<b>TOTAL</b>	<b>866.41</b>	<b>866.41</b>
<b>Aggregate amount of unquoted investments</b>	<b>866.41</b>	<b>866.41</b>
<b>Aggregate amount of Impairment in value of Investments</b>	-	-

**5. Other Non-current assets**

Particulars	As at 31 March 2023	As at 31 March 2022
Deposit - Rent	0.30	0.30
<b>TOTAL</b>	<b>0.30</b>	<b>0.30</b>

**6. Inventories ( Valued at Lower of Cost and NRV)**

Particulars	As at 31 March 2023	As at 31 March 2022
Packing Materials	-	4.42
<b>TOTAL</b>	<b>-</b>	<b>4.42</b>

**7.1 . Trade receivables**

Particulars	As at 31 March 2023	As at 31 March 2022
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured From Others	17.41	21.54
Trade Receivables which have significant increase in Credit Risk	-	-
Less: Allowance for expected credit losses	(4.66)	-
<b>TOTAL</b>	<b>12.74</b>	<b>21.54</b>

**7(a) Trade Receivables ageing schedule:**

Sl. No.	Particulars	Outstanding for following periods from due date of payment						Total as at 31 March 2023
		Not due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	-	8.53	4.21	-	-	-	12.74
(ii)	Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables–credit impaired	-	-	-	-	-	-	-

**7(b) Trade Receivables ageing schedule:**

Sl. No.	Particulars	Outstanding for following periods from due date of payment						Total as at 31 March 2022
		Not due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	-	14.04	-	7.50	-	-	21.54
(ii)	Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables–credit impaired	-	-	-	-	-	-	-

**7.2. Cash and cash equivalents**

Particulars	As at 31 March 2023	As at 31 March 2022
a) Balances with banks in current accounts	5.40	4.39
b) Cash on hand	0.22	0.37
<b>TOTAL</b>	<b>5.62</b>	<b>4.76</b>

**7.3. Other financial assets (current)**

Particulars	As at 31 March 2023	As at 31 March 2022
Interest receivable on Loans	-	0.55
<b>TOTAL</b>	<b>-</b>	<b>0.55</b>

**8. Current tax assets**

Particulars	As at 31 March 2023	As at 31 March 2022
TDS Receivable	0.03	0.06
<b>TOTAL</b>	<b>0.03</b>	<b>0.06</b>

**9. Other current assets**

Particulars	As at	
	31 March 2023	31 March 2022
Deposit with others	-	221.39
Advance for expenses	-	5.56
GST Input net of Output	-	1.90
<b>TOTAL</b>	-	<b>228.85</b>

**10. Equity share capital**

Particulars	As at	
	31 March 2023	31 March 2022
<b>AUTHORIZED:</b>		
1,01,00,000 Equity Shares of ₹10/- each (31st March, 2023, 1,01,00,000 Equity Shares of ₹10/- each)	1,010.00	1,010.00
<b>TOTAL</b>	<b>1,010.00</b>	<b>1,010.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
1,01,00,000 Equity Shares of ₹10/- each (31st March, 2023, 1,01,00,000 Equity Shares of ₹10/- each)	1,010.00	1,010.00
<b>TOTAL</b>	<b>1,010.00</b>	<b>1,010.00</b>

**(A) Movement in equity share capital:**

Particulars	Number of shares	Amount
Balance at April 01, 2021	101.00	1,010.00
Movement during the year	-	-
<b>Balance at March 31, 2022</b>	<b>101.00</b>	<b>1,010.00</b>
Movement during the year	-	-
<b>Balance at March 31, 2023</b>	<b>101.00</b>	<b>1,010.00</b>

**(B) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	31st March 2023		31st March 2022	
	No. of Shares	% holding	No. of Shares	% holding
Janakiram Ajjarapu	16,59,075	16.43	34,52,868	34.19

**(C) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a face value of ₹ 10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(D) The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

**(B) Details of Shareholding of Promoters**

Shares held by promoters at the end of the year	31-Mar-23		% Change During the
	No.Of Shares	%of Total Shares	
Janakiram Ajjarapu	16,59,075	16%	-17.76%
<b>Total</b>	<b>16,59,075</b>	<b>16%</b>	

Shares held by promoters at the end of the year	31-Mar-22		% Change During the
	No.Of Shares	%of Total Shares	
Janakiram Ajjarapu	34,52,868	34%	-11.94%
<b>Total</b>	<b>34,52,868</b>	<b>34%</b>	

**11. Other equity**

Particulars	As at	
	31 March 2023	31 March 2022
Reserves and surplus		
Retained Earnings	(749.57)	(487.83)
Securities Premium	630.00	630.00
<b>TOTAL</b>	<b>(119.57)</b>	<b>142.17</b>

**Retained earnings**

Particulars	As at	
	31 March 2023	31 March 2022
Opening balance	(487.83)	(523.87)
Profit for the year	(261.75)	36.04
<b>Closing balance</b>	<b>(749.57)</b>	<b>(487.83)</b>

**Securities Premium**

Particulars	As at	
	31 March 2023	31 March 2022
Opening balance	630.00	630.00
On account of issue of shares	-	-
<b>Closing balance</b>	<b>630.00</b>	<b>630.00</b>

11.1: Retained earnings represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

11.2: Securities Premium is used to record premium on issue of shares of the Company. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

**13.1. Borrowings - Current**

Particulars	As at	
	31 March 2023	31 March 2022
Loans from Related parties	-	-
Unsecured loan	-	-
<b>TOTAL</b>	-	-

**Net Debt Reconciliation - from directors**

Particulars	As at	
	31 March 2023	31 March 2022
Opening balance of borrowings	(0.00)	10.06
Add: Amount received during the year	-	5.10
Less : Amount repaid during the year	-	15.15
<b>Closing balance of borrowings</b>	<b>(0.00)</b>	<b>(0.00)</b>

**Net Debt Reconciliation - from subsidiary**

Particulars	As at	
	31 March 2023	31 March 2022
Opening balance of borrowings	0.00	3.57
Add: Amount received during the year	4.95	55.01
Less : Amount repaid during the year	4.95	58.58
<b>Closing balance of borrowings</b>	<b>0.00</b>	<b>0.00</b>

**13.2. Trade payables**

Particulars	As at	
	31 March 2023	31 March 2022
Due to Micro enterprises and small enterprises	-	-
Due to others	-	-
<b>TOTAL</b>	-	-

**13(a) Trade Payables ageing schedule:**

Sl. No.	Particulars	Outstanding for following periods from due date of payment						Total as at 31 Mar 2023
		Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	-	-	-	-	-	-	-
(ii)	Others	-	-	-	-	-	-	-
(iii)	Disputed dues- MSME	-	-	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-

**13(b) Trade Payables ageing schedule:**

Sl. No.	Particulars	Outstanding for following periods from due date of payment						Total as at 31 March 2022
		Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	-	-	-	-	-	-	-
(ii)	Others	-	-	-	-	-	-	-
(iii)	Disputed dues- MSME	-	-	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at	
	Year ended	
	31st March, 2023	31st March, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

**13.3 Other financial liabilities**

Particulars	As at	
	31 March 2023	31 March 2022
Outstanding expenses	7.73	7.00
<b>TOTAL</b>	<b>7.73</b>	<b>7.00</b>

**14. Other current liabilities**

Particulars	As at	
	31 March 2023	31 March 2022
Statutory dues payable	0.81	1.04
<b>TOTAL</b>	<b>0.81</b>	<b>1.04</b>

Statutory dues include GST, Professional tax, TDS payable

**DECIPHER LABS LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

All amounts in ₹ Lakhs, unless otherwise stated

**15. Revenue from operations**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of products		
Pharma sales	64.96	68.82
Other Operating revenue	16.04	30.02
<b>TOTAL</b>	<b>81.00</b>	<b>98.84</b>

15.1: Disaggregated Revenue Disclosures are not applicable to the Company since the Company deals in one product i.e., trading and manufacturing of Pharmaceutical drugs.

15.2: Trade Receivables and Contract Balances

- a) The Company classifies the right to consideration in exchange for deliverables as receivable.  
b) A receivable is a right to consideration that is unconditional upon passage of time. Trade receivables are presented net of impairment in the Balance Sheet.

15.3: Disclosures relating to pending performance obligations are not given since there are no pending obligations.

**16. Other income**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Rent Income	1.80	1.80
Forex gain	0.92	0.03
Other Income	0.10	2.77
<b>TOTAL</b>	<b>2.82</b>	<b>4.59</b>

**17. Purchase of stock-in-trade**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Material Consumed	47.25	15.53
<b>TOTAL</b>	<b>47.25</b>	<b>15.53</b>

<b>18. Changes in inventories of stock in trade</b>		
<b>Particulars</b>	<b>Year ended 31st March, 2023</b>	<b>Year ended 31st March, 2022</b>
<b>Opening inventories</b>		
Finished Goods	-	-
Packing materials	4.42	4.42
<b>(A)</b>	<b>4.42</b>	<b>4.42</b>
<b>Closing inventories</b>		
Finished Goods	-	-
Packing materials	-	4.42
<b>(B)</b>	<b>-</b>	<b>4.42</b>
<b>TOTAL (A-B)</b>	<b>4.42</b>	<b>-</b>
<b>19. Employee benefits expense</b>		
<b>Particulars</b>	<b>Year ended 31st March, 2023</b>	<b>Year ended 31st March, 2022</b>
Directors' Remuneration	3.00	3.00
Salaries to Staff	16.78	19.55
Staff welfare expenses	0.33	0.77
<b>TOTAL</b>	<b>20.11</b>	<b>23.32</b>
<b>20. Finance cost</b>		
<b>Particulars</b>	<b>Year ended 31st March, 2023</b>	<b>Year ended 31st March, 2022</b>
Interest on unsecured loans	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

<b>21. Other expenses</b>		
<b>Particulars</b>	<b>Year ended 31st March, 2023</b>	<b>Year ended 31st March, 2022</b>
Advertisement Expenses	0.74	1.66
Product Development Expense	7.35	-
Payment to Auditor (Refer Note 21a)	2.00	1.26
Loss on sale of asset	7.34	-
Consultancy & Other Charges	8.32	5.02
Travelling Expenses	5.86	1.67
Office Expenses	0.34	0.15
Repairs and Maintenance	0.04	0.21
Postage & Telegrams	-	0.47
Printing & Stationery	0.25	0.74
Rent, Rates & Taxes	3.66	3.64
Telephone Expenses	0.08	0.07
Listing Fees	3.45	3.00
Foreign Exchange Loss(net)	-	0.45
Bad debts written off	4.66	3.05
Miscellaneous Expenses	1.95	2.38
<b>TOTAL</b>	<b>46.03</b>	<b>23.78</b>
<b>21a. Payment to auditor</b>		
<b>Particulars</b>	<b>Year ended 31st March, 2023</b>	<b>Year ended 31st March, 2022</b>
<b>To statutory auditors</b>		
-Statutory audit fee	1.50	0.50
-For other services (including fees for yearly reviews)	0.50	0.76
<b>TOTAL</b>	<b>2.00</b>	<b>1.26</b>



**22. Financial instruments and risk management**

**Fair values**

1. The carrying amounts of trade payables, other financial liabilities(current), borrowings (current),trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.

2. The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

**(i) Categories of financial instruments**

Particulars	Level	As at 31 March 2023		As at 31 March 2022	
		Carrying amount	Fair value*	Carrying amount	Fair value*
<b>Financial assets</b>					
<b>Measured at amortised cost:</b>					
<b>Current</b>					
Trade receivables	3	12.74	12.74	21.54	21.54
Cash and cash equivalents	3	5.62	5.62	4.76	4.76
Other financial assets	3	-	-	0.55	0.55
<b>Total</b>		<b>18.36</b>	<b>18.36</b>	<b>26.86</b>	<b>26.86</b>
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
<b>Non-current</b>					
Borrowings		-	-	-	-
<b>Current</b>					
Borrowings	3	-	-	-	-
Trade payables	3	-	-	-	-
Other financial liabilities	3	7.73	7.73	7.00	7.00
<b>Total</b>		<b>7.73</b>	<b>7.73</b>	<b>7.00</b>	<b>7.00</b>

\*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments is included in level 3.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the Company has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

**23. Financial risk management**

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

**(A) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities .

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2023 and 31 March 2022.

**(i) Foreign currency exchange rate risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollars exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

**(ii) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Change in USD				
1% increase	0.12	0.17	0.12	0.17
1% decrease	(0.12)	(0.17)	(0.12)	(0.17)

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars where the functional currency of the entity is a currency other than US dollars

**(B) Credit Risk**

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

i. Credit risk on cash and cash equivalents and other bank balances is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.

ii. Credit risk on trade receivables and other financial assets is evaluated as follows:

**(i) Expected credit loss for trade receivable under simplified approach:**

Particulars	As at 31 March 2023	As at 31 March 2022
Gross carrying amount	12.74	21.54
Expected credit losses (Loss allowance provision)	-	-
<b>Carrying amount of trade receivables</b>	<b>12.74</b>	<b>21.54</b>

**(ii) Reconciliation of loss allowance provision**

Particulars	Trade receivables
Loss allowance as at 1st April 2022	-
Changes in loss allowance during the period of 2022-23	-
<b>Loss allowance as at 31st March, 2023</b>	<b>-</b>

**(iii) Significant estimates and judgements****Impairment of financial assets:**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(C) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks. Management monitors cash and cash equivalents on the basis of expected cash flows.

**Maturities of Financial liabilities**

Contractual maturities of financial liabilities as at :

Particulars	As at 31 March 2023		As at 31 March 2022	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other Financial liabilities	7.73	-	7.00	-
<b>Total</b>	<b>7.73</b>	<b>-</b>	<b>7.00</b>	<b>-</b>

**24. Capital management****Capital management and Gearing Ratio**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Borrowings</b>		
Current	-	-
Non current	-	-
<b>Debt</b>	<b>-</b>	<b>-</b>
<b>Equity</b>		
Equity share capital	1,010.00	1,010.00
Other equity	(119.57)	142.17
<b>Total capital</b>	<b>890.43</b>	<b>1,152.17</b>
<b>Gearing ratio in % (Debt/ capital)</b>	<b>0</b>	<b>0</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2023 and 31st March 2022.

## DECIPHER LABS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2023

All amounts in ₹ Lakhs, unless otherwise stated

## 25. Contingent liabilities and Capital Commitments- Nil (

## 26. Related party disclosures

## Names of related parties and nature of relationships:

## Name of the related parties and Nature of relationship

## i) Wholly owned Subsidiary and step down subsidiary Companies

Decipher Software Solutions LLC., USA

Decipher Middle East W.L.L., Bahrain

## ii) Key Management Personnel (KMP):

Sushanth Mohan Lal - Director

Vemuri Shilpa - Independent Director (retired on 28.02.23)

Bhupendralal Waghray - Director (retired on 28.02.23)

Janaki Ram Ajjarapu - Additional Director w.e.f 14.02.23

Mary Vara Prasad Mutluri - Independent Director w.e.f 14.02.23

Venkateswara Rao Gudipudi - Independent Director w.e.f 13.08.2022

Lakshmi Vijaya Nimmala - Independent Director w.e.f 14.02.23

Sonam Jalan - Chief Financial Officer

Kumar Raghavan - Company Secretary retired on 30.04.22

Megha Agarwal - Company Secretary w.e.f 01.05.22

## ii) Relatives of Key Management Personnel (KMP):

Suchit Mohan Lal - Father of Sushanth Mohan Lal

## iii) Enterprises in which key managerial personnel and/or their relatives have control:

Vitpro LLC

## Details of transactions during the year where related party relationship existed:

Names of the related parties	Nature of Transactions	Year ended 31 March 2023	Year ended 31 March 2022
Sushanth Mohan Lal	Remuneration	3.00	3.00
Sonam Jalan	Salary	9.00	9.00
Kumar Raghavan	Salary	0.25	3.00
Megha Agarwal	Salary	4.95	-
Suchit Mohan Lal	Rent and Maintenance	2.16	2.16
Sushanth Mohan Lal	Unsecured loans taken	1.52	5.10
Sushanth Mohan Lal	Unsecured loans repaid	1.52	15.15
ICP Solutions Limited	Advance paid	4.95	55.01
ICP Solutions Limited	Advance received back	4.95	58.58
ICP Solutions Limited	Interest Receivable received	0.55	0.55
ICP Solutions Limited	Rent paid	1.85	1.80
ICP Solutions Limited	Rent received	1.80	1.80
Vitpro LLC	Consultancy income	16.04	50.04

## Details of outstanding balances as at the year end where related party relationship existed:

Names of the related parties	Nature of Balance	2023	March 2022
Suchit Mohan Lal	Rent payable	0.37	2.86
Sonam Jalan	Salary payable	0.75	0.75
Megha Agarwal	Salary payable	0.45	-
Vitpro LLC	Consultancy income receivable	12.74	17.20

<b>27. Earnings per share (EPS)</b>		
<b>Particulars</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Profit/(Loss) after tax	(261.75)	36.04
Weighted average number of equity shares in calculating Basic and Diluted EPS (in Number)	1,01,00,000	1,01,00,000
Face value per share ₹	10.00	10.00
Basic and Diluted Earnings per Share (EPS)₹	(2.59)	0.36

**28. Segment Information**

**a) Description of segments and principal activities**  
The Company primarily operates in the Pharmaceutical segment. The Chief Operating Decision Maker (CODM) reviews the performance of the Pharmaceutical segment at the consolidated level and makes decisions on sales volumes and profitability.

**b) Major Customer in Pharmaceutical Segment**  
55.56% (P.Y 51.27%) of Revenue is coming from one single customer

**29. Impact of Covid-19**  
The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**30. Note on "Code on Security, 2020"**  
The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Note - 31 :** The following charges are pending for satisfaction with Registrar of Companies(ROC) , Hyderabad

<b>Description of Property</b>	<b>Charge Holder name</b>	<b>Location</b>	<b>Reason</b>
Immovable Property	THE DHANLAKSHMI BANK LTD for Rs.40,00,000.	Hyderabad	Company is in the process of filing form for satisfaction of charge
Immovable Property	CORPORATION BANK for Rs.2,25,000	Hyderabad	Company is in the process of filing form for satisfaction of charge
Immovable Property	VIJAYA BANK for Rs.40,00,000	Hyderabad	Company is in the process of filing form for satisfaction of charge
Immovable Property	THE DHANLAKSHMI BANK LTD for Rs.40,00,000	Hyderabad	Company is in the process of filing form for satisfaction of charge
Immovable Property	THE DHANLAKSHMI BANK LTD for Rs.60,00,000	Hyderabad	Company is in the process of filing form for satisfaction of charge

DECIPHER LABS LIMITED							
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2023							
B1: Ratio Analysis							
Particulars	Numerator	Denominator	Formula	31 March 2023	31 March 2022	Variance %	Reason
Current Ratio (no. of times)	Current Assets	Current Liabilities	Total current assets/Total current liabilities	2.15	32.37	-93%	Due to write off of Deposit made to others and inventory
Return on Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	(Profit/loss) for the period/Networth	-0.26	0.01	-3326%	Due to write off of Deposit made to others and Sale of Machinery at Loss
Inventory turnover ratio (no. of times)	Cost of goods sold (or) sales	Average Inventory	Contract execution expenses and changes in inventories of finished goods and work-in-progress for the period ended /Inventories **	36.648	22.360	64%	Due to write off of Non - Moving inventory in the current year.
Trade Receivables turnover ratio (no. of times)	Net Credit Sales	Average trade receivables	Revenue from operations for the period ended/ Trade receivables (Non current & Current) **	4.72	3.65	29%	Due to writeoff of Debtors
Trade payables turnover ratio (no. of times)	Net Credit Purchases	Average trade payables	Contract execution expenses/ Trade payables**	-	369.20	-100%	Since all the trade payables have been paid off in the current year.
Net capital turnover ratio (no. of times)	Net Sales	Working Capital	Revenue from operations/(Current Assets-Current liabilities)	8.51	0.39	2072%	Due to decrease in current assets
Net profit ratio (%)	Net Profits after taxes	Net Sales	Profit/(loss) for the period/Revenue from operations **	-3.23	0.36	-986%	Due to Sale of Plant and Machinery and Write off of Inventory.
Return on Capital employed (%)	Earning before interest and taxes	Capital Employed	(Profit before tax+interest on Borrowings)/(Total Assets-Current liabilities)	-0.04	0.03	-244%	Due to decrease in current assets
Return on Investment (%)	Movement in Net worth excluding Cash flow from Equity	Opening Net worth + (Net cash flow from Equity X Weight of the net cash flow)	Profit/(loss) for the period/Investments	-	-	-	-
<p><b>Note 32:</b> Previous year's figures have been regrouped/rearranged wherever necessary to confirm to current year.</p> <p>As per our report of even date For Ramanatham &amp; Rao Chartered Accountants FRN. S - 2934</p> <p>K.Srinivasan Partner M.No: 206421</p> <p>Sushant Mohan Lal Director DIN: 01227151</p> <p>Megha Agarwal Company Secretary DAHRA1005D</p> <p>Venkateswara Rao Gudipudi Director DIN: 02147615</p> <p>Sonam Jalan Chief Financial Officer CORPK5961R</p> <p>Place: Hyderabad Date: 30.05.2023 UDIN:23206421BGTGQZ7332</p>							

## **Independent Auditor's Report**

**To the Members of Decipher Labs Limited**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the consolidated financial statements of **Decipher Labs Limited** (hereinafter referred to as “the Holding Company”) and its subsidiaries Decipher Software Solutions LLC and Decipher Soft Middle East W.L.L Bahrain, (Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of its consolidated loss (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

## **Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**



Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors

in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

1. We did not audit the financial statements of subsidiaries namely Decipher Software Solutions LLC and Decipher Soft Middle East W.L.L Bahrain, whose financial statements and financial information reflect total assets of Rs.2757.46 lakhs as at 31st March, 2023, total revenue of Rs. 4476.27 lakhs and net cash inflows amounting to Rs.(798.24) lakhs for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Holding Company's Board of Directors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditor.
2. The financial statements and other financial information of the subsidiaries, located outside India, have been prepared in accordance with accounting principles generally accepted in that country and have been audited by other auditor under generally accepted auditing standards applicable in those countries / certified by the Holding Company's Board of Directors under generally accepted accounting standards applicable in that country. The Holding Company's Board of Directors has converted the financial statements from accounting principles generally accepted in those countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Board of Directors. Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the reports of other auditor /certification by the Holding Company's Board of Directors and the conversion adjustments prepared by the Holding Company's Board of Directors and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group does not have any pending litigations on its financial position in its consolidated financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

iv. (a) The Management of Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other

sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management of Holding Company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend was declared or paid during the year by the Holding company.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. As maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is not applicable to the Company for the year 2022.23, hence, we are unable to report under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 for the financial year ended March 31, 2023.

For Ramanatham & Rao  
Chartered Accountants  
(Firm Regn.No.002934S)

K Sreenivasan  
Partner  
Membership No: 206421  
UDIN: 23206421BGTHPB1788  
Place: Secunderabad  
Date: 30.05.2023

## **Annexure “A” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to Consolidated Financial Statements of Decipher Labs Limited (“the Holding Company”) as of 31 March 2023 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Holding Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s internal financial controls system with reference to these consolidated financial statements.

### **Meaning of Internal Financial Controls with reference to these Consolidated Financial Statements**

A Company's internal financial control with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to these Consolidated Financial Statements and such internal financial controls with reference to these Consolidated Financial Statements reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ramanatham & Rao  
Chartered Accountants  
(Firm Regn.No.002934S)

K Sreenivasan  
Partner  
Membership No: 206421  
UDIN: 23206421BGTHPB1788  
Place: Secunderabad  
Date: 30.05.2023

**DECIPHER LABS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2023**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>I. ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	3	96.63	33.46
(b) Investments		375.68	26.41
(c) Deferred tax asset (net)	4	100.69	-
(d) Goodwill		234.82	249.24
(e) Financial assets			
Other financial asset	5	-	62.62
(e) Other non current assets	6	0.30	0.30
<b>Current Assets</b>			
(a) Inventories	7	-	4.42
(b) Financial assets			
(i) Trade receivables	8.1	985.43	1,279.21
(ii) Cash and cash equivalents	8.2	741.77	1,540.86
(iii) Other Financial asset	8.3	148.99	768.95
(c) Other current assets	9	132.15	229.42
<b>TOTAL ASSETS</b>		<b>2,816.46</b>	<b>4,194.90</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	1,010.00	1,010.00
(b) Other equity	11	1,310.85	1,406.51
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial liabilities			
Borrowings	12	-	667.39
(b) Deferred tax Liability(net)		-	0.13
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13.1	94.94	364.79
(ii) Lease Liability		-	-
(iii) Trade Payables		-	-
a) Total outstanding dues of Micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	13.2	120.14	231.03
(iii) Other Financial liabilities	13.3	279.71	381.26
(b) Other current liabilities	14	0.81	11.05
(c) Current Tax Liabilities (net)	15	-	122.73
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,816.45</b>	<b>4,194.90</b>
Summary of significant accounting policies	2	(0.00)	
The accompanying notes are an integral part of the financial statements.			
As per our report of even date			
For Ramanatham & Rao Chartered Accountants FRN. S - 2934 K.Srinivasan Partner M.No: 206421		For and on behalf of the Board	
		sd/- Sushant Mohan Lal Director DIN: 01227151	sd/- Venkateswara Rao Gudipudi Director DIN: 02147615
Place: Hyderabad Date: 30.05.2023		sd/- Megha Agarwal Company Secretary DAHPA1005D	sd/- Sonam Jalan Chief Financial Officer COFK5981R



**DECIPHER LABS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Note	31 March 2023	31 March 2022
I. Revenue from operations	16	4,557.27	6,532.24
II. Other income	17	737.06	767.40
<b>III. Total revenue (I + II)</b>		<b>5,294.33</b>	<b>7,299.63</b>
<b>IV. Expenses</b>			
Cost of materials consumed		-	-
Project Management Cost		-	719.17
Purchase of Stock-in-Trade	18	47.25	15.53
Changes in inventories of finished goods and stock in trade	19	4.42	-
Employee benefits expense	20	4,119.12	4,748.68
Finance cost	21	42.69	47.65
Depreciation and amortisation expense	22	42.75	86.68
Other expenses	23	1,229.88	446.33
<b>Total expenses</b>		<b>5,486.11</b>	<b>6,064.04</b>
<b>V. Profit/Loss before exceptional items (III - IV)</b>		<b>(191.78)</b>	<b>1,235.60</b>
<b>Exceptional items</b>		224.15	-
<b>V. Profit/Loss before tax (III - IV)</b>		<b>(415.93)</b>	<b>1,235.60</b>
<b>VI. Tax expense:</b>			
(1) Current tax	14	(46.89)	170.44
(2) Deferred tax		(100.81)	(73.97)
(3) Tax on earlier years		-	0.75
<b>VII. Profit/Loss for the period (V-VI)</b>		<b>(268.23)</b>	<b>1,138.38</b>
<b>VIII. Other comprehensive income</b>			
Items that will be reclassified to statement of profit and loss			
Exchange differences on translating the financial statements of a foreign operation		172.57	56.09
<b>Other comprehensive income (net of tax)</b>		<b>172.57</b>	<b>56.09</b>
<b>VIII. Total comprehensive income for the year</b>		<b>(95.66)</b>	<b>1,194.47</b>
<b>Net Profit for the year attributable to:</b>			
Owners of the parent		(268.23)	1,138.38
Non-Controlling Interests		-	-
<b>Other Comprehensive Income attributable to:</b>			
Owners of the parent		172.57	56.09
Non-Controlling Interests		-	-
<b>Total Comprehensive Income attributable to:</b>			
Owners of the parent		(95.66)	1,194.47
Non-Controlling Interests		-	-
<b>IX. Earning per equity share attributable to the owners of Combat Drugs Limited</b>	26		
(1) Basic		(2.66)	11.27
(2) Diluted		(2.66)	11.27

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Ramanatham & Rao

Chartered Accountants

FRN: S - 2934

K. Srinivasan

Partner

M.No: 206421

Place: Hyderabad

Date: 30.05.2023

For and on behalf of the Board

sd/-

Sushant Mohan Lal

Director

DIN: 01227151

sd/-

Mezha Agarwal

Company Secretary

DAHBA10050

sd/-

Venkateswara Rao Gudipudi

Director

DIN: 02147615

sd/-

Sonam Jalan

Chief Financial Officer

COEPK59818



**DECIPHER LABS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT AS ON 31 MARCH 2023**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	31 March 2023	31 March 2022
<b>Cash flow from operating activities</b>		
Profit before tax	(415.93)	1,235.60
Adjustments for :		
Exchange differences on translating the financial statements of a foreign operation	172.57	56.09
Depreciation and amortisation expense	42.75	86.66
Finance costs	-	47.66
Loss on sale of asset	7.34	-
Balances written off	228.57	3.05
PPP loan written off	(722.20)	-
Bad debts written off	-	(727.24)
<b>Operating Profit before Working Capital Changes</b>		
<b>Changes in operating assets and liabilities</b>		
(Increase) / Decrease in Trade Receivables	293.79	(401.08)
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Other Assets	555.71	436.38
Increase / (Decrease) in Trade Payable	(110.89)	116.69
Increase / (Decrease) in Other Liabilities	(208.19)	(27.33)
<b>Cash Generated from Operations</b>	<b>(156.48)</b>	<b>826.48</b>
Income taxes paid	-	-
<b>Net cash inflow (outflow) from operating activities</b>	<b>(156.48)</b>	<b>826.48</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed assets including Capital WIP	(78.30)	(19.92)
Investment in shares	(349.27)	(25.41)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(427.57)</b>	<b>(45.33)</b>
<b>Cash flow from financing activities</b>		
Proceeds/(repayment) of borrowings	(215.04)	237.87
Finance costs	-	(47.66)
Payment for lease liabilities	-	(60.10)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(215.04)</b>	<b>130.10</b>
<b>Net increase (Decrease) in cash and cash equivalents</b>	<b>(799.09)</b>	<b>911.26</b>
<b>Cash and Cash equivalents at the beginning of the financial Year</b>	<b>1,540.86</b>	<b>697.58</b>
<b>Less: Adjustment on account of cessation of subsidiary company</b>	<b>-</b>	<b>67.98</b>
<b>Cash and Cash equivalents at the end of the Year</b>	<b>741.77</b>	<b>1,540.86</b>

Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Ramanatham & Rao

Chartered Accountants

FRN. S - 2934

Place: Hyderabad

Date: 30.05.2023

For and on behalf of the Board

sd/-

Sushant Mohan Lal

Director

DIN: 01227151

sd/-

Venkateswara Rao Gudipudi

Director

DIN: 02147615

**DECIPHER LABS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****1. Background**

Combat Drugs Limited was incorporated in 1989 having its registered office in Hyderabad. The Group deals in trading and manufacturing of Pharmaceutical drugs.

These Financial Statements of the Group as at and for the year ended 31st March, 2023 (including comparatives) were approved and authorised for issue by the Board of Directors of the Group on 30th May, 2023

**2. Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Statement of Compliance**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

**b) Basis of preparation**

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**c) Use of estimates and critical accounting judgements**

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

**d) Revenue Recognition****i) Sale of products**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery / dispatch of the goods. Revenue from the sale of goods is measured at the value of the consideration received or receivable, net of returns, discounts, volume rebates. Till 30th SEPTEMBER 2017, Revenue is inclusive of excise duty and excluding taxes collected from parties such as outgoing sales taxes or value added taxes. With effect from 1st July, 2017 revenue is excluding goods and service tax.

**ii) Other income**

Dividend income is recognised when the shareholder's right to receive the income is established.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

**e) Income tax****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised in outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**f) Impairment of assets**

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**g) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**h) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

**i) Inventories****Raw Materials, Fuel, Stores & Spares and Packing Materials**

Valued at lower of cost and net realizable value (NRV). However, these items are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted Average basis.

**Work-in-Progress (WIP) and Finished Goods**

Valued at lower of cost and NRV. Cost of Finished Goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis

**j) other financial assets****i) Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

#### Equity instruments:

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 20 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### iv) Derecognition of financial assets

A financial asset is derecognized only when

- The Group has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

#### l) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The Group follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortised over the period of lease.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal are determined by comparing proceeds with carrying amount.

#### m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### n) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

#### o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

#### p) Provisions

Provisions for legal claims and returns are recognised when the Group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

#### q) Employee benefits

##### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**r) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**s) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**t) Earning per share****(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**u) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**v) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**w) Recent accounting pronouncements**

a) Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. There is no impact on the financial statements on account of this amendment as Group does not have any lease transaction.

**x) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

**y) Amendment to Ind AS 12 – Income taxes :**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

**z) Amendment to Ind AS 19 –**

Plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. There is no impact on the financial statements on account of this amendment.

## DECIPHER LABS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

All amounts in ₹ Lakhs, unless otherwise stated

## a. Equity share capital

Particulars	Note	Equity share capital
Balance at the beginning of the year	10	1,010.00
Add: Change in equity share capital due to prior period error		-
<b>Restated balance at the beginning of the year</b>		<b>1,010.00</b>
Add: Changes in equity share capital during the year		-
<b>Balance at the end of the year</b>		<b>1,010.00</b>

## b. Other equity

	Note	Retained Earnings	Securities Premium	Total
<b>Balance as at 1st April, 2022</b>	11	<b>776.51</b>	630.00	<b>1,406.51</b>
Profit/(loss) for the year		(268.23)	-	(268.23)
Exchange differences on translating the financial statements of a foreign operation		172.57	-	172.57
<b>Balance as at 31st March 2023</b>		<b>680.85</b>	<b>630.00</b>	<b>1,310.85</b>
<b>Balance as at 01 April 2021</b>		<b>(271.88)</b>	630.00	<b>358.12</b>
Profit/(loss) for the year		1,138.38	-	1,138.38
Exchange differences on translating the financial statements of a foreign operation		56.09	-	56.09
Adjustment of consolidation		(146.07)	-	(146.07)
<b>Balance as at 31st March, 2022</b>		<b>776.51</b>	630.00	<b>1,406.51</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Ramanatham &amp; Rao

Chartered Accountants

FRN. S - 2934

For and on behalf of the Board

K.Srinivasan

Partner

M.No: 206421

Place: Hyderabad

Date: 30.05.2023

sd/-

Sushant Mohan Lal

Director

DIN: 01227151

sd/-

Megha Agarwal

Company Secretary

DAHPA1005D

sd/-

Venkateswara Rao Gudipudi

Director

DIN: 02147615

sd/-

Sonam Jalan

Chief Financial Officer

COFPK5981R



DECIPHER LABS LIMITED

Notes to the financial statements for the year ended 31 March, 2023

3 Property, Plant and Equipment

Changes in the carrying value property, plant and equipment for the period ended 31 March, 2023

All amounts in ₹ Lakhs, unless otherwise stated

Sr. No	Particulars	Plant and Equipment	Furniture and Fixtures	Electrical Fittings	Mobile	Computers	Vehicles	Total
1	<b>Gross Carrying Amount</b>							
	As at 1st April, 2022	19.14	0.18	11.58	0.78	11.18		42.85
	<b>Additions</b>	-	-	-	-	-		-
	Disposal / Adjustments	18.75					86.8	18.75
	<b>As at 31st March 2023</b>	<b>0.39</b>	<b>0.18</b>	<b>11.58</b>	<b>0.78</b>	<b>11.18</b>		<b>24.10</b>
2	<b>Depreciation</b>							
	As at 1st April, 2022	2.06	0.01	0.18	0.05	7.09		9.40
	Charge for the year	1.16	0.02	1.10	0.15	3.30	2.06	5.73
	Disposal / Adjustments	2.91						2.91
	<b>As at 31st March 2023</b>	<b>0.32</b>	<b>0.03</b>	<b>1.28</b>	<b>0.20</b>	<b>10.39</b>	<b>2.06</b>	<b>12.22</b>
3	<b>Net Block</b>							
	<b>As at 31st March 2023</b>	<b>0.07</b>	<b>0.15</b>	<b>10.30</b>	<b>0.58</b>	<b>0.78</b>	<b>84.74</b>	<b>11.89</b>

3.1 Other Intangible Assets - Computer Software

Changes in the carrying value property, plant and equipment for the period ended 31st March, 2023

Sr. No	Particulars	Rs. in Lakh
1	<b>Gross Carrying Amount</b>	
	As at 1st April, 2022	0.17
	<b>Additions</b>	-
	Disposal / Adjustments	-
	<b>As at 31st March 2023</b>	<b>0.17</b>
2	<b>Depreciation</b>	
	As at 1st April, 2022	0.16
	Charge for the year	0.01
	Disposal / Adjustments	-
	<b>As at 31st March 2023</b>	<b>0.17</b>
3	<b>Net Block</b>	
	<b>As at 31st March 2023</b>	<b>-</b>

3 Property, Plant and Equipment

Changes in the carrying value property, plant and equipment for the year ended 31 March, 2022

Sr. No	Particulars	Plant and Equipment	Furniture & Fixtures	Electrical Equipment	Mobile Phones	Computers	Total
1	<b>Gross Carrying Amount</b>						
	As at 1st April, 2021	19.14	-	-	-	10.80	29.94
	<b>Additions</b>	-	0.18	11.58	0.78	0.38	12.91
	Disposal / Adjustments	-	-	-	-	-	-
	<b>As at 31 March, 2022</b>	<b>19.14</b>	<b>0.18</b>	<b>11.58</b>	<b>0.78</b>	<b>11.18</b>	<b>42.85</b>
2	<b>Depreciation</b>						
	As at 1st April, 2021	0.80	-	-	-	3.65	4.45
	Charge for the year	1.26	0.01	0.18	0.05	3.45	4.96
	Disposal / Adjustments	-	-	-	-	-	-
	<b>As at 31 March, 2022</b>	<b>2.06</b>	<b>0.01</b>	<b>0.18</b>	<b>0.05</b>	<b>7.11</b>	<b>9.41</b>
3	<b>Net Block</b>						
	<b>As at 31 March, 2022</b>	<b>17.08</b>	<b>0.17</b>	<b>11.40</b>	<b>0.73</b>	<b>4.07</b>	<b>33.44</b>

3.1 Other Intangible Assets - Computer Software

Changes in the carrying value other intangible assets for the year ended 31st March, 2022

Sr. No	Particulars	Rs. in Lakh
1	<b>Gross Carrying Amount</b>	
	As at 1st April, 2021	0.17
	<b>Additions</b>	-
	<b>As at 31st March, 2022</b>	<b>0.17</b>
2	<b>Amortisation</b>	
	As at 1st April, 2021	0.11
	Charge for the year	0.05
	<b>As at 31st March, 2022</b>	<b>0.16</b>
3	<b>Net Block</b>	
	<b>As at 31st March, 2022</b>	<b>0.01</b>

**DECIPHER LABS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

All amounts in ₹ Lakhs, unless otherwise stated

**4. Deferred Tax Asset**

Particulars	As at 31 March 2023	As at 31 March 2022
(Arising on account of timing difference)		
Preliminary Expenses	-	-
Lease Asset and Liability	-	-
On account of expenses allowed on payment basis		
<b>Deferred Tax Liability</b>		
Depreciation	100.69	0.14
<b>TOTAL</b>	<b>(100.69)</b>	<b>(0.14)</b>

**5. Other financial assets (non - current)**

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
a) Rent deposits	-	-
b) Other receivables	-	62.62
<b>TOTAL</b>	<b>0.00</b>	<b>62.62</b>

**6. Other Non-Current assets**

Particulars	As at 31 March 2023	As at 31 March 2022
a) Deposit - Rent	0.30	0.30
b) Other non current assets	-	-
<b>TOTAL</b>	<b>0.30</b>	<b>0.30</b>

**7. Inventories ( Valued at Lower of Cost and NRV, Unless otherwise stated)**

Particulars	As at 31 March 2023	As at 31 March 2022
a) Packing Material	-	4.42
b) Finished goods	-	-
<b>TOTAL</b>	<b>-</b>	<b>4.42</b>

**8.1 . Trade receivables**

Particulars	As at 31 March 2023	As at 31 March 2022
Trade Receivables considered good - Unsecured	985.43	1,279.21
Trade Receivables considered good- Unsecured From Others		
Trade Receivables which have significant increase in Credit Risk		
Less: Allowance for expected credit losses		
<b>TOTAL</b>	<b>985.43</b>	<b>1,279.21</b>

**8(a) Trade Receivables ageing schedule:**

Sl. No.	Particulars	Outstanding for following periods from due date of payment						
		Not due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	Total as at 31 March 2023
(i)	Undisputed Trade receivables – considered good	-	981.22	4.21	-	-	-	985.43
(ii)	Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant inc	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-

**8.2. Cash and cash equivalents**

Particulars	As at 31 March 2023	As at 31 March 2022
a) Balances with banks in current accounts	741.55	1,540.49
b) Cash on hand	0.22	0.37
<b>TOTAL</b>	<b>741.77</b>	<b>1,540.86</b>

**8.3. Other financial assets (current)**

Particulars	As at 31 March 2023	As at 31 March 2022
Other receivables	148.99	768.95
<b>TOTAL</b>	<b>148.99</b>	<b>768.95</b>

**9. Other current assets**

Particulars	As at 31 March 2023	As at 31 March 2022
Deposit with others	0.00	221.39
Input Tax Receivables	0.00	1.90
Prepaid Expenses	0.00	5.56
TDS Receivable	0.03	-
Other Receivables	-	0.57
Note Receivables	132.11	-
<b>TOTAL</b>	<b>132.15</b>	<b>229.41</b>

**10. Equity share capital**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>AUTHORIZED:</b>		
1,01,00,000 Equity Shares of ₹10/- each	1,010.00	1,010.00
(P Y 1,01,00,000 Equity Shares of ₹10/- each)		
<b>TOTAL</b>	<b>1,010.00</b>	<b>1,010.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
1,01,00,000 Equity Shares of ₹10/- each	1,010.00	1,010.00
(P Y 1,01,00,000 Equity Shares of ₹10/- each)		
<b>TOTAL</b>	<b>1,010.00</b>	<b>1,010.00</b>

**(A) Movement in equity share capital:**

Particulars	Number of shares	Total
Balance at April 01, 2022	1,01,00,000	1,010
Movement during the year	-	-
<b>Balance at March 31, 2023</b>	<b>1,01,00,000</b>	<b>1,010</b>

**(B) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at 31 March 2023		As at 31 March 2022		% Change During the Year
	No. of Shares	% holding	No. of Shares	% holding	
Janakiram Ajarapu	16,59,075	16.43	34,52,868	34.19	-17.76%

**(C) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a face value of ₹ 10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of

(D) The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

**11. Other equity**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Reserves and surplus</b>		
Retained earnings	430.12	698.35
<b>Other Comprehensive Income</b>		
Exchange differences in translating the financial statements of foreign operations	250.73	78.17
Securities Premium	630.00	630.00
<b>TOTAL</b>	<b>1,310.85</b>	<b>1,406.51</b>

**(a) Retained earnings**

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	698.35	(293.34)
Profit/(Loss) for the year	(268.23)	1,138.38
Less: Adjustment of Consolidation	-	(146.70)
<b>Closing balance</b>	<b>430.12</b>	<b>698.35</b>

**(b) Exchange differences in translating the financial statements of foreign operations**

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	78.16	22.08
Movement during the year	172.57	56.09
<b>Closing balance</b>	<b>250.73</b>	<b>78.16</b>

**(c)Securities Premium**

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	630.00	630.00
On account of shares issued during the year	-	-
<b>Closing balance</b>	<b>630.00</b>	<b>630.00</b>

**12. Long term Borrowings**

Particulars	As at 31 March 2023	As at 31 March 2022
SBA PPP Loan	-	667.39
<b>Closing balance</b>	<b>-</b>	<b>667.39</b>

**13.1 Borrowings**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Current</b>		
Loans from Related Parties		
From Banks - LOC	94.94	364.79
<b>TOTAL</b>	<b>94.94</b>	<b>364.79</b>

**13.2. Trade payables**

Particulars	As at 31 March 2023	As at 31 March 2022
Dues to micro enterprises and small enterprises	-	-
Dues to creditors other than micro enterprises and small enterprises	120.14	231.03
<b>TOTAL</b>	<b>120.14</b>	<b>231.03</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Dues to creditors other than micro enterprises and small enterprises	As at 31 March 2023	As at 31 March 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

**13.3 Other Financial liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Outstanding expenses	279.71	381.26
Employee Benefit Payable	-	-
<b>TOTAL</b>	<b>279.71</b>	<b>381.26</b>

**14. Other current liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory Liabilities	0.81	11.05
<b>TOTAL</b>	<b>0.81</b>	<b>11.05</b>

**15. Current Tax Liability**

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Tax	0.00	122.73
<b>TOTAL</b>	<b>-</b>	<b>122.73</b>

<b>DECIPHER LABS LIMITED</b>		
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023</b>		
<b>16. Revenue from operations</b>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Sale of products</b>		
Pharma Sales		
Finished Goods		
Traded Goods	64.96	68.82
<b>Sale of Services</b>		
IT Consulting Services	4,492.31	6,463.42
<b>TOTAL</b>	<b>4,557.27</b>	<b>6,532.24</b>
<b>17. Other income</b>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Other Income	734.34	3.77
Rental income	1.80	36.36
Foreign Exchange Gain(net)	0.92	0.00
Balances written back	-	727.24
Discount Received	-	0.03
<b>TOTAL</b>	<b>737.06</b>	<b>767.41</b>
<b>18. Purchase of Stock-in-trade</b>		
<b>TOTAL</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Purchase of Stock-in-trade	47.25	15.53
<b>TOTAL</b>	<b>47.25</b>	<b>15.53</b>
<b>19. Changes in inventories of finished goods,work in progress and traded goods</b>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Opening inventories</b>		
Packing materials	4.42	4.42
Finished Goods	-	-
	<b>(A) 4.42</b>	<b>4.42</b>
<b>Closing inventories</b>		
Packing materials	-	4.42
Finished Goods	-	-
	<b>(B) -</b>	<b>4.42</b>
<b>TOTAL (A-B)</b>	<b>4.42</b>	<b>-</b>
<b>20. Employee benefits expense</b>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Salaries to Staff	4,092.95	4,719.50
Directors' Remuneration	3.00	3.00
Insurance for Employees	22.84	3.14
Staff welfare expenses	0.33	8.72
<b>TOTAL</b>	<b>4,119.12</b>	<b>4,734.36</b>
<b>21. Finance Costs</b>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Lease charges	-	16.26
Interest on Borrowings	42.69	31.40
<b>TOTAL</b>	<b>42.69</b>	<b>47.65</b>

<b>22. Depreciation and amortization expense</b>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Depreciation of property, plant and equipment	5.74	10.45
Amortisation of Goodwill	37.01	31.72
Leased Depreciation	-	44.49
<b>TOTAL</b>	<b>42.75</b>	<b>86.67</b>
<b>23. Other expenses</b>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Advertisement Expenses	1.25	1.66
Payment to Auditor	2.00	1.98
Consultancy & Other Charges	274.33	31.60
Travelling Expenses	88.62	0.41
Office Expenses	1.07	355.16
Postage & Telegrams	-	0.47
Printing & Stationery	0.25	0.74
Rent, Rates and Taxes	18.74	14.45
Telephone Expenses	0.08	0.08
Listing Fee	3.45	3.00
Water charges	0.06	0.41
Security Charges	0.38	3.93
Electricity and generator expenses	-	6.93
Dues and Subscription	4.68	-
Forex loss	-	4.71
Web Maintenance	-	0.55
Internet Charges	5.96	2.37
Repairs and Maintenance	0.04	3.34
Bank Charges	5.47	0.82
Insurance	7.02	-
Project Management Cost	0.36	-
Miscellaneous Expenses	0.36	10.49
Expense on Investment	32.74	-
Loss on investment	388.56	-
Advance to suppliers written off	-	3.05
Sub contractor payment	149.46	-
Business Development Expenses	7.35	-
Loss on sale of asset	7.34	-
Power and Fuel	-	0.17
Bad Debts	230.31	-
<b>TOTAL</b>	<b>1,229.88</b>	<b>446.34</b>

**DECIPHER LABS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**24. Contingent liabilities and Capital Commitments- Nil**

**25. Related party transactions**

**Names of related parties and nature of relationships:**

<b>Names of the related parties</b>	<b>Nature of relationship</b>
<b>i) Key Management Personnel (KMP):</b>	
Sushanth Mohan Lal	Director
Vemuri Shilpa	Independent Director (retired on 28.02.23)
Janaki Ram Ajarapu	Additional Director from 14.02.23
Mary Vara Prasad Mutluri	Independent Director from 14.02.23
Venkateswara Rao Gudipudi	Independent Director from 13.08.22
Lakshmi Vijaya Nimmala	Independent Director from 14.02.23
Bhupendralal Waghray	Director (retired on 28.02.23)
Kumar Raghavan	Company Secretary retired on 30.04.22
Megha Agarwal	Company Secretary w.e.f 01.05.22
Sonam Jalan	Chief Financial Officer
<b>ii) Relatives of Key Management Personnel (KMP):</b>	
Suchit Mohan Lal	Father of Sushanth Mohan Lal

<b>Names of the related parties</b>	<b>Nature of Transactions</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Sushanth Mohan Lal	Remuneration	3.00	3.00
Sonam Jalan	Salary	9.00	9.00
Kumar Raghavan	Salary	0.25	3.00
Megha Agarwal	Salary	4.95	-
Suchit Mohan Lal	Rent and Maintenance	2.16	2.16
Sushanth Mohan Lal	Unsecured loans taken	1.52	5.10
Sushanth Mohan Lal	Unsecured loans repaid	1.52	15.15
ICP Solutions Limited	Advance paid	4.95	55.01
ICP Solutions Limited	Advance received back	4.95	58.58
ICP Solutions Limited	Interest Receivable	0.55	0.55
ICP Solutions Limited	Rent paid	1.85	1.80
ICP Solutions Limited	Rent received	1.80	1.80
Vitpro LLC	Consultancy income	16.04	50.04
RA Capital LLC	Unsecured loan given	132.10	-
Tekintel Inc	Sales	1.75	-
Aruna Ajarapu	Advance taken	1.36	-

Details of outstanding balances as at the year end where related party relationship existed:

<b>Names of the related parties</b>	<b>Nature of Balance</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Suchit Mohan Lal	Rent Payable	0.37	2.86
Vitpro LLC	Consultancy income receivable	12.74	17.20
RA Capital LLC	Unsecured loan receivable	132.10	-
Tekintel Inc	Consultancy income receivable	1.75	-
Aruna Ajarapu	Advance payable	1.36	-

**26. Earnings per share (EPS)**

<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Profit after tax	(268.23)	1,138.38
Weighted average number of equity shares in calculating Basic and Diluted EPS (In Numbers)	1,01,00,000	1,01,00,000
Face value per share ₹	10.00	10.00
Basic and Diluted Earnings per Share (EPS) ₹	(2.66)	11.27

**27. Impact of Covid-19**

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**28. Note on "Code on Security, 2020"**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Note - 28 :** The following charges are pending for satisfaction with Registrar of Companies(ROC) , Hyderabad

Description of Property	Charge Holder name	Location	Reason
Immovable Property	THE DHANLAKSHMI BANK LTD for Rs.40,00,000.	Hyderabad	Company is in the process of filing form for satisfaction of charge
Immovable Property	CORPORATION BANK for Rs.2,25,000	Hyderabad	Company is in the process of filing form for satisfaction of charge
Immovable Property	VIJAYA BANK for Rs.40,00,000	Hyderabad	Company is in the process of filing form for satisfaction of charge
Immovable Property	THE DHANLAKSHMI BANK LTD for Rs.40,00,000	Hyderabad	Company is in the process of filing form for satisfaction of charge
Immovable Property	THE DHANLAKSHMI BANK LTD for Rs.60,00,000	Hyderabad	Company is in the process of filing form for satisfaction of charge

**29.** Previous Year figures have been regrouped wherever necessary.

As per our report of even date  
For Ramanatham & Rao  
Chartered Accountants  
FRN. S - 2934

For and on behalf of the Board

K.Srinivasan  
Partner  
M.No: 206421

sd/-

sd/-

Sushant Mohan Lal      Venkateswara Rao Gudipudi  
Director                      Director  
DIN: 01227151              DIN: 02147615

Place: Hyderabad  
Date: 30.05.2023

sd/-

sd/-

Megha Agarwal              Sonam Jalan  
Company Secretary          Chief Financial Officer  
DAHPA1005D                  COFPK5981R