

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

2020 - 2021



## DECIPHER LABS LIMITED

*Formerly Known as Combat Drugs Limited*

*Formulating Growth, Deciphering Tomorrows*

# ANNUAL REPORT

## 2020 - 2021

### 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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## BEYOND BOUNDARIES

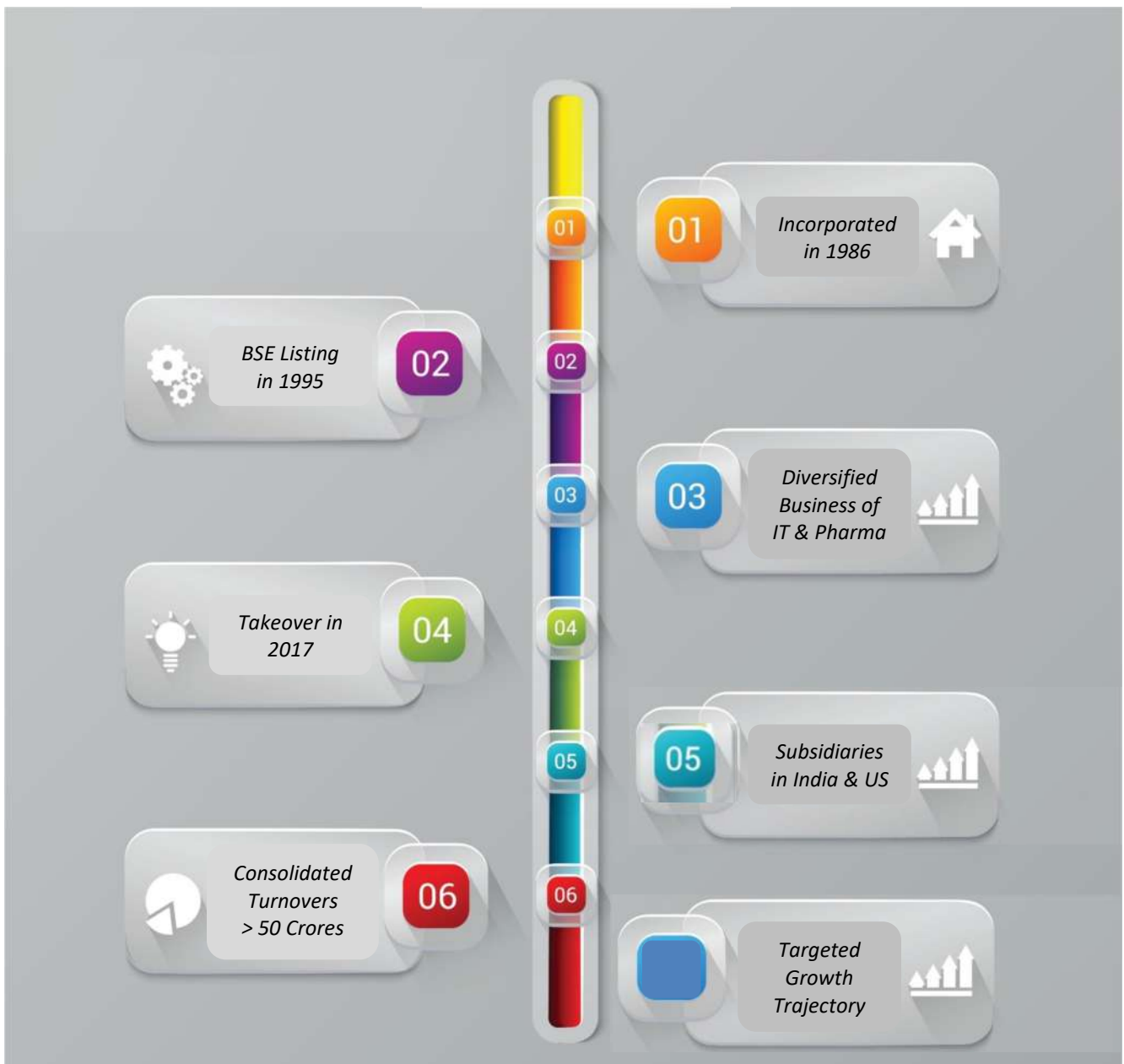
*Change is imminent and for those who Decipher the path, Growth is Eminent!!*

Since the onset of the pandemic induced crisis, normal life and work has changed radically. Traditional business practices were challenged, technologies were tested, remote work models were put to the ultimate test, digital transformation projects were accelerated at break-neck speed, and businesses faced tougher demands than ever before.

It is our agility and resilience to embrace change that has helped us move forward - To overcome tough market challenges, adapt to new styles of work, think beyond the boundaries of traditional business areas, reimagine our future, and develop and innovate methods and inculcate the practices and supply chains that break conventions.

While many have struggled through this face, Decipher has quietly combatted the ills of the pandemic and moved forward by delivering on its commitments and maximizing all given opportunities. Our endeavor continues to be to leverage our expertise in the operating fields to deliver commercial solutions.

## THE JOURNEY



## THE FACTSHEET

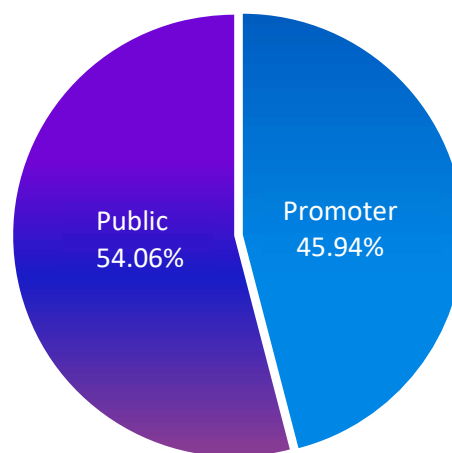
Decipher, established in 1986, has been built on a commitment towards quality, a vision to provide quality at affordable prices. During its years of operation, we have been associated with various companies and professionals who have stood by the company and continue to vouch for the quality of the products and services as well as the high standards maintained by us. The company, through its subsidiary/ies is gaining a lot of ground in the Information technology Sector engineering optimal business solutions by applying and integrating existing and emerging technologies in tune with the diverse technological needs of the corporate sector and providing the needed Strategic Technology Resources and Products.

### STOCK PROFILE

BSE	DECIPHER   524752
Authorised   Issued Capital	10.50 Cr   10.10 Cr
Share Price *	34.55
Market Cap* (in Cr)	10.10 Cr
52 – week H/L Range	50.40 / 18.25
Scrip Name / Code	DECIPHER   524752

\* Share price & Market Cap Data (BSE) as on 25<sup>th</sup> August, 2021

### SHAREHOLDING



As on 31<sup>st</sup> March, 2021

## THE GROUP BUSINESS



## FINANCIAL HIGHLIGHTS

	STANDALONE		CONSOLIDATED	
(Amount in Lakhs)	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
	31-03-21	31-03-20	31-03-21	31-03-20
Net Income from:	<b>31.03-21</b>	31-03-20	<b>31.03-21</b>	31-03-20
Sales & Other Operations	<b>112.03</b>	143.67	<b>5620.78</b>	2425.93
Profit before Depreciation	<b>14.19</b>	17.10	<b>296.22</b>	202.22
Less Depreciation	<b>4.15</b>	0.35	<b>81.93</b>	55.61
Net Profit/(Loss) after Interest and Tax	<b>10.04</b>	16.75	<b>138.97</b>	105.63
Balance carried to Balance Sheet	<b>9.62</b>	16.80	<b>140.26</b>	110.09
Earnings per share	<b>0.10</b>	0.17	<b>1.39</b>	1.09

## THE GROUP'S CLIENTELE

Decipher deals with various Corporates and markets its products and services across the globe. The Pharma Business comprises of clients largely based in India and the products of the company are well received by the medical fraternity. The company also provides services to various clients in India and the US through its subsidiaries ICP Solutions Private Limited and Decipher Software Services LLC which is a GSA Schedule 70 Contract holder with an excellent track record both in government and the private sector.

*Few of the clients that the company provides products and services are listed below:*



# DECIPHER LABS LIMITED

CIN NO: L24230TG1986PLC006781

## Registered/Corporate Office:

Plot No. 94, 4th Floor, Sagar Society  
Rd No.2, Banjara Hills, Hyderabad-34  
Website / Email : www.decipherlabs.in  
Website / Email (Old) : www.combatdrugs.in  
Phone : 040-48536100

## Works:

9-109/9, Plot No.112, Gayatri Nagar, Road  
No.14, Boduppal, Hyderabad- 500039. TS  
info@decipherlabs.in  
Info@combatdrugs.in

## BOARD OF DIRECTORS

### MR. JANAKIRAM AJJARAPU

Whole Time Director, CEO, Promoter

### MR. SUSHANT MOHAN LAL

Director

### MRS. VEMURI SHILPA

Independent Director

### MR. BHUPENDRALAL WAGHRAY

Independent Director (w.e.f.07.08.20)

## KEY MANAGERIAL PERSONNEL

### MR. KUMAR RAGHAVAN

Company Secretary & Compliance Officer

### MRS. SONAM JALAN

Chief Financial Officer

## AUDITORS

### STATUTORY AUDITORS

M. Anandam & Co., Chartered Accountants  
Secunderabad, Telangana, India

### SECRETARIAL AUDITORS

Marthi & Co, Company Secretaries,  
Khairatabad, Hyderabad

## REGISTRARS & TRANSFER AGENTS

M/s Venture Capital & Corporate Services Private Limited  
12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana  
Phone: (+91)-4023818475/476 Email id: info@vccipl.com / info@vccilindia.com

## A MESSAGE FROM THE DIRECTOR / PROMOTER

Dear Shareholders,

The global pandemic caused by COVID-19 has resulted in 'the new normal', which has led to a disruption in lives, livelihoods, and businesses, worldwide. Despite the challenges posed by the pandemic, I am pleased to say that the management, through active guidance and support from the Board, was able to navigate through the uncertainty adeptly. Today, as a standalone company, we are a zero-debt Company and as a Group we stand strong with a healthy balance sheet, giving us considerable scope to plan, invest and capitalise in various exciting avenues, despite the challenging environment.

I am humbled by the way that the people at Decipher Group have come forward and risen to meet every challenge and opportunity during these times. On behalf of the Board, I thank them for taking the company to new heights during the last year. Their determination and passion have not only ensured that our progress was steady and un-interrupted but has also cemented our values of commitment to adapt to challenges, especially at a time when our clients needed us the most.

### The Journey

The 35 years of the Company have been a roller coaster as it has seen and withstood several storms; Losses, failed expansions, declining revenues, negative cash flow, and a damaged reputation. It was a tumultuous period for all stakeholders during which all had expected the Company to reach the stage of being defunct. Despite the hardships the Company had to face, the faith of its customers and shareholders and the struggle of the erstwhile promoters kept it going and managed to steer the company through that period.

In the year 2017, upon completion of the open offer, wherein majority stake in the company was acquired subsequent to requisite approvals from all Govt agencies, changes to the management were made, and a fresh look was given to the strategic focus of the business. It took us a while to get the know how of the things and in 2018 the company decided to strategically restart its Information Technology business and extended into new areas outside the core products of revenue management. This also brought us a chance for a strategic acquisition to grow in these areas. A chance target was identified for growth for the business, in close discussions with the board and the acquisition has yielded great success.

### Financial highlights FY21

The Company performed well in the financial year 2020-2021 and closed the year with growth and profitability. The revenue for the year stood at Rs.55.56 Crores as against Rs.23.99 Crores in FY20, which translates to a 100% growth. EBITDA margins ended at Rs.4.10 Crores as against Rs.2.74 Crores in FY20. Profit after tax was at Rs.1.40 Crores in FY21.

### Shareholder's Dividend - On the path to Rewarding your patience

The Company's performance and cash position have consistently been improving since FY19 onwards. The Company today has a healthy balance sheet compared to the past. However, despite the overall improvement in the performance and healthy balance sheets, your board felt it was prudent to withhold the temptation to reward the shareholders for their immense patience and support to the company over the years. With continued improvements, we envisage a possibility of a healthy dividend in the near future.

### Business update – FY22 Outlook

We are making good progress in the new areas, and I am also excited with prospective targets for our acquisitions leading to a path towards a successful business as we continue to strive to make investments in new areas and these investments will help us identify the next set of products which will help us grow faster and also take our products and solutions to various verticals. As the industry continues to focus on enhanced efficiency and reduced capital expenditure, the prospects of Decipher continue to be brighter than ever, indicating better performance ahead with the clarity of purpose and mission of stability.

I take this opportunity to thank all the stakeholders once again for standing by the Company. The Company remains committed to deliver enhanced value to all stakeholders and feels confident to achieve results through our focus on core and growth areas.

With Warm regards,

*Janakiram Ajarapu, Director & Promoter*

# DECIPHER LABS LIMITED

CIN NO: L24230TG1986PLC006781 Formerly known as Combat Drugs Limited

Regd Office: Plot No. 94, 4th Floor, Sagar Society, Rd No.2, Banjara Hills, Hyderabad-500034 TS India

URL: www.decipherlabs.in Email: info@decipherlabs.in Phone: 040-48536100

## NOTICE

### of the 35<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the **35<sup>th</sup> (Thirty Fifth) Annual General Meeting** of the members of Decipher Labs Limited will be held on **Wednesday 29<sup>th</sup> September, 2021 at 11:00am through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following items of business:

The Registered Office of the Company shall be the deemed venue of the Annual General Meeting.

#### **ORDINARY BUSINESS:**

##### **Item No. 1 – Adoption of Audited Standalone and Consolidated Financial Statements**

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon.

##### **Item No. 2 - APPOINTMENT OF M/s RAMNATHAM & CO (FRN 002934S) AS STATUTORY AUDITORS IN PLACE OF M/S ANANDAM & CO**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139, 140, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Ramanatham & Rao, Chartered Accountants, (FRN 002934S) be and are hereby appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting of the Company until the conclusion of the 40<sup>th</sup> Annual General Meeting of the company ie a term of 5 years, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder at a remuneration as may be fixed in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Board of Directors and the Auditors, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement, in such manner as may be agreed to between the Board of Directors in consultation with the Auditors.”

#### **SPECIAL BUSINESS**

##### **Item No.3 - TO APPROVE THE APPOINTMENT OF MR JANAKIRAM AJJARAPU AS DIRECTOR OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company, Mr. Janakiram Ajjarapu (DIN:02155939), who was appointed as an additional director by the Board of Directors of the Company at their meeting held on and w.e.f. 1<sup>st</sup> October, 2020, based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section



160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

**Item No. 4 - APPROVE THE APPOINTMENT OF MR JANAKIRAM AJJARAPU AS A WHOLE TIME DIRECTOR OF THE COMPANY.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections , 196, 197 and 203 read with Schedule V and Article of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or reenactment(s) thereof for the time being in force), the approval of the members/shareholders of the Company be and is hereby accorded to approve the terms of appointment and remuneration of Shri Janakiram Ajjarapu (DIN: 02155939) as a Whole Time Director of the Company, for a period of three years with effect from October 1, 2020, as recommended / approved by the Nomination & Remuneration Committee and Board of Directors in its meeting held on 1<sup>st</sup> October, 2021, on the terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment / re-appointment and/or remuneration as it may deem fit and as may be accepted by Shri Janakiram Ajjarapu, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Janakiram Ajjarapu, the remuneration mentioned herein (including annual increments) shall be paid to Mr. Janakiram Ajjarapu as minimum remuneration in terms of Section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution.”

SPECIAL BUSINESS:

**Item No. 5 - TO APPROVE RELATED PARTY TRANSACTIONS**

To Consider and if thought fit, to pass the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment, modification or reenactment thereof) and applicable provisions of the SEBI Listing Obligation and Disclosure Requirements, Regulations 2015 as amended from time to time, consent of the members of the company be and is hereby accorded for entering into Related Party Transactions, at arm’s length basis, upto an amount of Rs.20,00,00,000/- (Rupees twenty Crores Only) in a financial year, with Related Parties either present or in future being the Directors, Key Managerial Person/s, Senior Management and Associate/s, including business/s in which the Director/s, Key Managerial Person/s, Senior Management and Associate/s and/or their relative/s, as defined in the Companies Act, 2013 and the SEBI LODR, as amended, have a minor /majority shareholding.

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

By the Order of the Board

For **DECIPHER LABS LIMITED**

Sd/-

Sushant Mohanlal

Date: 25.08.2021

**DIRECTOR**

Place: Hyderabad

## BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT AT THE 35<sup>TH</sup> ANNUAL GENERAL MEETING

(Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### Additional Information on Directors Seeking Appointment/Re-appointment

Name of Director	Janakiram Ajjarapu
DIN	02155939
Date of Birth	15/06/1968
Date of Appointment	01/10/2020
Qualification	MBA
Expertise	Marketing, Finance, M&A
Relationship with Directors	None
No. of Shares Held	46,39,927
Other Directorship*	None
Chairman/ Members of Committee in other Companies *	None
No. of Board Meetings attended during FY 2020-21	4

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

#### ITEM NO.2: Appointment of Ramnatham & Rao as Auditors of the Company in place of M/s Anandam & Co

M/s Anandam & Co, Chartered Accountants, existing statutory Auditors of the company were appointed as Auditors of the company by the members to hold office from the conclusion of the 34<sup>th</sup> Annual General meeting to the conclusion of the 35<sup>th</sup> Annual General meeting of the company.

As per the provisions of the Companies Act the Auditors of the public listed company cannot hold office for a period of more than 10 years from the date of appointment and hence the current Chartered Accountants cannot continue with effect from the conclusion of the ensuing Annual General Meeting to be held on 29<sup>th</sup> September, 2021. Accordingly reappointment cannot be considered at the ensuing AGM by the members.

At the meeting held on 25<sup>th</sup> August, 2021, the Board of Directors have recommended the appointment of M/s Ramanathan & Rao, Chartered Accountants (FRN 002934S) as Statutory Auditors of the company in place of M/s Anandam & Co, to hold office from the conclusion of this AGM until the conclusion of the 40<sup>th</sup> AGM on the remuneration fixed by the Board of Directors, subject to the approval of the Shareholders.

The remuneration to be paid to the Auditors is as below:

The Resolution under this item seeks the approval of the Shareholders by an ordinary resolution for the said appointment of the new Auditors.

A special notice in accordance with Section 115 has been received in terms of Section 140(4)(i) of the Companies Act, 2013 from the member proposing the appointment of M/s Ramanathan & Rao, Chartered Accountants (FRN 002934S), as Auditors of the company in place of Anandam & Co.

None of the Directors or Key Managerial Personnel of the company or their respective relatives are concerned or interested in the foregoing resolution.

Your Directors recommend the approval of the Resolution in item No 2 for approval.

**ITEM NO.3: Appointment of Mr. Janakiram Ajarapu as Director**

Mr Janakiram Ajarapu was appointed as the Additional Director of the Company by the Board of Directors of the company at their meeting held on and w.e.f. 1<sup>st</sup> October 2020 to hold office upto the date of ensuing Annual General Meeting.

A notice has been received by the company in writing under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director.

Mr. Jankiram Ajarapu is not disqualified from being appointed as a Director in terms of Section 164 of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent for the said appointment.

None of the Directors and KMP or their relatives except Mr Janakiram Ajarapu are concerned or interested in this resolution.

**ITEM NO.4:** Mr. Janakiram Ajarapu is the Promoter of the company. An NRI / Person of Indian Origin, he holds a Master's degree in Business Administration from University of South Florida with a major in Finance. With an experience of about 25 years in the fields of Finance, Sales, Marketing, Administration, Information Technology and Mergers & Acquisitions, Mr. Janakiram Ajarapu has been leading the company from the front and taking into consideration the growing size, complexity and reach of the Company's operations, the enormous responsibility for oversight of the Company, the qualifications and accomplishments of Mr. Janakiram Ajarapu and based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors (the "Board"), at its Meeting held on October 01, 2020 appointed Mr. Janakiram Ajarapu as Whole-Time Director of the Company for a period of one year initially.

The principal terms and conditions for his employment are as set out below:

a) Nature of Contract/ Agreement: Employment Agreement

b) Material Terms:

i) Tenure: Term commencing from October 01, 2020, upto September 30, 2023.

ii) Fixed Pay: 12 lakhs per annum (comprising primarily of basic pay, house rent allowance, conveyance allowance, medical allowance, leave travel allowance, special allowance, company's contribution to provident fund, gratuity and others) to be paid periodically in accordance with the Company's normal payroll practices and subject to tax withholding.

iii) Any Stock Options granted by the Nomination & Remuneration Committee from time to time and entire value of perquisites arising out of exercise of stock options granted.

iv) Taxes: Mr. Janakiram Ajarapu will be solely responsible for all personal and other taxes relevant including the preparation and filing of such tax returns with appropriate authority.

v) Expenses: The Company shall reimburse all reasonable travelling and other similar out of pocket expenses necessarily and reasonably incurred by him wholly in proper performance of his duties and responsibilities.

Any annual increments to components of his remuneration will be determined on an annual basis by the Board or the Nomination & Remuneration Committee at its sole discretion, taking into account factors such as the Company's prior years' financial performance, independent industry compensation benchmarks and potential future contribution which shall not exceed 130% of the remuneration mentioned above.

Upon exercise of Employee Stock Options that are already granted / proposed to be granted to Mr. Janakiram Ajarapu, the value of perquisites shall be actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules and shall form part and parcel for the purpose of computation of his total remuneration under Sections 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force.

In the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Janakiram Ajarapu, the remuneration mentioned herein (including annual increments) shall be paid to him as minimum remuneration in terms of Section II of Part II of Schedule V of the Companies Act, 2013.

The terms as set out in the Resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 196 of the Act. Save and except Mr. Janakiram Ajarapu and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

The Board of Directors recommends the resolution under Item No. 4 of the Notice for approval by the members by means of a special resolution.

As on March 31, 2021, Mr. Janakiram Ajarapu holds 46,39,927 equity shares of the Company.

#### **ITEM NO.5: Related Party Transactions**

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The revised Clause of the Listing Agreement with BSE Limited has also prescribed seeking of shareholders' approval for material related party transactions, if any.

With the growth in Business and the expansion drives in the near future with an aim to provide better products and services across countries, the company will invariably need to enter into few Related Party Transactions directly or indirectly with its directors, key managerial persons and senior management and Associates and their companies. Hence, the Company solicits a general approval for the transactions entered / to be entered by the Company with its directors, key managerial persons and senior management and Associates, including corporates, businesses, companies and other such associates owned in full or in part and/or managed in full or in part by the respective family members and/or their relations, as defined in the Companies Act and the provisions of the SEBI Listing Obligations and Disclosure Requirements, as amended from time to time, for an amount upto Rs. 20,00,00,000/- (Rupees Twenty Crores only) and at arm's length basis.

As per the Listing Agreement, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material Related Party Transactions is sought from the shareholders. Accordingly, all related parties of the Company, including, among others, the Directors and Key Managerial Personnel of the Company will not vote on this resolution.

The Directors recommend the Resolutions at Item No. 5 of the accompanying Notice for the approval of the Members of the Company.

Memorandum of Interest: None of the Directors' and Key Managerial Personnel's of the Company and their relatives is in any way concerned or interested in the above resolution.

**By the Order of the Board**

**For DECIPHER LABS LIMITED**

Sd/-

Sushant Mohanlal

**DIRECTOR**

Place: Hyderabad

Date: 25.08.2021

## NOTES

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the special business of the Notice of the 35<sup>th</sup> AGM ("Notice"), is annexed hereto.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. Accordingly, the 35<sup>th</sup> AGM of the Company is being conducted through Video Conferencing or Other Audio Visual Means ("VC/OAVM"), which does not require physical presence of members at a common venue. The deemed venue for the 35<sup>th</sup> AGM shall be the Registered Office of the Company. The 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.
3. 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.
4. The Board of Directors have not recommended any dividend for the financial year ended March 31, 2021.
5. 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.
6. 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 websites of the Stock Exchange i.e. 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).
7. Since the 35<sup>th</sup> AGM will be held through VC/OAVM , the Route Map is not annexed to this Notice.
8. 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.

9. In case of joint holders attending the 35<sup>th</sup> AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members from the date of the Notice upto the date of the 35<sup>th</sup> AGM. Members seeking to inspect such documents can send an email to [cs@decipherlabs.in](mailto:cs@decipherlabs.in).
11. The Register of Members and Share Transfer Books will remain closed from Friday, 24<sup>th</sup> September, 2021 to Wednesday, 29<sup>th</sup> September, 2021 (inclusive of both days) for the purpose of payment of dividend, if declared at the AGM and for the purpose of the AGM.
12. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be:-
  - a. Change in their residential status on return to India for permanent settlement.
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier, to enable the Company to remit dividend to the said Bank Account directly.
13. Members are requested to notify the RTA – Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharatnagar, Hyderabad - 500 018, Telangana, of any change in their address(es) to enable the Company to address future communications to their correct addresses including dividend matters.
14. Pursuant to SEBI circular No: SEBI /HO /MIRSD /DOP1 /CIR /P/2018/73 dated April 20, 2018 and notification No. SEBI/ LAD-NRO/GN/2018/24 dated June 08, 2018, as well as the Company's letters dated July 02 , July 03, August 22, and November 24, 2018 and July 3, 2021 respectively, members are requested to update their KYC Details and take necessary steps to dematerialize shares that are held in physical form, as transfer of shares held in physical form is no longer permitted. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market and Shareholders are requested to update their records with the respective depositories and/or the Share transfer agency accordingly.
15. Pursuant to Clause 2 (h) of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, individuals who hold a right or entitlement directly in the Company are requested to intimate the Company through a declaration in Form BEN-1.
16. The Notice of the 35<sup>th</sup> AGM, Annual Report and instructions for e-voting are being sent only through electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s)/ RTA. For members who have not registered their email addresses, please refer Clauses 2 & 3 under "Instructions to shareholders for participating in the AGM through VC/OAVM and for e-voting" to this Notice for detailed instructions for registration. To support the "Green Initiative", shareholders who have not registered their email addresses are requested to register the same with their DP's in case the shares are held in electronic form and with the RTA in case the shares are held by them in physical form.
17. Members may also note that the Notice of the 35<sup>th</sup> AGM and the Annual Report 2020-21 will be available on the Company's website under [www.decipherlabs.in](http://www.decipherlabs.in).

18. Additional information, pursuant to Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, in respect of the directors seeking appointment/ re-appointment at the 35<sup>th</sup> AGM, forms part of this Notice.
19. Members who wish to get any further information as regards the items to be transacted at the meeting or the financial statements are requested to write to Mr. Kumar Raghavan, Company Secretary & Compliance Officer at [cs@decipherlabs.in](mailto:cs@decipherlabs.in) at least 2 days before the date of the 35<sup>th</sup> AGM so as to enable the management to keep the information ready. Documents referred to in the accompanying explanatory statement will be available electronically for inspection by the Members from the date of the Notice upto the date of the 35<sup>th</sup> AGM. Members seeking to inspect such documents can send an email to [cs@decipherlabs.in](mailto:cs@decipherlabs.in).
20. The Company has appointed Mr. S.S.Marathi, Practicing Company Secretary, (Membership No. FCS 1989 /CP 1937), to act as the Scrutiniser for scrutinising the e-voting process in a fair and transparent manner.
21. Procedure for obtaining the Annual Report, AGM Notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:  
Members who have not registered their email addresses and in consequence the Annual Report including Notice of AGM and e-voting instructions could not be serviced, may get their email address and mobile number registered with the Company's Registrar and Share Transfer Agent, Venture Capital and Corporate Investments Pvt Ltd. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to [info@vccipl.com](mailto:info@vccipl.com).  
Alternatively, members may send an e-mail request at the email id [info@vccipl.com](mailto:info@vccipl.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for obtaining the Annual Report, Notice of AGM and the e-voting instructions.
22. The "cut-off date" for determining the eligibility for voting either through remote electronic voting system is fixed as 23<sup>rd</sup> September, 2021. The e-voting period commences on 26<sup>th</sup> September, 2021 at 9.00 a.m. IST and ends on 28<sup>th</sup> September, 2021 at 5.00 p.m. IST. During this period, a person whose name is recorded in the Register of Members or in the Register of Beneficiary Owners maintained by the depositories, as on the cut-off date, shall be entitled to avail the facility of remote e-voting. The remote-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast 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 during the AGM. Only those Members whose names are recorded in the Register of Members of the Company as on the cut-off date shall be entitled to vote. If a person was a Member on the date of the Book Closure date as aforesaid but has ceased to be a Member on the cut-off date, he/she shall not be entitled to vote. Such person should treat this notice for information purpose only.
23. 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.

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

The remote e-voting period begins on 26<sup>th</sup> September, 2021 at 09:00 A.M. and ends on 28<sup>th</sup> September, 2021 at 05:00 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<sup>rd</sup> September, 2021, 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<sup>rd</sup> September, 2021.

**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>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>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>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 “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ 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</li></ol>



	<p>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 redirected 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.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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 &amp; voting during the meeting.</p>

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 spcspl@gmail.com with a copy marked to 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 to reset the password.

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 NSDL 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 for e-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. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
3. 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.
4. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [cs@decipherlabs.in](mailto:cs@decipherlabs.in).
5. Shareholders who would like to express their views/have questions may send their questions in advance by September 23, 2021 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. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. The Scrutiniser shall, after the conclusion of voting at the AGM, shall submit a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or any officer of the Company so authorised by the Board. Result of the voting shall be declared forthwith, but within 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer’s report, will be posted on the website of the Company [www.decipherlabs.in](http://www.decipherlabs.in) and will be communicated to the Stock Exchanges, where the Company’s shares are listed. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM.
7. Members are requested to quote their Registered Folio No. on all correspondence(s) with the Company.

**By the Order of the Board**

**For DECIPHER LABS LIMITED**

Sd/-

Sushant Mohanlal

**DIRECTOR**

Place: Hyderabad

Date: 25.08.2021

## DIRECTORS REPORT

Dear Members,

Your Directors take pleasure in presenting you the Thirty Fifth Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2021.

### SUMMARY OF FINANCIAL PERFORMANCE

The Company's financials for the year under review along with the corresponding figures of the previous year's figures are as under:-

	STANDALONE		CONSOLIDATED	
	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
(Amount in Lakhs)				
Net Income from:	<b>31-03-21</b>	31-03-20	<b>31-03-21</b>	31-03-20
Sales & Other Operations	<b>112.03</b>	143.67	<b>5620.78</b>	2425.93
Profit before Depreciation	<b>14.19</b>	17.10	<b>296.22</b>	202.22
Less Depreciation	<b>4.15</b>	0.35	<b>81.93</b>	55.61
Net Profit/(Loss) after Interest and Tax	<b>10.04</b>	16.75	<b>138.97</b>	105.63
Balance carried to Balance Sheet	<b>9.62</b>	16.80	<b>140.26</b>	110.09
Earnings per share	<b>0.10</b>	0.17	<b>1.39</b>	1.09

### REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

Change is imminent. Your company is changing with the times and moving in the right direction to Deciphering a bright future which is evident from the consolidated growth of the company. As the pandemic slowly subsidizes, in FY22 your company is expecting to continue to grow revenues in double digits. Historically the revenues in the first Quarter have always been a little weaker compared to other quarters and as we come to the hopeful end of the pandemic situations, we expect that to continue in Q1 and Q2 of FY22 as well. However, we hope to pick up pace in the rest of the quarters as the company expects the robust growth to continue in the current year with good demand for company's products and room for further expansions being associated with reputed associations, corporates and manufacturers.

The past year has been extremely challenging to all our teams, and they have stepped up to the challenges of remote working and ensured they maintained the core operations and strategic initiatives hassle free giving us our successful growth figures. The outstanding efforts of the team has ensured that the company is maintaining a healthy Core operating margin (EBIDTA margin) and continues to focus on running the operations of the company efficiently and improve our overall operating margins. Your company continues to scout for expansions through acquisitions and investments in new areas which will help us grow faster and also take our products and solutions across various verticals.

### RESERVES:

There were no transfers to Reserves during the financial year 2020 - 2021.

### STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS:

The Standalone and Consolidated Financial Statements of your Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. Further, a Statement containing the salient features of the Financial Statements of our subsidiaries pursuant to subsection 3 of Section 129 of the Companies Act, 2013 in the prescribed Form AOC-1 is appended as Annexure 1 to the Board's Report. The Statement also provides the details of performance and financial position of each of the subsidiaries.

### SHARE CAPITAL

During the year under review, there was no change in the share capital. The Authorised Share Capital of the company is 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/- as on the date of the report.

## DIVIDEND

No dividend has been recommended by the Board of Directors for the financial year 2020-21. The provisions of Section 125 (2) of the Companies Act, 2013 do not apply to the company as on date.

## MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

## DETAILS OF SUBSIDIARIES, JOINT VENTURES, ASSOCIATE COMPANIES & THEIR PERFORMANCE:

Pursuant to Section 129(3) of the Companies Act, 2013 ("Act") and SEBI Listing Regulations the Consolidated Financial Statements are prepared in accordance with the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India.

The Company has 2 Wholly owned Subsidiaries as on the year end.

The US Subsidiary Decipher Software Solutions LLC operates in the field of Information Technology Services specializing in Pharma sector as well as ERP Solutions, Business Intelligence, Data Warehousing, Software Development, Consulting, Programming and Offshore Development. The company has generated an Income Revenue of USD \$6.87 Million (approx. Rs.50.37 Crores at Rs.73.325 per US dollar) and a Net Profit of USD \$0.152 Million (approx Rs 1.12 Crores at Rs.73.325 per US dollar).

The Indian Subsidiary ICP Solutions Pvt Ltd operates in the field of Information Technology Services, Business Intelligence, Data Warehousing, Consulting, and Offshore Development. The company has generated an Income Revenue of Rs.4.22 Crores and a Net Profit of Rs 0.19 Crores.

Your Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of SEBI LODR. Decipher Software Solutions LLC ("DSSL") is a material subsidiary of the Company. During the year under review, consequent to the acquisition of DSSL the Company's subsidiary count is at 2 and DSSL has become a material subsidiary.

A report on the performance and financial position of each of the subsidiaries is provided in the notes to the consolidated financial statements. Pursuant to the provisions of Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries is attached to the financial statements of the Company.

A report on the performance and financial position of each of the subsidiaries are presented below.

All Amount except EPS in Rs. Lakhs Unless Specified

Particulars	ICP Solutions Pvt Ltd		Decipher Software Solutions LLC*	
	31/03/21	31/03/20	31/03/21	31/03/20
Net Sales & Other Operations	456.10	372.20	5058.05	1910.64
Profit before Depreciation	73.44	61.76	208.60	126.98
Less: Depreciation	46.58	45.60	31.19	9.66
Net Profit/(Loss) after Interest and Tax	17.34	8.72	111.60	83.78
Balance carried to Balance Sheet	19.06	13.23	111.60	83.78
Earnings per share	190.55	132.26	5579.98	4188.82

\* Figures of Decipher Software Solutions LLC is w.e.f takeover date i.e.; 20<sup>th</sup> December, 2019

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiaries are available on the website of the Company.

## CHANGE IN THE BUSINESS OF THE COMPANY

During the year under review, the company did not change its line of activity.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report

### **LISTING & TRADING ON STOCK EXCHANGES**

The Equity Shares of the Company are listed on The Bombay Stock Exchange Limited, Mumbai. The Market price of the Share as on 31st March, 2021 was Rs. 33.45 as compared to Rs. 18.85 per share on even date of 2020. The Company confirms that it has paid the Annual Listing Fee for the year 2020-21 to BSE.

### **DEMATERIALIZATION OF SHARES**

92.92% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2021 and balance 7.08% is in physical form as of 31st March, 2021.

The Company's Registrars are M/s Venture Capital & Corporate Services Private Limited, 12-10-167, Bharat Nagar, Hyderabad-500018, and Telangana. Phone:(+91)- 40-23818475 / 476 FAX: +91 40 23868024 Email id: info@vccipl.com.

The shareholders who continue to hold shares of the company in physical form will not be able to lodge the shares with company/its RTA for transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form will be accepted by the company / their RTAs.

All the investors who are holding shares in physical form, should consider opening a demat account at the earliest and submit request for dematerialization of their shares in order to protect the liquidity of the shares.

### **BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairperson and Director was carried out by the Independent Directors.

In a separate meeting of independent Directors, performance of non-independent Directors, performance of the board as a whole and performance of the Board was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There is no order passed by any Court or Tribunal or forum which impacted or is likely to impact the "Going concern status" of the company.

### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The company has adequate internal financial controls and has a separate Audit committee to assess the internal controls and guide the company accordingly.



## **DEPOSITS**

The Company has not accepted any Public Deposits during the year under review and there are no deposits which are remaining unclaimed or unpaid as at the end of the year and, as such, no amount of principal or interest was outstanding as on the date of the Balance sheet.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review except with the subsidiary/s of the company which could be considered material in accordance with the policy of the Company.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134 of the Companies Act, 2013, the Board of Directors of the Company make the following statements, to the best of their knowledge and belief and according to the information and explanations obtained by them:

- That in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards (INDAS) have been followed and there have been no material departures there from;
- That the accounting policies mentioned in notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profits of the Company for the year ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual financial statements have been prepared on a going concern basis;
- That proper internal financial control has been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively.
- That proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

Statutory Auditors M/s Anandam & Co, Chartered Accountants (ICAI Registration No.000125S) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 34<sup>th</sup> AGM until the conclusion of the 35<sup>th</sup> AGM of the Company to be held in the calendar year 2021. The Auditors' Report on the financial statements of the Company for the year ending March 31, 2021 is unmodified i.e. it does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements forming part of the Annual Report.

## **COST AUDITORS AND THEIR REPORT**

The provisions of Section 148 of the Companies Act 2013 does not apply to the company and hence no cost auditor is appointed.

**Secretarial Standards:** The Company complies with all applicable mandatory secretarial standard issued by the Institute of Company Secretaries of India

**Secretarial Auditors:** Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules there under, M/s Marthi & Co., Company Secretaries were appointed to conduct the secretarial audit of the Company for the FY 2020-21. The Secretarial Audit Report for FY 2020-21 is appended herewith to the Board's Report. There were no qualifications, reservations or adverse remarks made by the Practicing Company Secretary in their respective reports

## ANNUAL RETURN

The extracts of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form MGT 9 is attached to this Report at Annexure .

## CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

In terms of SEBI LODR (SEBI Listing Obligations and Disclosure Requirements, 2015), the provisions of Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company. However, your Company is committed to maintain the highest standard of Corporate Governance and adhere to the guidelines and hence voluntarily discloses the information as contained in the Report of Corporate Governance. The Company has obtained a certificate from a practicing company secretary confirming compliance, as per SEBI Listing Regulations. The Certificate in this regard is attached as Annexure to this Report.

**COMPANY'S POLICY RELATING TO KEY MANAGERIAL & DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:** The resolutions seeking approval of the Members for the appointment / re-appointment of Directors of the Company have been incorporated in the Notice to the AGM of the Company along with brief details about them. During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

### Managerial Remuneration

The Nomination & Remuneration Committee is vested with the powers to recommend the Appointment of a Director and Key Managerial Personnel and to fix and recommend the Remuneration accordingly.

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

Name	Designation	Yearly Remuneration (Rs).
1. Mr. Sushant Mohan Lal	Executive Director	12,00,000
2. Mr. Janakiram Ajjarapu	Whole Time Director	12,00,000
3. Mr. Bhupendralal Waghray	Independent Director	NIL
4. Smt. Vemuri Shilpa	Independent Director	NIL

**Details of every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:** The Ratio as such is not applicable.

**Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report —NIL**

## BOARD OF DIRECTORS, ITS COMMITTEES AND MEETINGS THEREOF

The Company has a professional Board with an optimum combination of executive, non-executive and independent directors (including one woman independent director) who bring to the table the right mix of knowledge, skills and expertise. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders. The Board is also supported by Three Committees of Directors viz. the Audit Committee, the Nomination & Remuneration Committee, Shareholders Grievance Relationship / Share Transfer Committee.

At least One meeting of the Board of Directors is held in each quarter. Additional meetings of the Board/Committees are convened as may be necessary for the proper management of the business operations of the Company. A separate meeting of independent directors is also held at least once in a calendar year to review the performance of non-independent directors, the Board as a whole and the Chairman.

A detailed update on the Board and its Committees' composition, number of meetings held during the financial year 2020-21 and attendance of the directors at these meetings is provided in the Report on Corporate Governance.

#### **BOARD MEETINGS**

The Board during the financial year 2020-21 met nine times. Detailed information regarding the meetings of the Board is included in the report on Corporate Governance which forms part of the Board's Report.

The Company constituted 3 Committees as under:

Audit Committee;

Nomination & Remuneration Committee;

Shareholders Grievance / Relationship / Share Transfer Committee.

The details are given as Annexure in the Corporate Governance Report.

#### **CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONEL**

The promoter of the company, Mr. Janakiram Ajjrapu has joined the Board of Directors of the company during the year subject to shareholders approval at the ensuing Annual General meeting.

Upon the opening of the lockdown, the company appointed Mr. Bhupendralal Waghay as an Independent Director of the company with effect from 7th August, 2020.

Mr. Vasudev Kommaraju, Director, retired on the conclusion of the previous general meeting and is not opting for reappointment due to preoccupation.

#### **COMPLIANCE OFFICER & CHIEF FINANCIAL OFFICER:**

Mr. Kumar Raghavan is the Compliance Officer of the Company.

Mrs. Sonam Jalan is the Chief Financial Officer of the company.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The company has received necessary declarations from all the independent directors of the Company that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

#### **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

During the Financial Year 2020-2021, the Audit Committee consisted of the following members:

i) Shri Bhupendralal Waghay ii) Smt Vemuri Shilpa iii) Shri. Sushant Mohanlal

The above composition of the Audit Committee consists of independent Directors viz., Shri Bhupendralal Waghay and Smt Vemuri Shilpa, who form the majority. The Audit Committee reports to the Board. The Company has a vigil mechanism in place.

#### **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The company has formulated and adopted a Risk management policy. As per the policy, the management continues to review and assess the Risk and also take steps for mitigating the same. However, the elements of risk threatening the Company's existence are very minimal.

#### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The provisions of Section 135 of the Companies Act, 2013 and rules made there under ("the Act") are presently not Applicable to the Company

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company does not have any funds lying unpaid or unclaimed for a period of seven years, which were required to be transferred to Investor Education and Protection Fund (IEPF).

## **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the year under review, No. of complaints received & disposed off were - NIL -

### **PARTICULARS OF EMPLOYEES:**

Information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given elsewhere in the report. As per the proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of employees posted and working outside India is - NIL. Mr. Janakiram Ajjarapu is based in the United States of America and is eligible to draw remuneration from the company as approved by the Board. However, he has offered to forego his remuneration till further notice or till such time that the net profitability of the company is equal to the Share Capital of the company in Rupee terms and the Board has agreed to his request in consultation with Nomination and Remuneration Committee.

**Extract of Annual Return** In accordance with the provisions of Section 134(3)(a) and 92(3) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended herewith as Annexure to the Board's Report.

### **Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow [Clause (m) of sub-section (3) of section 134 of the Act, r/ w Rule 8 of the Companies (Accounts) Rules, 2014]**

#### **Conservation of Energy**

The Company is getting their Products manufactured on Third Party Manufacturing basis & hence the energy consumed for manufacturing activities during the year was NIL & hence, no additional Investments or proposals were implemented for reduction of consumption of energy.

**Technology absorption:** The Company did not carry out any R & D during the year under review.

#### **Foreign exchange earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange out go during the year in terms of actual outflows is as follows:

Foreign Exchange Inflows: USD 44,000

Foreign Exchange Outflows: Nil

### **ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to Bankers, Business Associates, Consultants and various Government Authorities for their continued support extended to your company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed In your Company.

**By the Order of the Board  
For DECIPHER LABS LIMITED**

Sd/-

Sushant Mohanlal

**DIRECTOR**

Place: Hyderabad

Date: 25.08.2021

## DETAILS OF UNCLAIMED SHARES

### Annexure-1

The Company is required to open an unclaimed suspense account with a depository participant and transfer all the unclaimed share certificates of members after giving three reminders. All the voting rights on unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares. As on March 31, 2021 your Company has no equity shares in the unclaimed suspense account.

S.No.	Particulars	Remarks
1.	Total number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2021	Nil
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	Nil
3.	Number of shareholders to whom shares were transferred from suspense account during the year;	Nil
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2021	Nil

We request shareholders who have not registered their email addresses, so far to register their mail addresses, in respect of electronic holding with depository through their concerned depository participants and Members who hold shares in physical form are requested to send the required details to the Registrar and Share Transfer Agent, M/s Venture Capital & Corporate Services Private Limited, 12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana. Phone: (+91)-4023818475/476 FAX: +91 40 23868024 Email id: info@vccipl.com.

The company is also in the process of seeking approval from the requisite authorities to enable the company to move the physical holding of the members who have failed to update their KYC to a common demat account.

#### **Depository Services:**

For guidance on depository services, Shareholders may write to the Company/ Venture Capital or to the respective Depositories:

National Securities Depository Ltd  
Trade World, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai-400 013.  
Tel : 091-022-24994200,  
Fax:091-022-4972993 / Email : info@nsdl.co.in

Central Depository Services (India) Ltd.  
Lower Parel, Mumbai – 400 013.  
Tel :091-022-22723333,  
Fax :091-022-22723199  
Email: investors@cDSLindia.com

**Annexure – II****Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.**

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

S.No.	Name of the Director	Ratio of the remuneration of the median remuneration of the employees
1.	Mr. Janakiram Ajarapu	NA
2.	Mr. Sushant Mohan Lal	NA
3.	Smt. Vemuri Shilpa	NA
4.	Mr. Ragu Raghuram	NA
5.	Mr. Kumar Raghavan	NA
6.	Smt. Sonam Jalan	NA

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

S.No.	Name of the KMP	% increase in remuneration
1.	Mr. Janakiram Ajarapu	NA
2.	Mr. Sushant Mohan Lal	NA
3.	Mr. Kumar Raghavan	NA
4.	Smt. Sonam Jalan	NA

**PART-B**

Information under Section 197 (12) of the Companies Act, 2013 read with the rule 5(2) Companies (Appointment and remuneration of managerial personnel) Rules, 2014 and forming part of Directors Report for the year end March 31, 2020

Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration aggregating Rs 1,00,00,000 ( 1 Crore) or more:

Name of the Employee	Designation On	Remuneration (in Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last employment held before joining the Company	% of equity company shares held in the Company
NIL								

Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration for a part of that year, at a rate which, in the aggregate, was not less than 8,50,000 lakh rupees Per Month

Name of the Employee	Designation On	Remuneration (in Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last employment held before Joining the Company	% equity company shares held in the Company
NIL								

Employee employed throughout the financial year or the part thereof was in receipt of remuneration in that year which, in the aggregate, or the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company: NIL

**For and on behalf of the Board  
of DECIPHER LABS LIMITED**

Sd/-

Sushant Mohanlal

**DIRECTOR**

Place: Hyderabad

Date: 25.08.2021

**“Annexure - A”**  
**MANAGEMENT DISCUSSION & ANALYSIS**

**GLOBAL MARKET & INDUSTRY REVIEW**

There is a wave of challenges in today's market and uncertainties galore in the future as the pandemic has caused a debilitating impact on all sectors of the economy. When normalcy would be restored and what form would it take, is as on date anybody's guess. Companies across the globe have struggled to survive and manage the situation to the best extent possible and in doing so have come across numerous opportunities to self sustain and look inwards towards achieving a growth trajectory. We are pleased to inform that the Management had the foresight to focus on costs, efficiency and initiatives for the long term, all of which have yielded creditable market and financial performance despite the odds and help company sustain and grow. As the world deals with the disruption and the impact on the physical and financial health of people, your Company implemented various measures mitigating the negative impact including manpower, investment plans and close collaboration with customers, banks, financial institutions, suppliers and employees.

Looking ahead, our long-term outlook for the operating sectors continues to remain positive, with the current phase seen only as an aberration. The management has re-examined the business and operating models without any presumptions and a series of initiatives have been set in motion to reconfigure the Company aimed at sustainable growth while minimizing the adverse impact of economic cycle. Your Company has focused its efforts on retaining the contracts, maintaining and initiating newer key collaborations for growth and is set to kick-start its new initiatives developing integrated digital channels to enhance the values of the company and its subsidiaries.

**Opportunities and Threats**

As the effect of the pandemic continues to rage across the world, the absolute magnitude of impact depends on the duration of continuity of the pandemic and the impact caused by it. While your company does not see any immediate threat in the short term, the ripples caused by the outbreak will change the way the industry as a whole works.

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 generic products 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 Finalizing Joint Ventures while contemplating takeovers of Pharma companies in India and USA. The pandemic has impacted the expansion plans of the company but your company is close to achieving its the overall goal of having the global reach by the Company and is in continued deliberations with identified corporates.

**Risks 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 continues 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. The identified risk and concern before your Company are competitive business environment, changing preferences, inadequate infrastructure, steep increase in rental cost and wages, unexpected changes in raw material prices, changes in the customers' preference, and foreign currency exposure etc.

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 through third party manufacturing and procurement basis in GMP Manufacturing units in various locales.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an internal control framework, which is designed to safeguard its assets against loss from unauthorized use and ensure reliability of financial reporting. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies.

## **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.

## **OUTLOOK**

The Financial Year 2020-2021 witnessed a robust growth in revenues led by Pharma & I.T Business. We expect the growth momentum across our business segments to continue and multiply especially driven by Joint Ventures and Takeovers in USA. We intend to complete the organizational structuring and strengthening of Businesses and the human resources required to fully operationalize our I.T Division in the coming years.

We expect to enhance the healthy core EBITDA margins witnessed in the financial year and aim to be a Dividend paying company in the near future.

### **Disclaimer**

*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.*



## CORPORATE GOVERNANCE REPORT

The Ideology of Corporate Governance is based on fairness, openness, professionalism, accountability and focus on the sustainable success of the Company and building confidence of its various stakeholders, thereby paving a way for long term growth. The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders and strong commitment to values, ethics and business conduct.

Your Company is committed to good Corporate Governance with an effective Board and constitution of Committees to oversee critical areas, thereby, upholding the standards. As per Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements), 2015, provisions relating to corporate governance are not applicable to the company for the Financial Year ended 31st March, 2021. However, your Company has taken adequate steps to adhere to all the stipulations laid down under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 are as follows:

### Company’s philosophy on Code of Governance:

“Decipher” or “the Company” believes that good Corporate Governance emerges from the application of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters. Decipher also believes that sound corporate governance is critical to enhance and retain investor trust. Hence Decipher’s business policies are based on ethical conduct, health, safety and a commitment to building long term sustainable relationships with relevant stakeholders.

The Company is continuously making efforts for improving the Corporate Governance practices in the company which can contribute substantially in achieving good governance and thus resulting in enhancement of value to its stakeholders, customers, employees, Banks, Government Agencies, etc.

### Company’s Philosophy on Code of Corporate Governance

It is the Company’s endeavor to attain highest level of governance in the conduct of your Company’s business and its dealings and hence ensures adherence and enforcement of the principles of corporate governance with a focus on transparency, professionalism, fairness and accountability.

### Board of Directors

Your Company had a balanced mix of Executive and Non-Executive Directors during the year. The composition of the Board is broadened to represent a blend of professionals from various backgrounds. The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company’s day to day affairs are managed by a competent management team under the overall supervision of the Board and the Composition of the Board of your Company is in conformity with the SEBI LODR. The names and categories of Directors, the number of Directorships and committee positions held by them are given below.

### Composition and Category of Directors

The Board of Directors had an optimum combination of Two Executive and Two Non- Executive Directors one of them being a lady Director and not less than fifty percent of the Board members are Non-Executive and Independent Directors.

S.No	Name	Age	Designation	Date of Appointment
1	Janakiram Ajarapu	52	Executive Director	1 <sup>st</sup> October, 2020
2	Sushant Mohan Lal	41	Executive Director	19 <sup>th</sup> May, 2006
3	Bhupendralal Waghay	65	Independent Director	7 <sup>th</sup> August, 2020
4	Vemuri Shilpa	32	Independent Director	30 <sup>th</sup> March, 2015
5	Vasudev Kommaraju	66	Director	Upto 29 <sup>th</sup> Sept, 2020

**NOTES:** None of the Directors are related to each other;

Number of Directorships held in other companies includes only listed companies, whether listed or unlisted and excludes foreign companies, other bodies corporate and professional bodies. The limits on directorship of Independent Directors and Executive Directors are within the permissible limits.

The necessary disclosures regarding change in Committee positions, if any, have been made by all the Directors, during the year under review. None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees across all Indian companies. Independent Director means a Non-Executive Director, who fulfills the criteria as laid down in SEBI (Listing Obligations and Disclosure Requirements) 2015. The Company has issued a formal letter of appointment to its Independent Directors. The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013.

The Independent Directors of the Company met every time a Board Meeting is held. These meetings are held the same day as that of the Board Meetings. In the said meetings the Independent Directors review the matters stated in SEBI (Listing Obligations and Disclosure Requirements) 2015) and action items, if any, are communicated and tracked to closure to the satisfaction of Independent Directors. The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally.

### Meetings

The calendar of Board meetings is decided in consultation with the Board and the schedule of such meetings is communicated to all Directors well in advance. Generally, the Board Meetings are held in Hyderabad area, where the Corporate office / Registered Office of your Company is situated.

During the financial year ended March 31, 2021, the Board of Directors met nine times viz. on April 2, 2020, May 15, 2020, June 29, 2020, August 07, 2020, September 01, 2020, October 01, 2020, November 12, 2020, December 31, 2020, February 13, 2021. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The necessary quorum was present for all the Board Meetings and the Thirty Fourth Annual General Meeting.

After each Board Meeting, your Company has a well-articulated system of follow up, review and reporting on actions taken by the Management on the decisions of the Board and Committees of the Board. Attendance of the Directors at the Board Meetings and the Thirty Fourth AGM & Shareholding of Directors as on 31st March, 2021.

No	Name	Category	No. of BM Attended	Attendance at Previous AGM	No. of Member ships (other Co's)	Shares Held	%
1	Sushant Mohan Lal	Director	9	Yes	Nil	6,55,200	6.49
2	Vasudev Komaraju	Director	7	No	Nil	Nil	0.00
3	Vemuri Shilpa	Indp. Dir	9	Yes	Nil	Nil	0.00
4	Bhupendralal Waghay	Indp. Dir	6	Yes	Nil	Nil	0.00
5	Janakiram Ajarapu	Director	4	N/A	Nil	46,39,927	45.94

All changes being additions and deletions are communicated by the Board Members and recorded in the statutory registers and applicable disclosures also made to the Stock Exchanges.

The Board has constituted the requisite Committees and each Committee has their terms of reference as a Charter. The details of the committees are provided herewith:

### THE AUDIT COMMITTEE

The Audit Committee was constituted in accordance with the requirements of the Listing Agreement and reports to the Board and is primarily responsible for:

To review the internal control systems

To review Quarterly and Half-yearly results

To review the accounting and financial policies and practices

To review reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.

I) The Audit Committee consists of Three Directors, as per the details given below. All Members are financially literate and have the required accounting and financial management expertise.

The Audit Committee met 6 times during the financial year 2020-21 on 2<sup>nd</sup> April, 2020, 29<sup>th</sup> June, 2020, 7<sup>th</sup> August, 2020, 1<sup>st</sup> September, 2020, 12<sup>th</sup> November, 2020, 13<sup>th</sup> February, 2021. The necessary quorum was present for all the said Audit Committee Meetings.

The following are the members of the Audit Committee:

S.No	Name of the Director	Designation	Category
1.	Mrs. Vemuri Shilpa	Chairman	Independent, Non-Executive
2.	Mr. Bhupendralal Waghay	Member	Independent, Non-Executive
3.	Mr. Sushant Mohan Lal	Member	Executive

\* The committee was re-constituted upon the appointment of Sri Bhupendralal Waghay w.e.f., 07-08-2020.

No sitting fee was paid to them for attending the meetings of the Board and or its Committees.

## **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

### **THE NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee is primarily responsible to identify potential candidates to become Board Members besides recommending nominees to various Committees of the Board while ensuring that appropriate procedures are in place to assess Board's effectiveness.

- Developing an annual evaluation process of the Board and its Committees.
- Devising a policy on Board diversity;
- Assist the Board in ensuring that affordable, fair and effective compensation philosophy and policies are implemented;
- Approve and make recommendations to the Board in respect of salary structure and actual compensation (inclusive of performance based incentives and benefits) of the Executive Directors, including the Chief Executive Officer;
- Review and approve the overall budgetary increment proposals, disclosures in the annual report or elsewhere besides any other matter referred to the Remuneration Committee by the Board of Directors of the Company.
- Nomination and Remuneration Committee - salary, benefits, perquisites and allowances (fixed component) and performance incentives, commission (variable component) to its Chairman, Managing Director and other Executive Directors.
- The Nomination & Remuneration Committee is vested with the powers to recommend the Appointment of a Director and fix, recommend the Remuneration accordingly.

The Nomination and Remuneration Committee comprises of the following members

No	Name of the Director	Designation	Category	No. Meeting Attended
1.	Mr. Bhupendralal Waghay	Chairman	Independent, Non-Executive	4
2.	Smt Vemuri Shilpa	Member	Independent, Non-Executive	6
3.	Mr. Sushant Mohan Lal	Member	Director	6

The Committee held Six meetings during the year ended March 31st, 2021, on 2<sup>nd</sup> April, 2020, 30<sup>th</sup> June, 2020, 7<sup>th</sup> August, 2020, 1<sup>st</sup> September, 2020, 1<sup>st</sup> October, 2020, 13<sup>th</sup> February, 2021. The necessary quorum was present for all the said Committee Meetings.

No sitting fee or out of pocket expenses was paid to any of the Directors during the year in view of the financial constraints and performance of the company. The Comparative Ratios are- Not applicable

### **SHAREHOLDERS' RELATIONSHIP/ INVESTOR GRIEVANCE / SHARE TRANSFER COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI(LODR)Regulations,2015, the Board has constituted the committee as the "Shareholders' Relationship / Investor Grievance/ Share Transfer Committee"

The Committee reviews the following: Expeditious Redressal of investor's grievances, Transfer of shares, Dematerialization/Re-materialization, Non receipt of Annual Reports and declare dividend, all other matters related to shareholders' Grievances & to ensure quicker investor services and expeditious disposal of the share transfer approvals. The Committee meets as and when the memorandum of transfers date is intimated by the Share Transfer Agents; VENTURE CAPITAL & CORPORATE SERVICES PRIVATE LIMITED (Registrars and Transfer Agents) and accords its approvals accordingly.

The Share Transfer Committee Met seven times during the financial year 2020-21 on 2<sup>nd</sup> April, 2020, 2<sup>nd</sup> July, 2020, 7<sup>th</sup> August, 2020, 6<sup>th</sup> October, 2020, 22<sup>nd</sup> December, 2020, 4<sup>th</sup> January, 2021, 31<sup>st</sup> March, 2021. The necessary quorum was present for all the said Committee Meetings. No sitting fee was paid to them for attending any meeting of the Board and or its Committees.

S.No	Name	Category	Position held	No. of Meetings Attended
1	Sushant Mohan Lal	Director	Member	7
2	Vemuri Shilpa	Indp. Director	Chairman	7
3	Bhupendralal Waghray	Director	Member	5

All the Share Transfers / transpositions were affected on time and there is none was pending for more than 15 days and as on 31st March 2021. During the year 2020-2021, no complaints were received and resolved and as on 31st March, 2021 there were no complaints pending to be resolved.

Your Company has a designated e-mail ID, cs@decipherlabs.in (old mail: investorinfo@combatdrugs.in) for the redressal of any Stakeholders' related grievances for the purpose of registering complaints by Members/ stakeholders. Your Company has also displayed the said email ID under the investors section at its website, and other relevant details prominently for creating investor/ stakeholder awareness. Your Company maintains a functional website containing necessary information about the Company, contact information of the designated officials of the Company and the contents of the said website are updated at any given point of time as per Clause 54 of the Listing Agreement, and as per the requirements of the Companies Act, 2013. The company is in the continuous process of updating the website and the new domain name.

Mr. Kumar Raghavan is the Compliance Officer of the Company. The Compliance Officer, monitors the share transfer process and reports to the Company's Board in each meeting and the said Officer also directly liaises with the authorities such as SEBI, Stock Exchanges, ROC etc., and investors with respect to implementation of various clauses, rules, regulations and other directives of such authorities and investor service & complaints related matter. Investors may address their Communications/ Suggestions / Grievances to The Compliance Officer at 4th Floor, Plot No.94, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034. TELANGANA. India. Or send a mail to cs@decipherlabs.in (Old Emails investorinfo@combatdrugs.in / cs@combatdrugs.in will be defunct by 31/12/2021)

#### GENERAL BODY MEETINGS:

Date, Time and Location of the last 3 Annual General Meetings are:

AGM	DATE	LOCATION	TIME
34 <sup>th</sup>	29.09.2020	Video Conference/Other Audio Visual Means	11:30 AM
33 <sup>rd</sup>	09.12.2019	1st Floor, Conference Hall, Goodlands Banquet, Opp. CCMB, Habsiguda X Roads, Hyderabad – 500 007	11:00 AM
32 <sup>nd</sup>	29.09.2018	1st Floor, Conference Hall, Goodlands Banquet, Opp. CCMB, Habsiguda X Roads, Hyderabad – 500 007	11:30 AM

**Postal Ballot:**

No Resolution was passed during the previous year, through Postal Ballot process.

**Details of Non Compliance**

During the year 2020-21, no materially significant related party transactions have been entered into by the Company with the Promoters, Directors or Management or their relatives that may have a potential conflict with the interest of the Company. None of the Non-Executive Directors / Independent Directors have any pecuniary material relationship or transactions with the Company for the year ended March31, 2021, and have given undertakings to that effect.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

No penalty, or stricture was imposed by the Stock Exchanges or SEBI or any other authority, during the last 3 (three) years, since all applicable requirements were fully complied with.

**Accounting treatment in preparation of Financial Statements:**

The financial statements of the Company have been prepared and presented in accordance with the Indian Accounting Standards("IndAS") notified under the (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods upto and including the year ended 31<sup>st</sup> March, 2021, the company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS101.

**Whistle Blower Policy:** The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013 and Listing Agreement:

For employees to report concerns about unethical behavior and to establish a mechanism to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Integrity Policy; and

- To ensure that adequate safeguards shall be provided to the whistle blowers against any victimization or vindictive practices like retaliation, threat or any adverse (direct or indirect) action on their employment. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

- No personnel/ person has been denied access to the Audit Committee.

Your Company has laid down a Code of Conduct ("Code") for all the Board Members and Senior Management Personnel of the Company. The Code is available on the website of the Company i.e., [www.decipherlabs.in](http://www.decipherlabs.in). All Directors and Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2021.

The Company has disclosed and complied with all the mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements). The details of these compliances have been given in the relevant sections of this report. The non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) the Company have also been complied with by the company. The company is also scouting for senior professional heads. Your Company also has comprehensive guidelines on prohibiting insider trading and the Company has adopted the code of internal procedures and conduct for listed companies notified by the SEBI.

**RECONCILIATION OF SHARE CAPITAL AUDIT**

The 'Reconciliation of Share Capital Audit' was undertaken on a quarterly basis and the audit covers the reconciliation of the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit has also confirmed that the aggregate of the total issued/ paid-up-capital is in agreement with the total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

## **STATUTORY AND SECRETARIAL AUDITORS**

The Auditors Report and Secretarial Auditor Report are given as Annexure which forms part of this report

## **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the statutory auditors has not reported to the Audit committee, under Section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## **INTERNAL AUDIT & CONTROLS**

The Company has adequate Internal Financial Controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

### **Vigil Mechanism:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established.

### **Risk Management Policy**

The Risk Management Policy is in place in the Company which enables the Company to proactively take care of the internal and external risks of the Company and ensures smooth business operations. The Company's risk management policy ensures that all its material risk exposures are properly covered, all compliance risks are covered and the Company's business growth and financial stability are assured. Board of Directors decide the policies and ensure their implementation to ensure protection of Company from any type of risks.

## **CEO AND CFO'S CERTIFICATION**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO's Certification, though non applicable to the company, is provided as Annexure to the Corporate Governance Report in the Annual Report. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO's / Directors Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended March 31, 2021, was placed before the Board of Directors at all their meetings held.

## **MEANS OF COMMUNICATION**

Company has regularly furnished Financial Results by email and also by way of filing through the electronic filing within the timelines to the Bombay Stock Exchange. Quarterly and annual financial results are also published in English, and other regional (Telugu) newspapers.

Website Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: The Company has a functional website. With the change in name of the company, the company migrated to the new domain name and the new emails of the company as communicated through all mediums. The Company's website [www.decipherlabs.in](http://www.decipherlabs.in) contains all the information as may be required by the Shareholders including press releases, financial results, fact sheet reports, additional disclosures, earnings conference, shareholding pattern, Shareholders' reports, investor presentation, Annual Reports, etc., Quarterly results are put on the Company's web-site. The Company submitted a quarterly compliance report to the stock exchanges within 45 days from the close of a quarter.

### **BSE Corporate Compliance & Listing Centre ('Listing Centre'):**

BSE's Listing Centre is a web based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases are electronically filed on the Listing Centre.

### **SEBI Complaints Redress System (SCORES):**

Investor complaints are processed through a centralized web-based complaints redressal system. Centralized database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company, online viewing by investors of

actions taken on the complaint and the current status are updated/resolved electronically in the SEBI SCORES system.

#### MARKET PRICEDATA

The closing market price of equity share on 31<sup>st</sup> March, 2021 (last trading day of the financial year) was Rs.33.45/- as compared to the price on 31st March 2020 of Rs. 18.85/- on BSE. The current price (as on 25<sup>th</sup> August, 2021) is Rs.34.05

#### GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	:	29 <sup>th</sup> September, 2021 at 11:00A.M.
Financial Year	:	1st April, 2020 to 31st March, 2021
Dates of Book Closure	:	24.09.2021 to 29.09.2021
Listing	:	The Bombay Stock Exchange Ltd.
Stock Code	:	524752
Registrar & Transfer Agents	:	Venture Capital & Corporate Investments Pvt Ltd
Share Transfer System	:	The share transmission, sub-division, etc. are affected within fifteen Days from the date of the lodgment.
Demat / ISIN	:	INE643N01012
Nomination Facility	:	Shareholders, holding shares in physical form and desirous of making/ changing a nomination in respect of their shareholding in the Company as permitted the Companies Act 2013 are requested to submit to the Compliance Officer in the prescribed form 2B for this purpose, which can be furnished by the Company on request.
Outstanding GDR's/ADR's/ Warrant or any convertible instruments, conversion date and likely impact on equity.	:	Nil
Address for Correspondence	:	Registered Office: Plot No. 94, 4th Floor, Road No. 2, Sagar Society, Banjara Hills, Hyderabad -500034.Telangana, INDIA Works : 9-109/9, Plot No.112, Gayatri Nagar, Road No.14, Boduppall, Hyderabad-500039.

#### DISTRIBUTION OF SHAREHOLDING:

Distribution Details of Shares as on 31/3/2021

Shareholders Holding Nominal Value	Holders		Nominal Value and %	
	No.	%	In Rs.	%
Upto - 5000	11,978	98.21	28,33,430	2.81
5001 - 10000	100	0.82	8,03,220	0.80
10001 - 20000	58	0.47	9,07,500	0.90
20001 - 30000	22	0.18	5,77,880	0.57
30001 - 40000	13	0.11	4,61,650	0.46
40001 - 50000	8	0.07	3,82,420	0.38
50001 - 100000	24	0.20	1,81,6250	1.80
100001 and above	35	0.29	9,32,12,750	92.29
Total	12,238	100	10,10,00,000	100

## SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2021

S. No.	Category of shareholder	No. of share holder	No. of equity shares held	Shareholding as a% of total no. of shares
(A)	PROMOTER & PROMOTER GROUP			
	NRI Promoters: Individuals/			
	NRI / Individuals	1	4639927	45.94
	<b>Total Promoter Shareholding</b>	<b>1</b>	<b>4639927</b>	<b>45.94</b>
(B)	PUBLIC SHAREHOLDING			
1	Financial Institutions/Banks	1	300	0.00
2	Individual Share Holders holding share capital upto 2Lakh	12,167	9,33,059	9.24
3	Individual Share Holders holding capital in excess of 2Lakh	19	19,02,615	18.84
4	Bodies Corporate	29	5,20,817	5.16
5	Clearing Member	14	2,017	0.00
6	Non Resident Individuals	7	21,01,265	20.80
	<b>TOTAL PUBLIC SHAREHOLDING</b>	<b>12,237</b>	<b>5460073</b>	<b>54.06</b>
	GRAND TOTAL	12,238	101000000	100.00%

**For and on behalf of the Board  
of DECIPHER LABS LIMITED**

Sd/-

Sushant Mohanlal

**DIRECTOR**

Date: 25.08.2021

Place: Hyderabad

### Annexure-A TO CORPORATE GOVERNANCE

**Declaration by the Director under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct**

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2021.

**For and on behalf of the Board  
of DECIPHER LABS LIMITED**

Sd/-

Sushant Mohanlal

**DIRECTOR**

Date: 25.08.2021

Place: Hyderabad



**Annexure B to Corporate Governance**

**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 subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis

SL. No.	Particulars	Not At Arm's Length	At Arm's Length
1	Name(s)of the related party & nature of relationship	NIL	--
2	Nature of contracts/arrange- ments /transaction.	NIL	--
3	Duration of the contracts / arrangements / transaction	NIL	--
4	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL	--
5	Justification for entering into such contracts or arrangements or transactions'	NIL	N/A
6	Date of approval by the Board	NIL	29-09-2018
7	Amount paid as advances, if any	NIL	NIL
8	Date on which the special re- solution was passed in General meeting as required under First proviso to section188	NIL	29-09-2018

NOTE: The details of names, nature of relationship; nature of such contracts / arrangements / transactions are disclosed in Note No.26 of the Financial Statements

**For and on behalf of the Board  
of DECIPHER LABS LIMITED**

Sd/-

Sushant Mohanlal

**DIRECTOR**

Date: 25.08.2021

Place: Hyderabad

## Annexure-C to Corporate Governance

### CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

I, Sushant Mohanlal, Director and Sonam Jalan, CFO of Decipher Labs Limited to the best of my knowledge, information and belief, certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021:
  - a. These statements do not contain any materially untrue statement or omit any Material factor contain statements that might be misleading;
  - b. These statements together present, in all material respects, a true and fair view of the Company's affairs, the financial condition and results of operations and are in compliance with applicable accounting standards, laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's code of conduct.
3. We are responsible for reestablishing and maintaining internal controls over financial reporting by the Company and we have:
  - a. Designed such controls to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others;
  - b. Designed or caused to be designed, such internal control systems over financial reporting, so as to provide reasonable assurance regarding the preparation of financial statements in accordance with Indian accounting standards(INDSAS) notified under the companies (Indian accounting standards) Rules; and
  - c. Evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
4. During the year, we have disclosed to the Company's Auditors and the Audit Committee of the Board of Directors:
  - a. Any change, that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting;
  - b. Any significant changes in accounting policies during the year, and that the same have been disclosed appropriately in the notes to the financial statements;
  - c. Instances of significant fraud, if any, that we are aware especially, if any, Member of management or employee involved in financial reporting related process. No such instances were noticed during the year 2019-20;
  - d. All significant changes and deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data; and
  - e. Any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
5. In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive which was inflated on account of such mistakes or omissions.
6. We affirm that we have not denied any employee, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle blowers from unfair termination and other unfair or prejudicial employment practices.
7. We further declare that, all Board Members and Senior Managerial personnel have affirmed compliance with the code of conduct for the current year.

For **DECIPHER LABS LIMITED**

Sd/-

Sushant Mohanlal

**DIRECTOR**

Place: Hyderabad

Sd/-

Sonam Jalan

**CHIEF FINANCIAL OFFICER**

Date: 25.08.2021

**Annexure-D**  
**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 31st MARCH, 2021

To  
The Members of  
M/s. Decipher Labs Limited

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").

Secretarial 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 financial year commencing from 1st April, 2020 and ended 31st March, 2021, 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 31<sup>st</sup> March, 2021, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12<sup>th</sup> September, 2013 and sections and Rules notified and came into effect from 1<sup>st</sup> April, 2014;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment, and External Commercial Borrowings;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a. The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - c. The Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992;
    - d. 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;
    - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - f. Other applicable laws, including the following:
      - i. Employees State Insurance Act 1948
      - ii. Income-tax Act 1961
      - iii. Drugs and Cosmetics Act, 1940
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company during the audit period:
  - a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999;
3. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India to the extent applicable under the provisions of Companies Act, 2013 and
  - ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited;
4. We further report that:
- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.
  - b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.
  - c. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
5. We further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that:  
Sri Janakiram Ajarapu has been appointed as an Additional Director w.e.f. 01-10-2020 and retires at the ensuing Annual General Meeting.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral report of this report.

For **MARTHI & CO,**  
**Company Secretaries**

Sd/-

S S MARTHI

**PROPRIETOR**

FCS 1989, CP1937

Place: Hyderabad

Date: 30-08-2021

UDIN: F001989C000858999

## Annexure – A to Secretarial Audit Report of even date

To the Members of  
M/s. Decipher Labs Limited

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2021 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2021 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MARTHI & CO,**  
**Company Secretaries**

Sd/-

S S MARTHI

**PROPRIETOR**

FCS 1989, CP1937

Place: Hyderabad

Date: 30-08-2021

UDIN: F001989C000858999

**ANNEXURE – E**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2021**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**REGISTRATION AND OTHER DETAILS:**

i) CIN	:	CL23230TG1986PLC006781
ii) Registration Date	:	17-09-1986
iii) Name of the Company	:	Decipher Labs Limited
iv) Category/Sub-Category	:	Company Limited by shares and of the Company Indian Non-Government Company
v) Address of the Registered office and contact details as per Last Year annual Return	:	4th Floor, Plot No.94, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034. TELANGANA. India.
vi) Whether listed company	:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s Venture Capital & Corporate Investments Pvt Ltd 12-10-167, Bharat Nagar, Hyderabad-500018, Telangana. Phone: (+91)-4023818475/476 Fax: +91 40 23868024 Email Id: Info@Vccipl.Com

**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S No.	Name and Description of main products / services	NIC Code of the Product/ service	% of Total Turnover of the Company
1	Pharmaceutical	2100	100%

**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S No.	Name and Description of main products / services	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	ICP SOLUTIONS PRIVATE LIMITED Information Technology	U72500TG2018PTC124743	Subsidiary	100%	
2	DECIPHER SOFTWARE SOLUTIONS LLC Information Technology	EIN 20 -8614476	Subsidiary	100%	

**I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Shareholding**

	Category of Shareholder	AT BEGINNING OF THE YEAR				AT END OF THE YEAR				Difference
		DEMAT	PHYSICAL	TOTAL	%	DEMAT	PHYSICAL	TOTAL	%	
<b>A</b>	<b>PROMOTER &amp; GROUP</b>									
1	NRI / Individual	46,39,927	-	46,39,927	45.94	46,39,927	-	46,39,927	45.94	0
	<b>TOTAL PROMOTER HOLDING</b>	<b>46,39,927</b>		<b>46,39,927</b>	<b>45.94</b>	<b>46,39,927</b>		<b>46,39,927</b>	<b>45.94</b>	<b>0</b>
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>									
1	Financial Institution / Banks	1998	300	2298	0.02	0	300	300	0.00	-0.02
2	Individual Shareholders									
A	Capital upto 2 Lakh	4,64,321	2,41,625	7,05,946	6.99	6,97,854	2,35,205	9,33,059	9.24	2.25
B	Capital in Excess of 2 Lakh	15,98,179	5,26,718	21,24,897	21.04	14,40,897	4,61,718	19,02,615	18.84	-2.20
3	Bodies Corporate	5,07,187	18,220	5,25,407	5.20	5,20,817	18,220	5,02,597	5.16	-0.04
4	Clearing Members	300	0	300	0.00	2,017	-	2,017	0.02	0.02
5	Non Resident Indians	21,01,225	0	21,01,225	20.80	21,01,265	-	21,01,265	20.80	0
	<b>Sub Total (B)</b>	<b>46,73,210</b>	<b>7,86,863</b>	<b>54,60,073</b>	<b>54.06</b>	<b>47,44,630</b>	<b>7,15,443</b>	<b>54,60,073</b>	<b>54.06</b>	<b>0</b>
	<b>GRAND TOTAL</b>	<b>93,13,137</b>	<b>7,86,863</b>	<b>101000000</b>	<b>100</b>	<b>93,84,557</b>	<b>7,15,443</b>	<b>101000000</b>	<b>100</b>	<b>0</b>

### Shareholding of Promoters

	Name	AT BEGINNING OF YEAR			AT END OF THE YEAR		
		No. Held	% of	%	No. Held	% of	%
(A)	Janakiram Ajarapu		Total	Pledged		Total	Pledged
		46,39,927	45.94	0	46,39,927	45.94	0
	<b>TOTAL</b>	<b>46,39,927</b>	<b>45.94</b>	<b>0</b>	<b>46,39,927</b>	<b>45.94</b>	<b>0</b>

### Change in Promoters' Shareholding (please specify, if there is no change)

Nil.

### Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Janaki Yenamandra				
	At the beginning of the year	1071000	10.60	1071000	10.60
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	1071000	10.60	1071000	10.60

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
2	Pavan Mantripragada				
	At the beginning of the year	1029000	10.19	1029000	10.19
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	1029000	10.19	1029000	10.19

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
3	Sushant Mohan Lal				
	At the beginning of the year	655200	6.49	655200	6.49
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	655200	6.49	655200	6.49

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
4	Seshu Srinivas Akula				
	At the beginning of the year	384273	3.80	384273	3.80
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	384273	3.80	384273	3.80

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
5	Goldsmith Landmarks Pvt Ltd				
	At the beginning of the year	370896	3.67	370896	3.67
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Sales During the Change			
	At the end of the year (or on the date of separation, if separated during the year)	369266	3.67	369266	3.67

No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the yr.	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
6	Priya Bhanuthu				
	At the beginning of the year	181269	1.79	181269	1.79
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	181269	1.79	181269	1.79

No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the yr	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
7	Umesh Narayan				
	At the beginning of the year	180537	1.79	180537	1.79
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Changes due to Sold During the Year			
	At the end of the year (or on the date of separation, if separated during the year)	112521	1.11	112521	1.11



No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the yr.	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
8	Accura Projects & Infrastructures (I) Pvt Ltd				
	At the beginning of the year	150294	1.49	150294	1.49
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	148294	1.47	148294	1.47

No	Particulars	Shareholding at the beginning of the year		Cumulative Share holding during the yr	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
9	Suresh Gadaley				
	At the beginning of the year	112043	1.11	112043	1.11
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Sold 500 During the Year			
	At the end of the year (or on the date of separation, if separated during the year)	111543	1.10	111543	1.10

No	Particulars	Shareholding at the beginning of the year		Cumulative Share holding during the yr	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
10	Ram Kumar Sarma				
	At the beginning of the year	77445	0.97	77445	0.77
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	77445	0.77	77445	0.77

## Shareholding of Directors and Key Managerial Personnel:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

No	Particulars	At Start of Year		Change	At the End of the Year	
		No.	%		No	%
1	Janakiram Ajarapu	46,39,927	45.94	No Change During the Year	46,39,927	45.94
1	Sushant Mohan Lal	655200	8.19		655200	6.48
2	Vasudev Kommaraju	0	0		0	0
3	Vemuri Shilpa	0	0		0	0
4	Bhupendralal Waghay	0	0		0	0
5	Sonam Jalan	335	0		335	0
6	Kumar Raghavan	0	0		0	0

## INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment.

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the Financial Year				
i) Principal Amount				
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not paid	-	-	-	-
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	Nil	Nil	Nil	Nil

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		WTD	WTD	WTD	
1.	Gross salary	WTD	WTD	WTD	5,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Sushant Mohan Lal 5,00,000	Vasudev -	Janakiram -	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		Nil	Nil	
2.	Stock Option	--	NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission as % of profit others, specify...		NIL	NIL	NIL
5.	Others, please specify		NIL	NIL	NIL
6.	Total (A)	5,00,000	-	-	5,00,000
	Ceiling as per the Act				

\* Note – Actual Remunerations paid during the year is Lesser than the Eligible remuneration of the Directors as the Directors opted to forego their salaries during the pandemic in the interest and for the benefit of the company.

## B. Remuneration to other directors:

Independent Directors • Fee for attending board committee meetings Nil

No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Independent Directors	Nil			Nil
	- Fee for attending board committee meetings				
	- Commission				
	- Others, please specify				
	Total (1)	Nil			Nil
	Other Non-Executive Director				
	- Fee for attending board committee meetings				
	- Commission				
	- Others, please specify				
	Total (2)	Nil			Nil
	Total (B)=(1+2)	Nil			Nil
	Total Managerial Remuneration Overall Ceiling as per the Act	Nil	Nil	Nil	Nil

## C. Remuneration to Key Managerial Personnel Other Than MD /Manager / WTD

Sl.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Comp Secretary	CFO	Total
1.	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 b. Value of perquisites u/s 17(2) Income-tax Act,1961 c. Profits in lieu of salary under section17(3) Income-tax Act, 1961	NIL	2,96,000	8,55,000	11,51,000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others,	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	<b>Total</b>	<b>NIL</b>	<b>2,96,000</b>	<b>8,55,000</b>	<b>11,51,000</b>

## PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / compounding Fines Imposed	Authority (RD / NCLT / Court)	Appeal made, if any (Give Details)
<b>A. Company</b>			<b>Nil</b>		<b>Nil</b>
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>			<b>Nil</b>		<b>Nil</b>
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in Default</b>			<b>Nil</b>		<b>Nil</b>
Penalty					
Punishment					
Compounding					

## Independent Auditor's Report

### To the Members of Decipher Labs Limited (Formerly known as Combat Drugs Limited)

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the standalone financial statements of **Decipher Labs Limited (Formerly known as Combat Drugs Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, 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 31st March 2021, and its profit (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 there under, 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 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 Company's annual 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 identified above when it becomes available 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, 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 system 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 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision 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 any pending litigations which would impact its standalone financial position;
- 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.

2. As required by the Companies (Auditor's Report) Order, 2016, ('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 M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 000125S)

Sd/-

Y. Lakshmi Nagarathnam

Partner

Membership No. 212926

Date: 28.06.2021 UDIN: 21212926AAAADL2134

Place: Secunderabad

## **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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Decipher Labs Limited (Formerly known as Combat Drugs Limited)**(“the Company”) as of 31st March 2021 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 over financial reporting 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 Act, to the extent applicable to an audit of internal financial controls, both 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 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 system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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 M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 000125S)

Sd/-

Y.Lakshmi Nagaratnam

Partner

Membership No. 212926

UDIN: 21212926AAAADL2134

Place: Secunderabad

Date: 28.06.2021



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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties were held by the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act during the year. Accordingly, paragraph 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 grant of loans and making investments as applicable.
- (v) The Company has not accepted deposits within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable.
- (vi) Maintenance of cost records by the company has not been prescribed by Central Government of India under sub-section (1) of section 148 of the Companies Act, 2013. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, customs duty, goods and service tax, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable except an amount of Rs. 0.14 lakhs due with respect to professional tax for more than six months.  
(b) According to the information and explanations given to us and records of the Company examined by us, there are no disputes pending against the company as at 31st March 2021.
- (viii) The Company has not taken any loans or borrowing from a financial institution, banks and Governments during the financial year. The Company has not issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The company is not having any term loans; hence the paragraph 3(ix) of the order is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 000125S)

Sd/-

Y.Lakshmi Nagarathnam  
Partner  
Membership No. 212926  
UDIN: 21212926AAAADL2134

Place: Secunderabad

Date: 28.06.2021

## STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

*All amounts in ₹ Lakhs, unless otherwise stated*

Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	25.55	10.83
(b) Financial assets			
Investments	4	841.00	841.00
(c) Deferred tax assets (net)	12	-	0.04
(d) Other non-current assets	5	0.30	0.30
<b>Current Assets</b>			
(a) Inventories	6	4.42	31.87
(b) Financial assets			
(i) Trade receivables	7.1	41.42	17.45
(ii) Cash and cash equivalents	7.2	1.93	2.96
(iii) Other financial assets	7.3	-	0.52
(c) Current tax assets	8	-	0.06
(d) Other current assets	9	225.08	259.82
<b>TOTAL ASSETS</b>		<b>1,139.70</b>	<b>1,164.85</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	106.13	96.51
<b>Non-current assets</b>			
(a) Deferred tax liabilities (net)	12	0.38	-
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13.1	13.63	23.04
(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		0.08	22.80
(iii) Other financial liabilities	13.3	8.87	12.06
(b) Other current liabilities	14	0.61	0.44
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,139.70</b>	<b>1,164.85</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 M. Anandam & Co

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

Y.Lakshmi Nagaratnam

Partner

M.No: 212926

Place: Hyderabad

Date: 28.06.2021

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Kumar Raghavan

Company Secretary

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Sonam Jalan

Chief Financial Officer

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

*All amounts in ₹ Lakhs, unless otherwise stated*

Particulars	Note	For the Year ended 31-03-2021	For the Year ended 31-03-2020
I. Revenue from operations	15	97.60	142.35
II. Other income	16	14.43	1.32
<b>III. Total revenue (I + II)</b>		<b>112.03</b>	<b>143.67</b>
<b>IV. Expenses</b>			
Purchase of stock-in-trade	17	15.04	61.85
Changes in inventories of stock in trade	18	27.44	0.28
Employee benefits expense	19	19.85	32.01
Finance costs	20	1.79	-
Depreciation expense	3	4.15	0.35
Other expenses	21	33.72	32.43
<b>Total expenses</b>		<b>101.99</b>	<b>126.92</b>
<b>V. Profit/(Loss) before tax (III - IV)</b>		<b>10.04</b>	<b>16.75</b>
<b>VI. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax	12	0.42	(0.05)
<b>VII. Profit/(Loss) for the period (V-VI)</b>		<b>9.62</b>	<b>16.80</b>
<b>VIII. Other comprehensive income</b>		-	-
<b>IX. Total comprehensive income for the year</b>		<b>9.62</b>	<b>16.80</b>
<b>X. Earning per equity share (Face Value of Rs. 10/- each)</b>			
(1) Basic		0.10	0.17
(2) Diluted		0.10	0.17

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 M. Anandam & Co

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

Y.Lakshmi Nagaratnam

Partner

M.No: 212926

Place: Hyderabad

Date: 28.06.2021

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Kumar Raghavan  
Company Secretary

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Sonam Jalan  
Chief Financial Officer

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 1. Background

Decipher Labs Limited (Formerly Known as Combat Drugs Limited) was incorporated in 1986 having its registered office in Hyderabad. The Company deals in trading and manufacturing of Pharmaceutical drugs.

### 3. 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 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). 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) De-recognition 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 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 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**

There is no such notification which would have been applicable from April 1, 2021.

**Note 3: Property, Plant and Equipment**

**Changes in the carrying value property, plant and equipment for the year ended 31st March, 2021**

*All amounts in ₹ Lakhs, unless otherwise stated*

Sr. No	Particulars	Plant and Equipment	Computers	Total
1	<b>Gross Carrying Amount</b>			
	As at 1st April, 2020	0.39	10.68	11.07
	<b>Additions</b>	<b>18.75</b>	0.12	18.87
	Disposal / Adjustments	-	-	-
	<b>As at 31st March, 2021</b>	<b>19.14</b>	<b>10.80</b>	<b>29.94</b>
2	<b>Depreciation</b>			
	As at 1st April, 2020	0.11	0.24	0.35
	Charge for the year	0.69	3.40	4.10
	Disposal / Adjustments	-	-	-
	<b>As at 31st March, 2021</b>	<b>0.80</b>	<b>3.65</b>	<b>4.45</b>
3	<b>Net Block - As at 31st March, 2021</b>	<b>18.34</b>	<b>7.15</b>	<b>25.49</b>

**3.1 Other Intangible Assets - Computer Software**

**Changes in the carrying value property, plant and equipment for the year ended 31st March, 2021**

Sr. No	Particulars	Rs. In Lakh
1	<b>Gross Carrying Amount</b>	
	As at 1st April, 2020	0.17
	<b>Additions</b>	-
	<b>As at 31st March, 2021</b>	<b>0.17</b>
2	<b>Amortisation</b>	
	As at 1st April, 2020	0.06
	Charge for the year	0.05
	<b>As at 31st March, 2021</b>	<b>0.11</b>
3	<b>Net Block - As at 31st March, 2021</b>	<b>0.06</b>

**4. Investments***All Amounts in Rs. Lakhs unless otherwise stated*

Particulars	31 March 2021	31 March 2020
<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 Private Limited (10,000(P.Y 10,000) Equity Shares of Rs. 10/- each)	1.00	1.00
<b>TOTAL</b>	<b>841.00</b>	<b>841.00</b>
<b>Aggregate amount of unquoted investments</b>	<b>841.00</b>	<b>841.00</b>
<b>Aggregate amount of Impairment in value of Investments</b>	-	-

**5. Other Non-current assets**

Particulars	31 March 2021	31 March 2020
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	31 March 2021	31 March 2020
a) Finished goods	-	27.09
b) Packing Materials	4.42	4.78
<b>TOTAL</b>	<b>4.42</b>	<b>31.87</b>

**7.1 . Trade receivables**

Particulars	31 March 2021	31 March 2020
Trade Receivables considered good - Unsecured	41.42	17.45
<b>TOTAL</b>	<b>41.42</b>	<b>17.45</b>

**7.2. Cash and cash equivalents**

Particulars	31 March 2021	31 March 2020
a) Balances with banks in current accounts	1.82	2.91
b) Cash on hand	0.11	0.05
<b>TOTAL</b>	<b>1.93</b>	<b>2.96</b>

**7.3. Other financial assets (current)**

Particulars	31 March 2021	31 March 2020
Interest receivable on Loans	-	0.52
<b>TOTAL</b>	-	<b>0.52</b>

**8. Current tax assets**

Particulars	31 March 2021	31 March 2020
TDS Receivable	-	0.06
<b>TOTAL</b>	-	<b>0.06</b>

**9. Other current assets**

Particulars	31 March 2021	31 March 2020
Deposit with others	221.39	221.39
Advance for expenses	2.86	29.02
Other Receivables	0.83	9.41
<b>TOTAL</b>	<b>225.08</b>	<b>259.82</b>

**10. Equity share capital**

Particulars	31 March 2021	31 March 2020
<b>AUTHORIZED:</b>		
1,01,00,000 Equity Shares of ₹10/- each (P Y 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 (P Y 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
<b>Balance at April 01, 2020</b>	<b>101.00</b>	<b>1,010.00</b>
Movement during the year	-	-
<b>Balance at March 31, 2020</b>	<b>101.00</b>	<b>1,010.00</b>
Movement during the year	-	-
<b>Balance at March 31, 2021</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 2021		31st March 2020	
	No. of Shares	% holding	No. of Shares	% holding
Janakiram Ajarapu	46,39,927	45.94	46,39,927	45.94
Sushant Mohan Lal	6,55,200	6.49	6,55,200	6.49
Pavan Mantripragada	10,71,000	10.60	10,71,000	10.60
Janaki Yenamandra	10,29,000	10.19	10,29,000	10.19

**(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.

**11. Other equity**

Particulars	31 March 2021	31 March 2020
<b>Reserves and surplus</b>		
Retained Earnings	(523.87)	(533.49)
Securities Premium	630.00	630.00
<b>TOTAL</b>	<b>106.13</b>	<b>96.51</b>

**Retained earnings**

Particulars	31 March 2021	31 March 2020
Opening balance	(533.49)	(550.29)
Profit for the year	9.62	16.80
<b>Closing balance</b>	<b>(523.87)</b>	<b>(533.49)</b>

**Securities Premium**

Particulars	31 March 2021	31 March 2020
Opening balance	630.00	-
On account of issue of shares	-	630.00
<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	31 March 2021	31 March 2020
<b>Current</b>		
<b>Loans from Related parties</b>		
<b>Unsecured</b>		
From Directors	10.06	9.68
From Subsidiary	3.57	13.36
<b>TOTAL</b>	<b>13.63</b>	<b>23.04</b>

**Net Debt Reconciliation - from directors**

Particulars	31 March 2021	31 March 2020
Opening balance of borrowings	9.68	13.87
Add: Amount received during the year	0.38	16.24
Less : Amount repaid during the year	-	20.43
<b>Closing balance of borrowings</b>	<b>10.06</b>	<b>9.68</b>

**Net Debt Reconciliation - from subsidiary**

Particulars	31 March 2021	31 March 2020
Opening balance of borrowings	13.36	(16.53)
Add: Amount received during the year	18.64	50.10
Less : Amount repaid during the year	(28.41)	79.99
<b>Closing balance of borrowings</b>	<b>3.57</b>	<b>13.36</b>

**13.2. Trade payables**

Particulars	31 March 2021	31 March 2020
Due to Micro and small enterprises	-	-
Due to others	0.08	22.80
<b>TOTAL</b>	<b>0.08</b>	<b>22.80</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at	As at
	31 March 2021	31 March 2020
(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	31 March 2021	31 March 2020
Outstanding expenses	8.87	12.06
<b>TOTAL</b>	<b>8.87</b>	<b>12.06</b>

**14. Other current liabilities**

Particulars	31 March 2021	31 March 2020
Statutory dues payable	0.61	0.44
<b>TOTAL</b>	<b>0.61</b>	<b>0.44</b>

Statutory dues include GST, Professional tax, TDS payable

**15. Revenue from operations**

Particulars	31 March 2021	31 March 2020
Sale of products		
Pharma sales	43.70	78.25
Other Operating revenue	53.90	64.10
<b>TOTAL</b>	<b>97.60</b>	<b>142.35</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	31 March 2021	31 March 2020
Interest income	1.80	0.83
Discount received	0.01	0.03
Foreign exchange gain(net)	-	0.46
Balances written back	12.62	-
<b>TOTAL</b>	<b>14.43</b>	<b>1.32</b>

**17. Purchase of stock-in-trade**

Particulars	31 March 2021	31 March 2020
Material Consumed	15.04	61.85
<b>TOTAL</b>	<b>15.04</b>	<b>61.85</b>

**18. Changes in inventories of stock in trade**

Particulars	31 March 2021	31 March 2020
<b>Opening inventories</b>		
Finished Goods	27.09	27.24
Packing materials	4.78	4.92
<b>(A)</b>	<b>31.86</b>	<b>32.15</b>
<b>Closing inventories</b>		
Finished Goods	-	27.09
Packing materials	4.42	4.78
<b>(B)</b>	<b>4.42</b>	<b>31.86</b>
<b>TOTAL (A-B)</b>	<b>27.44</b>	<b>0.29</b>

**19. Employee benefits expense**

Particulars	31 March 2021	31 March 2020
Directors' Remuneration	5.00	19.20
Salaries to Staff	14.67	12.42
ESI contribution	0.09	0.08
Staff welfare expenses	0.09	0.31
<b>TOTAL</b>	<b>19.85</b>	<b>32.01</b>

**20. Finance cost**

Particulars	31 March 2021	31 March 2020
Interest on unsecured loans	1.79	-
<b>TOTAL</b>	<b>1.79</b>	<b>-</b>

**21. Other expenses**

Particulars	31 March 2021	31 March 2020
Advertisement Expenses	0.55	0.66
Payment to Auditor (Refer Note 21a)	1.36	1.60
Consultancy & Other Charges	13.58	9.05
Travelling Expenses	0.28	0.63
Office Expenses	0.05	1.49
Repairs and Maintenance	0.40	0.35
Postage & Telegrams	0.00	3.21
Printing & Stationery	0.05	2.21
Rent, Rates & Taxes	3.00	2.20
Telephone Expenses	0.08	0.06
Listing Fees	3.00	3.00
Foreign Exchange Loss(net)	0.62	-
Power and Fuel	0.16	-
Bad Debts	5.19	-
Advance to suppliers written off	2.98	-
Miscellaneous Expenses	2.42	7.97
<b>TOTAL</b>	<b>33.72</b>	<b>32.43</b>

**21a. Payment to auditor**

Particulars	31 March 2021	31 March 2020
<b>To statutory auditors</b>		
-Statutory audit fee	0.50	0.50
-Tax audit fee	0.10	0.10
-For other services (including fees for yearly reviews)	0.76	1.00
<b>TOTAL</b>	<b>1.36</b>	<b>1.60</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 2021		As at 31 March 2020	
		Carrying amount	Fair value*	Carrying amount	Fair value*
<b>Financial assets</b>					
<b>Measured at amortised cost:</b>					
<b>Current</b>					
Trade receivables	3	41.42	41.42	17.45	17.45
Cash and cash equivalents	3	1.93	1.93	2.96	2.96
Other financial assets	3	-	-	0.52	0.52
<b>Total</b>		<b>43.35</b>	<b>43.35</b>	<b>20.93</b>	<b>20.93</b>
<b>Financial liabilities</b>					
<b>Measured at amortised cost</b>					
<b>Non-current</b>					
Borrowings		-	-	-	-
<b>Current</b>					
Borrowings	3	13.63	13.63	23.04	23.04
Trade payables	3	0.08	0.08	22.80	22.80
Other financial liabilities	3	8.87	8.87	12.06	12.06
<b>Total</b>		<b>22.58</b>	<b>22.58</b>	<b>57.90</b>	<b>57.90</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, 2019 and March 31, 2018.

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, 2021 and 31 March 2020.

**(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 and SGD 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 and SGD 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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Change in USD				
1% increase	0.17	0.05	0.17	0.05
1% decrease	(0.17)	(0.05)	(0.17)	(0.05)
Change in SGD				
1% increase	-	0.03	-	0.03
1% decrease	-	(0.03)	-	(0.03)

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 and SGD where the functional currency of the entity is a currency other than US dollars and SGD.

**(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 2021	As at 31 March 2020
Gross carrying amount	41.42	17.45
Expected credit losses (Loss allowance provision)	-	-
<b>Carrying amount of trade receivables</b>	<b>41.42</b>	<b>17.45</b>



## (ii) Reconciliation of loss allowance provision

Particulars	Trade receivables
Loss allowance as at 1st April 2020	-
Changes in loss allowance during the period	-
Loss allowance as at 31 March, 2021	-

## (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 2021		As at 31 March 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	13.63	-	23.04	-
Trade Payables	0.08	-	22.80	-
Other Financial liabilities	8.87	-	12.06	-
<b>Total</b>	<b>22.58</b>	<b>-</b>	<b>57.90</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 2021	31 March 2020
<b>Borrowings</b>		
Current	13.63	23.04
Non current	-	-
<b>Debt</b>	<b>13.63</b>	<b>23.04</b>
<b>Equity</b>		
Equity share capital	1,010.00	800.00
Other equity	106.13	96.51
<b>Total capital</b>	<b>1,116.13</b>	<b>896.51</b>
<b>Gearing ratio in % (Debt/capital)</b>	<b>1.22%</b>	<b>2.57%</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, 2021 and 31 March 2020.

## 25. Contingent liabilities and Capital Commitments-

Nil ( Previous year- Nil)

## 26. Related party disclosures

### Names of related parties and nature of relationships:

Names of the related parties
<b>i) Wholly Owned Subsidiary Companies</b> ICP Solutions Private Limited, India Decipher Software Solutions LLC., USA
<b>ii) Key Management Personnel (KMP):</b> Sushanth Mohan Lal – Director Vemuri Shilpa – Independent Director Kumar Raghavan – Company Secretary Sonam Jalan – Chief Financial Officer Bhupendralal Waghray – Independent Director w.e.f 07.08.2020 Janaki Ram Ajjarapu – Additional Director w.e.f 01.10.2020
<b>ii) Relatives of Key Management Personnel (KMP):</b> Suchit Mohan La – Father of Sushant Mohan Lal Aruna Ajjarapu - Wife of Janakiram
<b>iii) Enterprises in which key managerial personnel and/or their relatives have control:</b> Ruchi Bio Tech 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 2021	Year ended 31 March 2020
Vasudev Komaraju	Remuneration	-	7.20
Sushant Mohan Lal	Remuneration	5.00	12.00
Sonam Jalan	Salary	8.55	7.20
Kumar Raghavan	Salary	2.96	3.00
Suchit Mohan Lal	Rent	1.20	1.20
Vitpro LLC	Consultancy	50.04	-
Sushant Mohan Lal	Unsecured loans taken	0.38	16.24
Sushant Mohan Lal	Unsecured loans repaid	0.01	20.43
RA Labs Pte Ltd, Singapore	Investment sold	-	3.56
Decipher Software Solutions LLC., USA	Investment made	-	840.00
ICP Solutions Private Limited	Advance Given	-	79.99
ICP Solutions Private Limited	Advance Repaid	28.42	50.10
ICP Solutions Private Limited	Interest	1.79	0.83
ICP Solutions Private Limited	Rent	1.80	-
ICP Solutions Private Limited	Rent	1.80	-

### Details of outstanding balances as at the year end where related party relationship existed:

Names of the related parties	Nature of Balance	Year ended 31 March 2021	Year ended 31 March 2020
Suchit Mohan Lal	Rent Payable	0.70	0.10
Sushant Mohan Lal	Unsecured loans taken	10.06	9.68
ICP Solutions Private Limited	Advance Taken	3.57	13.36
ICP Solutions Private Limited	Intrest Payable	0.54	-
Vitpr LLC	Receivable	17.20	-

## 27. Earnings per share (EPS)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit/(Loss) after tax	9.62	16.80
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)₹	0.10	0.17

## 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

51.27% (P.Y 44.98%) 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.

31. Previous Year figures have been regrouped wherever necessary.

As per our report of even date

For M. Anandam & Co

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

Y.Lakshmi Nagaratnam

Partner

M.No: 212926

Place: Hyderabad

Date: 28.06.2021

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Kumar Raghavan

Company Secretary

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Sonam Jalan

Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	10.04	16.75
Adjustments for :		
Depreciation	4.15	0.35
Bad Debts	5.19	-
Advance to suppliers written off	2.98	-
Balances written back	(12.62)	-
<b>Operating Profit before Working Capital Changes</b>	<b>9.74</b>	<b>17.10</b>
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(32.14)	286.24
(Increase) / Decrease in Inventories	27.45	0.28
(Increase) / Decrease in Other Assets	35.31	(19.73)
Increase / (Decrease) in Trade Payable	(10.09)	(287.81)
Increase / (Decrease) in Other Liabilities	(3.02)	2.89
	17.51	(18.13)
<b>Cash Generated from Operations</b>	<b>27.25</b>	<b>(1.03)</b>
Direct Taxes Paid	-	-
<b>Net Cash generated from/(used in) Operating Activities</b>	<b>27.25</b>	<b>(1.03)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(18.87)	(10.50)
Sale of Wholly Owned subsidiary Company	-	3.56
<b>Net Cash used in Investing Activities</b>	<b>(18.87)</b>	<b>(6.94)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of share capital (Incl. Securities Premium)	-	9.17
Repayment of Short Term Borrowings (net)	(9.41)	-
<b>Net Cash generated from Financing Activities</b>	<b>(9.41)</b>	<b>9.17</b>
<b>Net decrease in Cash and Cash Equivalents</b>	<b>(1.03)</b>	<b>1.20</b>
Cash and Cash Equivalents at the beginning of the year	2.96	1.76
<b>Cash and Cash Equivalents at the end of the year</b>	<b>1.93</b>	<b>2.96</b>

### Notes to cash flow statement

- Components of cash and cash equivalents

Balances with banks	1.82	2.91
Cash on hand	0.11	0.05
<b>Cash and cash equivalents considered in the cash flow statement</b>	<b>1.93</b>	<b>2.96</b>
- 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.
- Reconciliation of liabilities arising from financing activities.

Particulars	Outstanding as at 1st April, 2020	Cash flows	Non-cash Changes	Outstandin 31st March, 2021
Short-term borrowings - Directors	9.68	0.38	-	10.06
Short-term borrowings - Subsidiary	13.36	(9.78)	-	3.57
<b>Total liabilities from financing activities</b>	<b>23.04</b>	<b>(9.41)</b>	-	<b>13.63</b>

Significant Accounting Policies

Note 2

For M. Anandam & Co  
Chartered Accountants  
Firm Registration Number: 000125S

Sd/-  
Y.Lakshmi Nagaratnam  
Partner  
M.No: 212926

Place: Hyderabad  
Date: 28.06.2021

For and on behalf of the Board

Sd/-  
V. Shilpa  
Director  
DIN: 07140155

Sd/-  
Kumar Raghavan  
Company Secretary

Sd/-  
Sushant Mohan Lal  
Director  
DIN: 01227151

Sd/-  
Sonam Jalan  
Chief Financial Officer

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

*All amounts in ₹ Lakhs, unless otherwise stated*

### a. Equity share capital

Particulars	Note	Equity share capital
<b>As at 01 April 2019</b>	10	<b>800.00</b>
Changes in equity share capital		210.00
<b>As at 01 April 2020</b>		<b>1,010.00</b>
Changes in equity share capital		-
<b>As at 31st March, 2021</b>		<b>1,010.00</b>

### b. Other equity

	Note	Retained Earnings	Securities	Total
<b>As at 01 April 2019</b>	11	<b>(550.29)</b>	-	<b>(550.29)</b>
Profit/(loss) for the year		16.80	-	16.80
On issue of shares		-	630.00	630.00
<b>As at 01 April 2020</b>		<b>(533.49)</b>	630.00	<b>(533.49)</b>
Profit/(loss) for the year		9.62	-	9.62
<b>As at 31st March, 2021</b>		<b>(523.87)</b>	<b>630.00</b>	<b>106.13</b>

For M. Anandam & Co  
Chartered Accountants  
Firm Registration Number: 000125S

Sd/-  
Y.Lakshmi Nagaratnam  
Partner  
M.No: 212926

Place: Hyderabad  
Date: 28.06.2021

For and on behalf of the Board

Sd/-  
V. Shilpa  
Director  
DIN: 07140155

Sd/-  
Kumar Raghavan  
Company Secretary

Sd/-  
Sushant Mohan Lal  
Director  
DIN: 01227151

Sd/-  
Sonam Jalan  
Chief Financial Officer

## Independent Auditor's Report

### To the Members of Decipher Labs Limited (Formerly known as Combat Drugs Limited)

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statements of Decipher Labs Limited (formerly known as Combat Drugs Limited), (hereinafter referred to as "the Holding Company") and its wholly owned subsidiaries ICP Solutions Private Limited and Decipher Software Solutions LLC (the Holding Company and its wholly owned subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2021, 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 31st March, 2021, of its consolidated profit (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 Company's Annual Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Directors Report is expected to be made available to us after the date of this auditor's report.

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, 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, changes in equity 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 have 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 system 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 wholly owned subsidiary namely Decipher Software Solutions LLC, whose financial statements and financial information reflect total assets of Rs. 3277.55 lakhs as at 31st March, 2021, total revenue of Rs. 5060.77 lakhs and net cash inflows amounting to Rs. 537.88 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 wholly owned subsidiary, 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.

#### **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, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiary, which is incorporated in India, none of the directors is disqualified as on 31st March, 2021 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 over financial reporting of the Holding Company and its subsidiary, which is incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) 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 and its subsidiary, which is incorporated in India 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 which would impact its financial position;
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary company incorporated in India.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 000125S)

Sd/-

Y. Lakshmi Nagaratnam  
Partner  
Membership No: 212926

UDIN:21212926AAAADN3066

Place: Secunderabad

Date: 28.06.2021

## **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 under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Decipher Labs Limited (Formerly known as Combat Drugs Limited) (“the Holding Company”) and its subsidiary, which is incorporated in India, as of 31st March, 2021 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods

are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, 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 M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 000125S)

Sd/-

Y. Lakshmi Nagaratnam  
Partner  
Membership No: 212926

UDIN:21212926AAAADN3066

Place: Secunderabad  
Date:28.06.2021

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

*All amounts in ₹ Lakhs, unless otherwise stated*

Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>I. ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	3	48.65	23.16
(b) Right to use assets		123.36	163.67
(c) Deferred tax asset (net)	4	5.86	4.55
(d) Goodwill		271.44	311.35
<b>(d) Financial assets</b>			
Other financial asset	5	1,168.78	699.47
(e) Other non current assets	6	0.30	68.22
<b>Current Assets</b>			
(a) Inventories	7	4.42	31.87
<b>(b) Financial assets</b>			
(i) Trade receivables	8.1	1,166.54	1,461.77
(ii) Cash and cash equivalents	8.2	697.58	146.84
(iii) Other Financial asset	8.3	130.29	346.30
(c) Other current assets	9	254.91	280.98
<b>TOTAL ASSETS</b>		<b>3,872.14</b>	<b>3,538.18</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	358.74	246.05
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	12	671.32	-
(ii) Lease Liability		101.30	147.82
<b>Current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	13.1	204.24	943.84
(ii) Lease Liability		46.52	36.00
(iii) Trade Payables	13.2		
a) Total outstanding dues of Micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than Micro enterprises and small enterprises		311.35	719.97
(iii) Other Financial liabilities	13.3	1,046.11	383.59
(b) Other current liabilities	14	16.56	10.19
(c) Current Tax Liabilities (net)	15	105.99	40.72
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,872.14</b>	<b>3,538.18</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 M. Anandam & Co

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

Y. Lakshmi Nagaratnam

Partner

M.No: 212926

Place: Hyderabad

Date: 28.06.2021

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Kumar Raghavan  
Company Secretary

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Sonam Jalan  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

*All amounts in ₹ Lakhs, unless otherwise stated*

Particulars	Note	31 March 2021	31 March 2020
I. Revenue from operations	15	5,556.22	2,398.64
II. Other income	16	64.56	27.29
<b>III. Total revenue (I + II)</b>		<b>5,620.78</b>	<b>2,425.93</b>
<b>IV. Expenses</b>			
Cost of materials consumed	17	-	-
Purchase of Stock-in-Trade	18	15.04	61.85
Changes in inventories of finished goods and stock in trade	19	27.45	0.28
Employee benefits expense	20	4,748.47	1,957.20
Finance cost	21	113.34	72.15
Depreciation and amortisation expense	22	81.93	55.61
Other expenses	23	420.26	132.23
<b>Total expenses</b>		<b>5,406.49</b>	<b>2,279.32</b>
<b>V. Profit/Loss before tax (III - IV)</b>		<b>214.29</b>	<b>146.61</b>
<b>VI. Tax expense:</b>			
(1) Current tax	14	73.70	40.98
(2) Deferred tax		(1.30)	(4.46)
(3) Tax on earlier years		1.63	-
<b>VII. Profit/Loss for the period (V-VI)</b>		<b>140.26</b>	<b>110.09</b>
<b>VIII. Other comprehensive income</b>			
i) Items that will be reclassified to statement of profit and loss			
Exchange differences on translating the financial statements of a foreign operation		(27.57)	49.65
<b>Other comprehensive income (net of tax)</b>		<b>(27.57)</b>	<b>49.65</b>
<b>VIII. Total comprehensive income for the year</b>		<b>112.69</b>	<b>159.74</b>
<b>Net Profit for the year attributable to:</b>			
Owners of the parent		140.26	110.09
Non-Controlling Interests		-	-
<b>Other Comprehensive Income attributable to:</b>			
Owners of the parent		(27.57)	49.65
Non-Controlling Interests		-	-
<b>Total Comprehensive Income attributable to:</b>			
Owners of the parent		112.69	159.74
Non-Controlling Interests		-	-
<b>IX. Earning per equity share attributable to the owners of Decipher Labs Ltd (Formerly Combat Drugs Limited)</b>	29		
(1) Basic		1.39	1.09
(2) Diluted		1.39	1.09

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 M. Anandam & Co

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

Y.Lakshmi Nagaratnam

Partner

M.No: 212926

Date: 28.06.2021

Place: Hyderabad

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Kumar Raghavan

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Sonam Jalan

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 1. Background

Decipher Labs Limited (Formerly Combat Drugs Limited) was incorporated in 1986 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, 2021 (including comparatives) were approved and authorised for issue by the Board of Directors of the Group on 28th June, 2021

### 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 recognised 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 recognised 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**

There is no such notification which would have been applicable from April 1, 2021.

**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

adopted 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.

**3 Property, Plant and Equipment**

**Changes in the carrying value property, plant and equipment for the period ended 31 March, 2021**

Sr. No	Particulars	Furniture and Fixtures	Plant and Equipment	Computers	Total
1	<b>Gross Carrying Amount</b>				
	As at 1st April, 2020	10.85	2.69	10.68	24.22
	<b>Additions</b>	-	<b>18.75</b>	12.62	31.37
	Disposal / Adjustments	-	-	-	-
	<b>As at 31st March, 2021</b>	<b>10.85</b>	<b>21.44</b>	<b>23.30</b>	<b>55.59</b>
2	<b>Depreciation</b>				
	As at 1st April, 2020	0.58	0.36	0.24	1.18
	Charge for the year	1.03	1.13	3.66	5.82
	Disposal / Adjustments	-	-	-	-
	<b>As at 31st March, 2021</b>	<b>1.61</b>	<b>1.49</b>	<b>3.90</b>	<b>7.00</b>
3	<b>Net Block</b>				
	<b>As at 31st March, 2021</b>	<b>9.24</b>	<b>19.95</b>	<b>19.40</b>	<b>48.59</b>

**3.1 Other Intangible Assets - Computer Software**

**Changes in the carrying value property, plant and equipment for the period ended 31st March, 2021**

Sr. No	Particulars	Rs. In Lakh
1	<b>Gross Carrying Amount</b>	
	As at 1st April, 2020	0.17
	<b>Additions</b>	-
	Disposal / Adjustments	<b>0.17</b>
	<b>As at 31st March, 2021</b>	
2	<b>Depreciation</b>	
	As at 1st April, 2020	<b>0.06</b>
	Charge for the year	<b>0.05</b>
	Disposal / Adjustments	-
	<b>As at 31st March, 2021</b>	<b>0.11</b>
3	<b>Net Block</b>	
	<b>As at 31st March, 2021</b>	<b>0.06</b>

#### 4. Deferred Tax Asset

Particulars	As at 31 March 2021	As at 31 March 2020
(Arising on account of timing difference)		
Preliminary Expenses	0.01	0.01
Lease Asset and Liability	6.36	4.61
<b>Deferred Tax Liability</b>		
Depreciation	0.51	(0.07)
<b>TOTAL</b>	<b>5.86</b>	<b>4.55</b>

#### 5. Other financial assets (non - current)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
a) Rent deposits	40.11	6.87
b) Other receivables	1,128.67	692.60
<b>TOTAL</b>	<b>1168.78</b>	<b>699.47</b>

#### 6. Other Non-Current assets

Particulars	As at 31 March 2021	As at 31 March 2020
a) Deposit - Rent	0.30	0.30
b) Prepaid Rent	-	3.41
c) Other non current assets	-	64.51
<b>TOTAL</b>	<b>0.30</b>	<b>68.22</b>

#### 7. Inventories ( Valued at Lower of Cost and NRV, Unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
a) Packing Material	4.42	4.78
b) Finished goods	-	27.09
<b>TOTAL</b>	<b>4.42</b>	<b>31.87</b>

#### 8.1 . Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Receivables considered good - Unsecured	1,166.54	1,461.77
<b>TOTAL</b>	<b>1,166.54</b>	<b>1,461.77</b>

#### 8.2. Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
a) Balances with banks in current accounts	697.01	145.88
b) Cash on hand	0.57	0.96
<b>TOTAL</b>	<b>697.58</b>	<b>146.84</b>

#### 8.3. Other financial assets (current)

Particulars	As at 31 March 2021	As at 31 March 2020
Other receivables	130.29	346.30
<b>TOTAL</b>	<b>130.29</b>	<b>346.30</b>

#### 9. Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Deposit with others	221.39	221.39
Input Tax Receivables	16.50	16.03
Prepaid Expenses	2.86	29.35
TDS Receivable	3.86	0.60
Other Receivables	-	5.63
Salary Advance	10.00	7.98
Prepaid expenses	0.30	-
<b>TOTAL</b>	<b>254.91</b>	<b>280.98</b>

## 10. Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
<b>AUTHORIZED:</b>		
1,01,00,000 Equity Shares of ₹10/- each (P Y 80,00,000 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 (P Y 80,00,000 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	Total
Balance at April 01, 2019	80,00,000	800.00
Movement during the year	21,00,000	210.00
<b>Balance at March 31, 2020</b>	<b>1,01,00,000</b>	<b>1,010.00</b>

### (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.

## 11. Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Reserves and surplus</b>		
Retained earnings	(293.34)	(433.60)
<b>Other Comprehensive Income</b>		
Exchange differences in translating the financial statements of foreign operations	22.08	49.65
<b>Securities Premium</b>	630.00	630.00
<b>TOTAL</b>	<b>358.74</b>	<b>246.05</b>

### (a) Retained earnings

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	(433.60)	(547.34)
Profit/(Loss) for the year	140.26	110.09
Less: Adjustment of Consolidation	-	8.28
Less: Ind AS adjustment as per 116	-	(4.63)
<b>Closing balance</b>	<b>(293.34)</b>	<b>(433.60)</b>

### (b) Exchange differences in translating the financial statements of foreign operations

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	49.65	0.10
Less: Adjustment on consolidation	-	(0.10)
Movement during the year	(27.57)	49.65
<b>Closing balance</b>	<b>22.08</b>	<b>49.65</b>

**(c) Securities Premium**

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	-	-
On account of shares issued during the year	630.00	630.00
<b>Closing balance</b>	<b>630.00</b>	<b>630.00</b>

**12. Long term Borrowings**

Particulars	As at 31 March 2021	As at 31 March 2020
SBA PPP Loan	671.32	-
<b>Closing balance</b>	<b>671.32</b>	<b>-</b>

**13.1 Borrowings**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
<b>Loans from Related Parties</b>		
<b>Unsecured loans</b>		
From Directors	40.06	9.99
From Banks	164.18	933.85
<b>TOTAL</b>	<b>204.24</b>	<b>943.84</b>

**13.2. Trade payables**

Particulars	As at 31 March 2021	As at 31 March 2020
Dues to micro enterprises and small enterprises	-	-
Dues to creditors other than micro enterprises and small enterprises	311.35	719.97
<b>TOTAL</b>	<b>311.35</b>	<b>719.97</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 2021	As at 31 March 2020
(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 2021	As at 31 March 2020
Current Maturity of Long term debt	615.60	-
Outstanding expenses	392.74	354.76
Employee Benefit Payable	29.32	28.83
Rent Deposit	8.45	-
<b>TOTAL</b>	<b>1,046.11</b>	<b>383.59</b>

**14. Other current liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory Liabilities	16.56	10.19
<b>TOTAL</b>	<b>16.56</b>	<b>10.19</b>

**15. Current Tax Liability**

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Tax	105.99	40.72
<b>TOTAL</b>	<b>105.99</b>	<b>40.72</b>

**16. Revenue from operations**

Particulars	31 March 2021	31 March 2020
<b>Sale of products</b>		
Pharma Sales		
Traded Goods	43.70	78.25
Other Operating Revenue	53.90	64.10
<b>Sale of Services</b>		
IT Consulting Services	5,458.62	2,256.29
<b>TOTAL</b>	<b>5,556.22</b>	<b>2,398.64</b>

**17. Other income**

Particulars	31 March 2021	31 March 2020
Interest	1.08	18.57
Rental income	28.59	8.23
Foreign Exchange Gain(net)	21.26	0.46
Balances written back	12.62	-
Lease prepaid rent IND AS	0.96	-
Discount Received	0.05	0.03
<b>TOTAL</b>	<b>64.56</b>	<b>27.29</b>

**18. Cost of materials consumed**

Particulars	31 March 2021	31 March 2020
Material consumed	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**19. Purchase of Stock-in-trade**

Particulars	31 March 2021	31 March 2020
<b>TOTAL</b>	<b>15.04</b>	<b>61.85</b>
Purchase of Stock-in-trade	15.04	61.85
<b>TOTAL</b>	<b>15.04</b>	<b>61.85</b>

**20. Changes in inventories of finished goods,work in progress and traded goods**

Particulars	31 March 2021	31 March 2020
<b>Opening inventories</b>		
Packing materials	4.78	4.78
Finished Goods	27.09	27.37
<b>(A)</b>	<b>31.87</b>	<b>32.15</b>
<b>Closing inventories</b>		
Packing materials	4.42	4.78
Finished Goods	-	27.09
<b>(B)</b>	<b>4.42</b>	<b>31.87</b>
<b>TOTAL (A-B)</b>	<b>27.45</b>	<b>0.28</b>

**21. Employee benefits expense**

Particulars	31 March 2021	31 March 2020
Salaries to Staff	4,603.99	1,911.18
Directors' Remuneration	14.95	25.20
Salary Incentives	14.13	12.25
Bonus	16.89	1.20
Contribution to PF and ESI	80.54	2.15
Insurance for Employees	15.88	2.55
Staff welfare expenses	2.09	2.67
<b>TOTAL</b>	<b>4,748.47</b>	<b>1,957.20</b>

## 22. Finance Costs

Particulars	31 March 2021	31 March 2020
Lease charges	20.15	24.39
Interest on Borrowings	93.19	47.76
<b>TOTAL</b>	<b>113.34</b>	<b>72.15</b>

## 23. Depreciation and amortization expense

Particulars	31 March 2021	31 March 2020
Depreciation of property, plant and equipment	5.88	1.71
Amortisation of Goodwill	31.19	9.12
Leased Depreciation	44.86	44.78
<b>TOTAL</b>	<b>81.93</b>	<b>55.61</b>

## 24. Other expenses

Particulars	31 March 2021	31 March 2020
Advertisement Expenses	0.55	0.66
Payment to Auditor	1.94	2.16
Consultancy & Other Charges	141.55	48.21
Travelling Expenses	18.34	20.82
Office Expenses	53.25	3.35
Postage & Telegrams	0.03	3.40
Printing & Stationery	0.05	2.21
Rent, Rates and Taxes	7.07	5.14
Telephone Expenses	0.36	1.26
Listing Fee	3.00	3.00
Water charges	0.13	0.40
Security Charges	4.08	5.17
Business Development Charges	3.35	1.08
Electricity and generator expenses	7.58	6.67
Forex loss	3.58	1.58
Web Maintenance	3.28	0.32
Internet Charges	2.42	1.28
Repairs and Maintenance	4.41	3.43
Bank Charges	3.63	5.19
Filing Charges	-	3.05
Insurance	11.91	2.77
Miscellaneous Expenses	4.27	11.08
Advance to suppliers written off	2.98	-
Sub contractor payment	3.67	-
Bad Debts	75.57	-
Project Management cost	63.29	-
<b>TOTAL</b>	<b>420.26</b>	<b>132.23</b>

## 25. Segment Information

### a) Description of segments and principal activities

The Group primarily operates in the Pharmaceutical segment, IT Consultancy Services and others. The Chief Operating Decision Maker (CODM) reviews the performance of the above mentioned segments at the consolidated level and makes decisions on sales volumes and profitability.

### b) Major Customer in Pharmaceutical Segment

51.27% (P.Y 44.98%) of Revenue is coming from one single customer



26. Additional information, as required under Schedule III to The Companies Act, 2013

Statement of Net Assets, Profit and Loss and other comprehensive Income attributable to owners and non-controlling interest								
Name of the Entity	Net Assets, i.e. Total Assets minus Total Liabilities		Share in profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated Net assets	Amount (₹ in '000)	As a % of consolidated Profit and Loss	Amount (₹ in '000)	As a % of consolidated Other Comprehensive Income	Amount (₹ in '000)	As a % of consolidated Total Comprehensive Income	Amount (₹ in '000)
<b>Parent</b>								
Decipher Labs Limited - Parent Company	20.10	275.16	6.85	9.61	-	-	6.85	9.61
<b>Subsidiary</b>								
ICP Solutions Private Limited	2.64	36.15	13.59	19.06	-	-	13.59	19.06
Decipher Software Solutions LLC, USA	77.26	1,057.43	79.56	111.60	-	-	79.56	111.60
<b>TOTAL</b>	<b>100.00</b>	<b>1,368.74</b>	<b>100.00</b>	<b>140.26</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>140.26</b>

27. Contingent liabilities and Capital Commitments- Nil

28. Related party transactions

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
<b>i) Key Management Personnel (KMP):</b> Sushant Mohan Lal Vemuri Shilpa Kumar Raghavan Sonam Jalan Bhupendralal Waghray Janaki Ram Ajjrapu Sridhara Tulasi Priyanka	Director Independent Director Company Secretary Chief Financial Officer Director from 07.08.2020 Additional Director from 01.10.2020 Director from 21.09.2020
<b>ii) Relatives of Key Management Personnel (KMP):</b> Suchit Mohan Lal Aruna A	Father of Sushant Mohan Lal Wife of Janakiram
<b>iii) Enterprises in which key managerial personnel and/or their relatives have control:</b> Ruchi Bio Tech Vitpro LLC	

Names of the related parties	Nature of Transactions	31 March 2021	31 March 2020
Vasudev Komaraju	Remuneration	-	7.20
Sushant Mohan Lal	Remuneration	14.50	18.00
Sonam Jalan	Salary	8.55	7.20
Kumar Raghavan	Salary	2.96	3.00
Suchit Mohan Lal	Rent	1.20	1.20
Vitpro LIC	Consultancy	50.04	-
Sushant Mohan Lal	Unsecured loans taken	32.24	17.07
Sushant Mohan Lal	Unsecured loans repaid	2.17	26.64
Sridhara Tulasi Priyanka	Remuneration	0.45	-

Details of outstanding balances as at the year end where related party relationship existed:

Names of the related parties	Nature of Balance	31 March 2021	31 March 2020
Suchit Mohan Lal	Expense payable	0.70	0.10
Vitpro Llc	Consultancy	17.20	-
Sushanth Mohan Lal	Unsecured loans Payable	40.06	9.98

### 29. Earnings per share (EPS)

Particulars	31 March 2021	31 March 20
Profit after tax	140.26	110.09
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)₹	1.39	1.09

### 30. 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.

### 31. 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.

32. Previous Year figures have been regrouped wherever necessary.

As per our report of even date

For M. Anandam & Co

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

Y.Lakshmi Nagaratnam

Partner

M.No: 212926

Place: Hyderabad

Date: 28.06.2021

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Kumar Raghavan  
Company Secretary

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Sonam Jalan  
Chief Financial Officer

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

*All amounts in ₹ Lakhs, unless otherwise stated*

Particulars	31 March 2021	31 March 2020
<b>Cash flow from operating activities</b>		
Profit before tax	214.29	146.61
Adjustments for :		
Exchange differences on translating the fin statements of a foreign operation	(27.57)	49.65
Depreciation and amortisation expense	81.93	55.61
Finance costs	113.34	72.15
Pre paid Rent	(2.04)	(0.48)
Bad Debts	-	-
Advance to suppliers written off	-	-
Balances written back	(12.62)	-
<b>Operating Profit before Working Capital Changes</b>		
<b>Changes in operating assets and liabilities</b>		
(Increase) / Decrease in Trade Receivables	295.23	(1,116.10)
(Increase) / Decrease in Inventories	27.45	0.28
(Increase) / Decrease in Other Assets	(159.31)	(1,480.61)
Increase / (Decrease) in Trade Payable	(421.24)	406.57
Increase / (Decrease) in Other Liabilities	73.77	348.33
<b>Cash Generated from Operations</b>	<b>183.23</b>	<b>(1,517.99)</b>
Income taxes paid	-	-
<b>Net cash inflow (outflow) from operating activities</b>	<b>183.23</b>	<b>(1,517.99)</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed assets	(31.37)	(24.17)
Proceeds from sale of subsidiary	-	3.56
Adjustment on account of sale of subsidiary	-	8.28
<b>Net cash inflow (outflow) from investing activities</b>	<b>(31.37)</b>	<b>(12.33)</b>
<b>Cash flow from financing activities</b>		
Proceeds/(repayment) of borrowings	547.31	923.76
Finance costs	(93.19)	(72.15)
Increase in Share capital and Securities Premium	-	840.00
Payment for lease liabilities	(55.25)	(55.51)
<b>Net cash inflow (outflow) from financing activities</b>	<b>398.88</b>	<b>1,636.10</b>
<b>Net increase (Decrease) in cash and cash equivalents</b>	<b>550.74</b>	<b>105.78</b>
<b>Cash and Cash equivalents at the beginning of the financial Year</b>	<b>146.84</b>	<b>29.97</b>
On account of Acquisition of Subsidiary	-	11.09
<b>Cash and Cash equivalents at the end of the Year</b>	<b>697.58</b>	<b>146.84</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.

The accompanying notes form an integral part of the financial statements

As per our report of even date

For M. Anandam & Co

Chartered Accountants

Firm Registration Number: 0001255

Sd/-

Y.Lakshmi Nagaratnam

Partner

M.No: 212926

Place: Hyderabad

Date: 28.06.2021

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Kumar Raghavan  
Company Secretary

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Sonam Jalan  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

*All amounts in ₹ Lakhs, unless otherwise stated*

### a. Equity share capital

Particulars	Note	As at 31 March 2021
<b>As at 01 April 2019</b>	<b>10</b>	<b>800.00</b>
Changes in equity share capital		<b>210.00</b>
<b>As at 01 April 2020</b>		<b>1,010.00</b>
Changes in equity share capital		-
<b>As at 31 March 2021</b>		<b>1,010.00</b>

### b. Other equity

	Note	Retained Earnings	Securities premium	Other Comprehensive Income	Total
				Exchange differences in translating the financial statements of foreign operations	
<b>As at 01 April 2019</b>	<b>11</b>	(547.34)		-	(547.34)
Profit for the year		110.09		-	110.09
Less: Adjustment of Consolidation		8.28		-	8.28
Less: Ind AS adjustment as per 116		(4.63)		-	(4.63)
On issue of shares			630.00	-	630.00
Exchange differences in translating the financial statements of foreign operations		-		49.65	49.65
<b>As at 01 April 2020</b>		<b>(433.60)</b>	<b>630.00</b>	<b>49.65</b>	<b>246.05</b>
Profit for the year		140.26		-	140.26
Exchange differences in translating the financial statements of foreign operations		-		(27.57)	(27.57)
<b>As at 31 March 2021</b>		<b>(293.34)</b>	<b>630.00</b>	<b>22.08</b>	<b>358.74</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date

For M. Anandam & Co

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

Y.Lakshmi Nagaratnam

Partner

M.No: 212926

Place: Hyderabad

Date: 28.06.2021

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Kumar Raghavan  
Company Secretary

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Sonam Jalan  
Chief Financial Officer

# DECIPHER LABS LIMITED

## SHAREHOLDERS INFORMATION

### Corporate Identification No.

L24230TG1986PLC006781

### Registered/Corporate Office

Plot No. 94, 4th Floor, Sagar Society  
Rd No.2, Banjara Hills, Hyderabad-34

### Works

9-109/9, Plot No.112, Gayatri  
Nagar, Rd No.14 Boduppall, Hyd39

### Website

www.decipherlabs.in  
www.combatdrugs.in (Old)

### Email

info@decipherlabs.in  
Info@combatdrugs.in (Old)

### Phone / Fax

+91 - (40) - 48536100

### BOARD OF DIRECTORS

Mr. Janakiram Ajjarapu  
Mrs. Vemuri Shilpa

Mr. Sushant Mohan Lal  
Mr. BhupendraLal Waghray

### Company Secretary & Compliance Officer

Mr. Kumar Raghavan

### Chief Financial Officer

Mrs. Sonam Jalan

### Legal Advisor

Rajeshkar Reddy, Advocates  
L.B.Nagar, Hyderabad

### Statutory Auditors

M. Anandam & Co. Chartered Accountants  
Secunderabad, Telangana, India

### Secretarial Auditors

Marthi & Co, Company Secretaries,  
Khairatabad, Hyderabad, TS India

### Bankers

Axis Bank Ltd  
Karnataka Bank Ltd

### Registrars & Transfer Agents:

M/s Venture Capital & Corporate Services Private Limited  
12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana  
Phone: (+91)-4023818475/476  
Email id: info@vccipl.com / info@vccilindia.com

### DATE AND VENUE OF THE 35<sup>th</sup> ANNUAL GENERAL MEETING (AGM)

Date: Wednesday, September 29, 2021

Venue : Video Conference ("VC")/Other Audio Visual Means ("OAVM")

Time : 11:00 A.M. (IST)

E-voting date: Sunday, September 26, 2021, 9:00 A.M. (IST) to Tuesday, September 28, 2021, 5:00 P.M. (IST)

### DATES OF BOOK CLOSURE

From September 24, 2021 to September 29, 2021 (both days inclusive)

**DECIPHER LABS LIMITED**

*Formulating Growth, Deciphering Tomorrow's*