

34th ANNUAL REPORT

2019 - 2020



DECIPHER LABS LIMITED

Formerly Known as Combat Drugs Limited

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

Works: 9-109/9, Plot No.12, Rd No.14, Gayatri Nagar, Boduppal, Hyderabad – 500 039

Email: info@decipherlabs.in / info@combatdrugs.in URL: www.decipherlabs.in

DECIPHER LABS LIMITED

CIN 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, Road
No.14, Boduppall, Hyderabad- 500039. TS

Website / Email : www.decipherlabs.in info@decipherlabs.in

Website / Email (Old) : www.combatdrugs.in Info@combatdrugs.in

Phone : 040-48536100

BOARD OF DIRECTORS

Mr. Vasudev Komaraju
Mr. Sushant Mohan Lal
Mrs. Vemuri Shilpa
Mr. Ragu Raghuram (*Upto 27/02/20*)
Mr. BhupendraLal Waghray(*w.e.f.07.08.20*)

Company Secretary and
Compliance Officer : Mr. Kumar Raghavan

Chief Financial Officer : Mrs. Sonam Jalan

Statutory Auditors : M. Anandam & Co. Chartered Accountants
Secunderabad, Telangana, India

Secretarial Auditors : Marthi & Co, Company Secretaries,
Khairatabad, Hyderabad

Legal Advisor : Rajeshkar Reddy, Advocates
Chitra Layout, L.B.Nagar, Hyderabad

Bankers : Axis Bank Ltd, Hyderabad, TS, India.
Karnataka Bank Ltd, Hyderabad, TS, India

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

34th ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 34th (Thirty Fourth) Annual General Meeting of the members of Decipher Labs Limited will be held on **Tuesday, 29th September, 2020 at 11:30am through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following items of business:

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, 2020 together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 - APPOINTMENT OF AUDITORS

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 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 M. Anandam & Company, Chartered Accountants, 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 next Annual General Meeting at a remuneration to be fixed by the Board of Directors in consultation with the Auditors.”

SPECIAL BUSINESS:

Item No. 3 - Re-Appointment of Mrs. Vemuri Shilpa as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013 and Regulation 17 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the appointment of Ms. Vemuri Shilpa (DIN 07140155), who meets the criteria for independence as provided in Section 149(6) of the Act read along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI LODR and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the company and whose term expires on conclusion of this AGM, be and is hereby re-appointed as an Independent Director of the Company for another term of five years to hold the office from the conclusion of this AGM up to 30th September, 2025 not liable to retire by rotation.”

Item No. 4 - Appointment of Mr. Bhupendralal Waghay as an Independent Director

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

“RESOLVED THAT Mr. Bhupendralal Waghay (DIN: 07337149) who was appointed as an Additional Director by the Board of Directors with effect from 7th August 2020 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 (“the Act”) read with Article 117 of the Articles of Association of the Company, is eligible for appointment and recommended by the Board Nomination and Remuneration Committee, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the

Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time, the appointment of Mr. Bhupendralal Waghay, who meets the criteria for independence as provided in Section 149(6) of the Act read along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI LODR and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing 7th August 2020 to 6th August 2025, be and is hereby approved."

Item No. 5 - Re-Appointment of Sri Sushant Mohanlal as Director of the Company

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

"RESOLVED THAT pursuant to provisions of Sections 149, 160, and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company, and subject to such permissions, consents, and approvals from various other authorities, as may be necessary, the approval of the shareholders of the Company be and is hereby accorded for the appointment of Sri Sushant Mohan Lal as Director of the Company, for a period of three years, not liable to retire by rotation.

RESOLVED FURTHER THAT Sri Sushant Mohanlal be paid remuneration for the aforesaid period on the following terms and conditions, as approved by the Nomination & Remuneration Committee.

1. Basic Salary : Rs.1,00,000/- per month
2. Perquisites

In addition to the salary as stated above Sri Sushant Mohanlal shall be entitled to the following perquisites:

1. Contribution by the Company to the Provident Fund, if any, as per the rules of the Company.
2. Annual Leave travel concessions for self and family
3. Other Perks as deemed fit by the Board from time to time

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, the Director shall be paid salary, perquisites and other allowances as set out herein above and the Explanatory Statement, as the minimum remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

Item No. 6 - Increase in Aggregate Limit of Investment and Holding by Non-Resident Indians (NRI)/ Overseas Citizens of India (OCI) in the Equity Share Capital of the Company

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

"RESOLVED THAT pursuant to the applicable provisions of Foreign Exchange Management Act, 1999, as amended ("FEMA"), Foreign Exchange Management (Non-debt Instruments) Rules, 2019 as amended from time to time, the Companies Act, 2013 as amended, Companies Act, 1956, as the case may be and all other applicable acts, rules, regulations, provisions and guidelines (including any amendment, variation, statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions of the Foreign Investment Promotion Board, The Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Government of India, Securities and Exchange Board of India and other concerned authorities and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions, the limit of investment by Non Resident Indians and/or Overseas Citizen of India (as defined under FEMA) in the equity shares of the Company under FEMA, be and is hereby increased from 10% to 24% of the paid- up equity share capital of the Company and/or the maximum permissible sectorial limits of the paid up capital of the Company, from time to time, under applicable laws, rules and regulations.

“FURTHER RESOLVED THAT the Board of Directors of the Company (including duly constituted and authorized committee thereof) be and is hereby authorized to do such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Director(s) or officer(s) of the Company.”

Item No. 7 - Increase of FPI holding in the Company

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

“RESOLVED THAT pursuant to the provisions of Foreign Exchange Management Act, 1999, Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable rules, regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company (herein after referred to as the “Board”, which terms shall include a duly authorized committee of Directors for the time being exercising the powers conferred by the Board of Directors), consent of the Company be and is hereby accorded to the Board of Directors of the Company to permit Foreign Portfolio Investors to acquire and hold, equity shares upto an aggregate limit equivalent to the maximum sectorial limit of the paid up capital of the Company for the time being provided, however, that the equity shareholding of each FPI forming part of the same investor group shall not exceed such limits as are or as may be prescribed, from time to time, under applicable laws, rules and regulations.”

“FURTHER RESOLVED THAT the Board of Directors of the Company (including duly constituted and authorized committee thereof) be and is hereby authorized to do such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Director(s) or officer(s) of the Company.”

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

Sd/-

Sushant Mohanlal
DIRECTOR

Place: Hyderabad

Date: 01.09.2020

NOTES

1. In view of the prevailing COVID-19 pandemic across the country and restrictions on the movements apart from social distancing, restriction of gatherings, travel restrictions and other preventive advisories being issued by the Government from time to time, Ministry of Corporate Affairs (“MCA”), vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”), permitted the companies to hold their Annual General Meeting (“AGM”) through video conferencing (“VC”) or other audio visual means (“OAVM”) for the calendar year 2020 without the physical presence of the shareholders at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. 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, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. In compliance with the aforesaid MCA Circulars and the Securities and Exchange Board of India (“SEBI”) circular dated May 12, 2020 (hereinafter referred to as “SEBI Circular”), owing to the difficulties involved in dispatching of physical copies of the Annual Report for the financial year 2019-20 including financial statements (along with Board’s Report, Auditor’s Report or other documents required to be attached therewith), Notice of the 34th AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/ Depositories/ Registrar and Share Transfer Agent of the Company. Shareholders may note that this Notice along with Annual Report for the financial year 2019-20 will also be available on the website of the Company at www.decipherlabs.in, and website of the Stock Exchange i.e. BSE Limited at www.bseindia.com.
3. 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.
4. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”), in respect of the Special Business to be transacted at the AGM is annexed hereto.
5. 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. Hence the Proxy Form, Attendance Slip and Route Map are not annexed with this AGM Notice.
6. 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.

7. 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 decipherlabs.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at 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.
8. 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 and MCA Circular No. 20/2020 dated May 05, 2020.
9. As per the provisions of Section 103 of the Act, shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum.
10. 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.
11. Pursuant to Section 113 of the Act, Corporate shareholders are required to send the scanned copy (in PDF or JPG format) of the certified Board Resolution / Authority Letter from its governing body, as the case may be, authorising their representative(s) to attend this AGM through VC / OAVM and vote on their behalf through remote e-voting or at the AGM, by email from their registered email addresses to the Scrutiniser through e-mail to spcspl@gmail.com, with a copy marked to info@vccipl.com or cs@decipherlabs.in.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Tuesday, September 29, 2020, both days inclusive, for annual closing and for determining the entitlement of the shareholders to the final dividend for the financial year 2019-20, if any.
13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. SEBI has also mandated that the requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except in the cases of transmission or transposition of securities. In view of above, shareholders holding shares in physical form are requested to open a demat account with a Depository Participant (DP) and deposit their physical shares with such DP and get their shares demat at the earliest to avoid any kind of inconvenience.
14. Details as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms an integral part of the Notice.
15. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements shall be available for inspection by the Members on the website of the Company upto the date of AGM.
16. 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.
Alternatively, members may send an e-mail request at the email id 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.

17. Voting through electronic means (Remote E-Voting): The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting through electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by NSDL.

(i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

(ii) The "cut-off date" for determining the eligibility for voting either through remote electronic voting system is fixed as September 23, 2020. The e-voting period commences on Saturday, September 26, 2020 at 9.00 a.m. IST and ends on Monday, September 28, 2020 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.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on September 26, 2020 at 09:00 A.M. and ends on September 28, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

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.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

A new screen will open. You will have to enter your User ID, your Password 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.

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***

Your password details are given below:

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

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.

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

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.
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

Now, you will have to click on "Login" button.

After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at 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@combatdrugs.in / cs@dechipherlabs.in / info@vccipl.com.

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@combatdrugs.in / cs@dechipherlabs.in / info@vccipl.com.

2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

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 the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/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 (company email id).
6. Shareholders who would like to express their views/have questions may send their questions in advance by September 23, 2020 mentioning their name demat account number/folio number, email id, mobile number at cs@decipherlabs.in / cs@combatdrugs.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.
7. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e., September 23, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories on the cut-off-date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Meeting through electronic voting system. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote
8. The Scrutiniser shall, after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter, count the votes cast through remote e-voting and 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 and will be communicated to the Stock Exchanges, where the Company's shares are listed.
9. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM.
10. 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: 01.09.2020

Brief profile of Directors Retiring and to be appointed, at the Annual General Meeting of the Company (Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

- | | | | |
|--|----------------------------|-----------------------|-------------------|
| i. Name of Director | : Mrs. VEMURISHILPA | DIN | : 07140155 |
| Date of Birth | : 28/12/1978 | Qualification | : MBA |
| Other Directorship* | : NIL | Expertise | : Human Resources |
| No of shares held in the Company: | NIL | Date of Appointment: | 30/03/2015 |
| Chairman/ Members of the Committee in other Companies: NIL | | | |
| ii. Name of Director | : Mr. BHUPENDRALAL WAGHRAY | DIN | : 07337149 |
| Date of Birth | : 01/08/1955 | Qualification | : Bsc |
| Other Directorship* | : NIL | Expertise | : Finance |
| No of shares held in the Company: | Nil | Date of Appointment: | 07/08/2020 |
| Chairman/Members of the Committee in other Companies: NIL | | | |
| iii. Name of Director | : Mr. SUSHANT MOHANLAL | DIN | : 01227151 |
| Date of Birth | : 07/05/1980 | Qualification | : MBA |
| Other Directorship* | : NIL | Expertise | : Marketing |
| No of shares held in the Company: | 6,55,200 | Date of Appointment : | 19/05/2006 |
| Chairman/Members of the Committee in other Companies: NIL | | | |

*Only in Public Limited Companies

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

ITEM NO.3: Re-Appointment of Mrs. Vemuri Shilpa as an Independent Director

The shareholders of the Company in the previous Annual General Meeting approved the appointment of Mrs. Vemuri Shilpa (DIN 07140155) as Independent Women Director of the Company for a period of One year. In terms of the provisions of section 149(10), Mrs. Vemuri Shilpa is eligible for re-appointment as an Independent Director of the Company for another term of five years by passing a special resolution in this regard. The Nomination and Remuneration Committee has also recommended her appointment for another term of 5 years.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mrs. Vemuri Shilpa for the office of Independent Director. Requisite consent has been received from Mrs. Vemuri Shilpa pursuant to provisions of section 152 of the Companies Act, 2013. In the opinion of the Board, Mrs. Vemuri Shilpa who is proposed to be appointed as an Independent Director of the Company fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director. Mrs. Vemuri Shilpa is directly concerned and interested in this resolution as it relates to her re-appointment and no other Director or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested in the resolution. Mrs. Vemuri Shilpa along with her relatives do not hold any shares in the Company and has no relationship with any other Director of the Company. The resolution seeks the approval of the members for the re-appointment of Mrs. Vemuri Shilpa as an Independent Director of the Company, not liable to retire by rotation, for another term of 5 years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board recommends the Special resolution set forth at Item no. 3 of the Notice for the approval of the members.

ITEM NO.4: Appointment of Mr. Bhupendralal Waghray as an Independent Director

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their Board Meeting held on 7th August 2020, approved the appointment of Mr. Bhupendralal Waghray (DIN 07337149)

as an Additional Director (independent) of the Company for a period of Five years. In terms of the provisions of the Companies Act, 2013 Mr. Bhupendralal Waghay is eligible for appointment as an Independent Director of the Company. The Company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Bhupendralal Waghay for the office of Independent Director, to be appointed as such under the provisions of section 149 of the Companies Act, 2013. Requisite consent has been received from him pursuant to provisions of sections 150 and 152 of the Companies Act, 2013. In the opinion of the Board, Mr. Bhupendralal Waghay who is proposed to be appointed as an Independent Director of the Company fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He was associated with the company earlier as an Independent Director and had made valuable contribution to the growth of the company during his tenure as an Independent Director. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director. Mr. Bhupendralal Waghay is directly concerned and interested in this resolution as it relates to his appointment and no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution. Mr. Bhupendralal Waghay along with his relatives does not hold any shares in the Company and has no relationship with any other Director of the Company. The resolution seeks the approval of members for his appointment as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years from 7th August, 2020 upto 6th August, 2025, pursuant to section 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board recommends the resolution set forth at Item no. 4 of the Notice for the approval of the members.

ITEM NO.5: Re-Appointment of Mr. Sushant Mohan Lal as Director

Mr. Sushant Mohan Lal, is the Director of the company, who had been appointed for a period of two years and is retiring at the ensuing Annual General Meeting of the company. He has been with the company since 2007 and has been instrumental in guiding the company. It is proposed to appoint him as a Director of the company in order to have continuance in the business of the company for a period of 3 years, not liable to retire by rotation.

Save and except Sri Sushant Mohan Lal none of the other Directors/Key Managerial Personnel and their relatives are in anyway, are concerned or interested, financially or otherwise, in the resolution set out at item no.5. The terms and conditions set out in the said special resolution may be considered as an abstract pursuant to the provisions of Section 190 of the Companies Act, 2013.

The Board recommends the appointment of Mr. Sushant Mohan Lal as Director of the company on the terms and conditions set out in the said special resolution.

ITEM NO. 6: Increase in the LIMITS of NRI /OCI Holding

As per the provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 as amended from time to time read with Consolidated FDI Policy Circular of 2017 (DT. 28.08.2017) issued by DIPP and Master Direction — Foreign Investment in India (FED Master Direction No.11/2017-18 updated as on 08.03.2019) issued by the Reserve Bank of India (“Regulatory Provisions on Foreign Investment in India”), the aggregate holdings of NRIs (including FIIs) registered with SEBI shall not exceed 10% of paid-up Equity Capital of a company. However, this limit of 10% is permissible to be increased upto the Sectoral cap i.e. permissible Foreign Investment limit for the sector with the approval of the Board of Directors and the shareholders of the Company by way of a Special Resolution.

The company, with shareholder approval, has acquired the shareholding of NRI Individuals in Decipher Software solutions LLC and in turn company has allotted 2100000 Equity shares at its board meeting dated 20th December, 2019. Consequently, the shareholding of the NRI/OCI Individual has increased to 20.79 percent of the post-issue paid up capital of the company. The Company has made the allotment with relevant permissions and received the approvals for the same. However, as per the rules amended by RBI and SEBI pertaining to NRI / OCI Shareholding, the company is to take specific shareholder approval by way of Special Resolution for enhancement of limits of NRI / OCI Holding from current regulated limit to the enhanced limit as approved by the shareholders.

The Company hereby proposes to increase the limit of NRI/OCI holding in the Equity Shares of the Company from 10% to 24% or such higher of the sectorial limit, as may be permissible by law, from time to time, respectively with the approval of Shareholders. Considering past and existing NRI interest in the Company's Stock, investor feedback in various fora and to attract foreign investments and have more headroom available for NRIs to invest in equity share capital of the Company, it is proposed to increase the investment limit of NRI from 10% to 24% or such higher of the sectorial limit, as may be permissible by law, from time to time, of paid up equity share capital of the Company.

The Board recommends the said resolutions for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

Item No. 7 - Increase in Holding Limit of FPI

Considering the continuous increase in the holding of and FPIs it is anticipated that FPIs may buy the shares of the Company more than the prescribed limit of 24% as per the current FDI Policy. FPIs play a crucial role in unfolding the Company's value to further levels by attracting new investments into the Company. In view of this and considering various advantages in attracting institutional investors which would be beneficial to the Company in the long run, it is proposed to increase the aggregate limit for holding shares by the FPIs to the higher limit of 24% or higher of the sectorial limit as modified from time to time.

As per the FDI policy, the Company shall obtain the approval of its shareholders by way of a special resolution to increase the said limits with a prior intimation to Reserve Bank India. The members are, therefore, requested to accord their approval, for the purpose of increasing the aggregate limits as set out in the resolution.

None of the Directors, any other Key Managerial Person(s) of the Company and/or their relatives are, in any way, concerned or interested in the said resolution.

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

Sd/-

Sushant Mohanlal

DIRECTOR

Place: Hyderabad

Date: 01.09.2020

DIRECTORS REPORT

Dear Members,

Your Directors take pleasure in presenting you the Thirty Fourth Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2020.

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:-

<i>(Amount in Lakhs)</i>	STANDALONE		CONSOLIDATED	
	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
	31-03-20	31-03-19	31-03-20	31-03-19
Net Income from:				
Sales & Other Operations	143.67	678.99	2425.93	805.78
Profit before Depreciation	17.10	37.76	202.22	44.14
Less Depreciation	0.35	0.06	55.61	0.06
Net Profit/(Loss) after Interest and Tax	16.75	37.70	105.63	40.54
Balance carried to Balance Sheet	16.80	37.69	110.09	40.54
Earnings per share	0.17	0.47	1.09	0.51

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

As evident from above, the company is moving steadily on the growth path and the recent acquisition has helped the company achieve good turnovers and provide room for further expansions. The company expects another robust growth in the current year as there is good demand for company's products due to the pandemic. The company is maintaining healthy Core operating margins (EBIDTA margins) and is getting their products of WHO GMP standards manufactured on Third Party manufacturing basis with a reputed company/ies. The company is very confident of building decent business volumes in due course of time.

RESERVES:

There were no transfers to Reserves during the financial year 2019 - 2020.

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 a change in the share capital. Consequent to the approval of the Shareholders at the Annual General Meeting held on 9th December, 2019, the Authorised Share Capital of the company was increased to 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.

As on 31st March, 2020	Authorised	Issued, Subscribed & Paid-up
No. of Equity Shares	1.05,00,000	1,01,00,000
Face Value	10.00	10.00
Share Capital in Rs.	10,50,00,000	10,10,00,000

During the year 21,00,000 Equity Shares of Rs.10/- each were allotted to the shareholders of Decipher Software Solutions LLC on acquisition of the same by the company through swap of shares at a premium of Rs.30/- per share.

DIVIDEND

No dividend has been recommended by the Board of Directors for the financial year 2019-20. Since the company has not declared any dividend for more than 10 years the provisions of Section 125 (2) of the Companies Act, 2013 do not apply.

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 Subsidiaries as on the year end. The acquisition of the target company in USA, in December 2019, has accelerated the growth of the company 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. Since the completion of the takeover formalities on 20th December, 2019, the Subsidiary company has generated an Income Revenue of USD \$2.52 Million (approx. Rs.19.11 Crores at Rs.75.789 per US dollar) and a Net Profit of USD \$0.111 Million (approx Rs 0.84 Crores at Rs.75.789 per US dollar).

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*	
	31/03/20	31/03/19	31/03/20	31/03/19
Net Sales & Other Operations	372.20	126.99	1910.64	-
Profit before Depreciation	61.76	11.03	126.98	-
Less: Depreciation	45.60	-	9.66	-
Net Profit/(Loss) after Interest and Tax	8.72	7.49	83.78	-
Balance carried to Balance Sheet	13.23	7.51	83.78	-
Earnings per share	132.26	75.06	4188.82	-

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

The wholly owned subsidiary of the company, R.A. Labs Pte Ltd, Singapore was yet to commence commercial operations. As the envisaged purpose was not met through the incorporation of the Subsidiary, the company has, in the financial year 2019-2020 sold the Singapore Subsidiary after obtaining the Shareholders' approval in the previous Annual General Meeting. All the compliances have been duly complied with in this regard.

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

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Your Company is committed to maintain the highest standard of Corporate Governance and adhere to Corporate Governance guidelines, as laid out in SEBI Listing Regulations. All the Directors and the Senior Management personnel have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company. The annual report of the Company contains a certificate by the Director in terms of SEBI Listing Regulations on the compliance declarations received from the Directors and the Senior Management personnel.

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.

The Chief Executive Officer / Chief Financial Officer (CEO/CFO) certification as required under the SEBI Listing Regulations is attached as Annexure to this 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, 2020 was Rs. 18.85 as compared to Rs. 26.20 per share on even date of 2019. The Company confirms that it has paid the Annual Listing Fee for the year 2019-20 to BSE.

DEMATERIALISATION OF SHARES

92.21% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2020 and balance 7.79% is in physical form as of 31st March, 2020.

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.

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, 2020, 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, 2020 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 33rdAGM until the conclusion of the 34thAGM of the Company to be held in the calendar year 2020. The Auditors' Report on the financial statements of the Company for the year ending March 31, 2020 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 2019-20. The Secretarial Audit Report for FY 2019-20 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- .

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. Vasudev K	Whole Time Director	7,20,000
3. Mr. Raghuram	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.

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 2019-20 and attendance of the directors at these meetings is provided in the Report on Corporate Governance.

BOARD MEETINGS

The Board during the financial year 2019-20 met Fourteen times. Detailed information regarding the meetings of the Board are 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.

DIRECTORS

The Board as a main functionary is primarily responsible to ensure value creation for its stake holders. The Board of Directors and its committees through their leadership and guidance ensures the highest standards of corporate governance. There were four Directors on the Board of the company during the year. Due to the sudden and untimely demise of the Independent Director, Mr. Ragu Raghuram, three Directors remained on the Board of the Company as at 31st March 2020. There is an appropriate combination of Independent & Non-Independent Directors on the Board of the Company.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONEL

The untimely and sudden demise of Mr. Ragu Raghuram lead to the strength of the Board of Directors reduced to three and the company was unable to appoint another Director within the financial year end owing to the strict lockdown and further due to the long shutdown due to the pandemic.

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, retires by rotation at the ensuing 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 2019-2020, the Audit Committee consisted of the following members:

i) Shri Ragu Raghuram ii) Smt Vemuri Shilpa iii) Shri. Sushant Mohanlal

The above composition of the Audit Committee consists of independent Directors viz., Shri Ragu Raghuram and Smt Vemuri Shilpa, who form the majority.

Due to the sudden demise of Sri Ragu Raghuram on 27th February, 2020 Sri Vasudev was appointed on the Audit Committee on the 28th of February, 2020 being the last date of the meeting during the financial year.

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 at its board Meeting. 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 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 2019-20, 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.

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: Rs. 75.33 Lakhs

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: 01.09.2020

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, 2020 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 31.03.2020	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 31.03.2020	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.

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. Sushant Mohan Lal	NA
2.	Mr. Vasudev Komaraju	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. Sushant Mohan Lal	NA
2.	Mr. Kumar Raghavan	NA
3.	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: 01.09.2020

“Annexure - A”
MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL MARKET & INDUSTRY REVIEW

The recessionary trend in the business has activated a wave of consequential challenges across the industry. In the year went by, the expected level of improvement as the COVID-19 pandemic has caused a debilitating impact on all sectors of the economy. It is anybody's guess as to when normalcy would be restored and what form would it take.

Companies across the globe are trying to survive and manage the situation to the best extent possible. This also presents numerous opportunities to the companies with foresight and 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 identify new avenues for growth.

While the spread of the COVID-19 virus caused global disruption, with negative impact on human health, business enterprises and the global economy in general and the rapid outbreak of the COVID-19 pandemic during Q4 of FY 2019-20, has severely impacted the physical and financial health of people across India and to prevent the contagion in the Country, phases of nationwide lockdown was announced by the Government of India (“GOI”), your Company took a number of measures to mitigate substantial negative impact including manpower, investment plans and close collaboration with customers, banks, financial institutions, suppliers and employees. These actions are an acknowledgement of current events as well as uncertainty around the timing and showing path of recovery.

Looking ahead, our long-term outlook for the sector continues to remain positive, with the current phase seen only as an aberration. As the governmental measures to reactivate the commercial sector are awaited, the management has taken the opportunity of the last few months to re-examine the business and operating models without any presumptions. Upon a clinical assessment of the short term and long-term prospects, 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 is prepared to focus its efforts on securing contracts, completing key collaborations for growth and is set to invest in new opportunities amidst this crisis and also has plans to develop integrated digital channels to enhance the values of the company and its subsidiaries to be an agile player geared up for sustained growth in the coming years.

Opportunities and Threats

In order to stop the spread of the COVID-19 outbreak, many countries across the world, including India, have taken very tough measures. The absolute magnitude of impact depends on the duration of ongoing lockdown and the impact caused by it. While the short term looks uncertain, the COVID-19 outbreak will change the way the industry 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 latest acquisition of the IT Company in USA, which caters to various healthcare companies apart from other clients, is a stepping stone towards the overall goal of having the global reach by the Company.

While the pharmaceutical industry sees a growth pattern in the recent months, several key challenges have emerged which include setting up of an alternate of the suppliers from China while ensuring compliances with global CGMP standards; thereby involving continuous improvement in systems and processes including training of the work force

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

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 will continue to pursue various options to achieve growth while trying to reduce the cost and focus more on marketing tie-ups to expand its market reach.

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

The details of the financial performance of the Company are comprised in the Balance Sheet, Profit and Loss Account and other financial statements which are annexed hereto along with the Directors and the Auditors Report for the financial year 2019-2020.

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

FY20 witnessed a robust growth in revenues led by Pharma & I.T Business. We expect the growth momentum across our business segments to continue in FY21 especially driven by Joint Ventures and Takeovers in USA. We expect to sustain the healthy core EBITDA margins witnessed in FY20.

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.

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.

“Annexure - B”
CORPORATE GOVERNANCE REPORT

The Corporate Governance standards demonstrate in alienable 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, 2020. 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.

Composition of the Board: 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.

Executive Directors	Age	Designation	Date of Appointment
Mr. Sushant Mohan Lal	40	Director	19 th May, 2006
Mr. Vasudev Komaraju	66	Director	27 th Mar, 2019
Non-Executive/or Independent Directors			
Mrs. Vemuri Shilpa	31	Independent Director	30 th Mar, 2015
Mr. Ragu Raghuram (upto 27-02-2020)	67	Independent Director	30 th Mar, 2017
Mr. Bhupendralal Waghray	65	Independent Director	7th Aug, 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, 2020, the Board of Directors met 14 (Fourteen) times viz. on April 4, 2019, May 29, 2019, June 21, 2019, August 12, 2019, August 26, 2019, November 4, 2019, November 8, 2019, November 14, 2019, December 9, 2019, January 20, 2020, January 24, 2020, February 14, 2020, February 28, 2020, March 19, 2020. 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 Third 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 Third AGM & Shareholding of Directors as on 31st March, 2020.

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	14	Yes	Nil	6,55,200	6.49
2	Vasudev Komaraju	Director	7	No	Nil	Nil	0.00
3	Vemuri Shilpa	Indp. Dir	14	Yes	Nil	Nil	0.00
4	Ragu Raghuram	Indp. Dir	12	Yes	Nil	Nil	0.00

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 following Committees and each Committee has their terms of reference as a Charter.

Audit Committee;

Nomination & Remuneration Committee

Shareholders Grievance /Relationship/Share Transfer Committee

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 9 times during the financial year 2019-20. 5th April, 2019, 29th May, 2019, 12th August, 2019, 1st November, 2019, 8th November, 2019, 14th November, 2019, 20th December, 2019, 14th February, 2020, 28th February, 2020. 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. Raghu Raghuram*	Member	Independent, Non-Executive
3.	Mr. Sushant Mohan Lal	Member	Executive

* Mr. Ragu Raghuram expired suddenly in February 2020 and Sri Bhupendralal Waghay was appointed in his place 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. Ragu Raghuram	Chairman	Independent, Non-Executive	6
2.	Vemuri Shilpa	Member	Independent, Non-Executive	6
3.	Vasudev Kommaraju	Member	Director	4

The Committee held 6 (Six) meetings during the year ended March 31st, 2020.

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

Mr. Raghu Raghuram ceased to be a committee member, upon his death, w.e.f. 27th February, 2020. Mr. Bhupendralal Waghay was appointed in his place on the 7th of August, 2020.

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 9 times during the financial year 2019-20.

S.No	Name	Category	Position held	No. of Meetings Attended
1	Sushant Mohan Lal	Director	Member	8
2	Vemuri Shilpa	Indp. Director	Chairman	8
3	Vasudev Komaraju	Director	Member	5

All the Share Transfers were affected on time and there is no share transfer pending for more than 15 days and there are No pending Share Transfers as on 31st March 2020. During the year 2019-2020, complaints were received and resolved and as on 31st March, 2020 there were no complaints pending to be resolved.

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

Your Company has a designated e-mail ID, investorinfo@combatdrugs.in for the redressal of any Stakeholders' related grievances exclusively 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 process of updating the website and migrating to the new domain name shortly. The current designated email, in addition to above stated is cs@decipherlabs.in

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 investorinfo@combatdrugs.in / cs@combatdrugs.in / cs@decipherlabs.in

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

GENERAL BODY MEETINGS:

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

AGM	DATE	LOCATION	TIME
33rd	09.12.2019	1st Floor, Conference Hall, Goodlands Banquet, Opp. CCMB, Habsiguda X Roads, Hyderabad – 500 007	11:00 AM
32nd	29.09.2018	1st Floor, Conference Hall, Goodlands Banquet, Opp. CCMB, Habsiguda X Roads, Hyderabad – 500 007	11:30 AM
31st	30.11.2017	Plot No.112, Gayatri Nagar, Road No.14, Bouduppal, Hyderabad – 500039	3:00PM

Postal Ballot:

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

Details of Non Compliance

During the year 2019-20, 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, 2020, 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 31March, 2020, 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. All Directors and Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2020.A declaration signed by the Chief Executive Officer (CEO)/Managing Director / Director to this effect is

attached as Annexure A to the Corporate Governance Report in the Annual Report.

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. Among the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) the Company has complied with the following:

Separate posts of Chairman and CEO - The Chairman and Managing Director/ CEO are two separate persons -The position of Chairman and CEO is bifurcated in the Company. The company will be appointing professional Managing Director and CEO shortly.

Your Company 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 statutes, 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 required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO's Certification 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/ Managing 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, 2020, 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 is in the process of migrating to the new domain name and the new emails of the company are expected to be fully functional shortly. The Company's website www.combatdrugs.in and 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 31st March, 2020 (last trading day of the financial year) was Rs.18.85/- as compared to the price on 31st March 2019 of Rs. 26.20 on BSE. The current price (as on 28th August, 2020) is Rs.23.40

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	:	29th September, 2020 at 11:30A.M.
Financial Year	:	1st April, 2019 to 31st March, 2020
Dates of Book Closure	:	24.09.2020 to 29.09.2020
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, Boduppal, Hyderabad-500039.

DISTRIBUTION OF SHAREHOLDING:

Distribution Details of Shares as on 31/3/2020

Shareholders Holding Nominal Value	Holders		Nominal Value and %	
	No.	%	In Rs.	%
Upto - 5000	11486	98.21	2533350	2.51
5001 - 10000	79	0.68	625720	0.62
10001 - 20000	47	0.4	715550	0.71
20001 - 30000	15	0.13	394840	0.39
30001 - 40000	8	0.07	282370	0.28
40001 - 50000	8	0.07	382420	0.38
50001 - 100000	15	0.13	1077850	1.07
100001 and above	37	0.32	94987900	94.05
Total	11695	100	101000000	100

SHAREHOLDING PATTERN AS ON 31ST MARCH 2020

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
	Total Promoter Shareholding	1	4639927	45.94
(B)	PUBLIC SHAREHOLDING			
1	Financial Institutions/Banks	2	2298	0.02
2	Individual Share Holders holding share capital upto 2Lakh	11628	705946	6.99
3	Individual Share Holders holding capital in excess of 2Lakh	23	2124897	21.04
4	Bodies Corporate	32	525407	3.67
5	Clearing Member	3	300	0.00
6	Non Resident Individuals	6	2101225	20.80
	TOTAL PUBLIC SHAREHOLDING	11694	5460073	54.06
	GRAND TOTAL	11695	101000000	100.00%

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

Sd/-

Sushant Mohanlal

DIRECTOR

Date: 01.09.2020

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, 2020.

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

Sd/-

Sushant Mohanlal

DIRECTOR

Date: 01.09.2020

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/arrangements /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 resolution was passed in General meeting as required under First proviso to section 188	NIL	29-09-2018

NOTE: The details of names, nature of relationship; nature of such contracts / arrangements / transactions are disclosed in Note No.20 (iv) of the Financial Statements

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

Sd/-

Sushant Mohanlal

DIRECTOR

Date: 01.09.2020

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, 2020:
 - 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: 01.09.2020

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, 2020

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, 2019 and ended 31st March, 2020, 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 31st March, 2020, 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 12th September, 2013 and sections and Rules notified and came into effect from 1st 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:
The company's independent director Sri Ragu Raghuram expired on 27th February, 2020 And Sri Bhupendralal Waghray was appointed as independent director in his place w.e.f. 07-08-2020.

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: 01-09-2020

UDIN: F001989B000646534

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, 2020 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, 2020 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: 01-09-2020

UDIN: F001989B000646534

ANNEXURE – E
Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

[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 in Holding
		DEMAT	PHYSICAL	TOTAL	%	DEMAT	PHYSICAL	TOTAL	%	
(A)	PROMOTER & PROMOTER GROUP									
	NRI / Individual	46,39,927	0	46,39,927	58.00	46,39,927	0	46,39,927	45.94	-12.06
	TOTAL PROMOTER HOLDING	46,39,927	0	46,39,927	58.00	46,39,927	0	46,39,927	45.94	-12.06
(B)	PUBLIC SHAREHOLDING									
1	Financial Institutions/Banks	1,008	300	1,308	0.02	1,998	300	2,298	0.02	0.00
2	Individual ShareHolders holding nominal share capital upto 2Lakh	4,71,386	2,44,465	7,15,851	8.95	4,64,321	2,41,625	7,05,946	6.99	-1.96
3	Individual ShareHolders holding nominal share capital in excess of 2Lakh	15,53,232	5,26,718	20,79,950	26.00	15,98,179	5,26,718	21,24,897	21.04	-4.96
4	Bodies Corporate	5,40,281	18,240	5,58,521	6.98	5,07,187	18,220	5,25,407	5.20	-1.78
5	Clearing Member	3,218	0	3,218	0.04	300	0	300	0.00	-0.04
6	Non Resident Individuals	1,225	0	1,225	0.02	21,01,225	0	21,01,225	20.80	20.78
	Sub-Total(B)(3)	25,70,350	7,89,723	33,60,073	42.01	46,73,210	7,86,863	54,60,073	54.06	
	GRAND TOTAL	72,10,277	7,89,723	80,00,000	100	93,13,137	7,86,863	1,01,00,000	100.00	

Shareholding of Promoters

	Name	AT BEGINNING OF YEAR			AT END OF THE YEAR		
		No. Held	% of	%	No. Held	% of	%
(A)			Total	Pledged		Total	Pledged
	Janakiram Ajarapu	46,39,927	58.00	0	46,39,927	45.94	0
	TOTAL	46,39,927	58.00	0	46,39,927	45.94	0

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

Nil. The Promoter Holding percentage has changed due to fresh allotment made in the financial year.

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	0	0	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.):	Increase due to allotment of Shares by the company pursuant to Shareholder holder approval in the previous AGM.			
	At the end of the year (or on the date of separation, if separated during the year)	0	0	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	0	0	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.):	Increase due to allotment of Shares by the company pursuant to Shareholder holder approval in the previous AGM.			
	At the end of the year (or on the date of separation, if separated during the year)	0	0	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	Seshu Srinivas Akula				
	At the beginning of the year	384273	4.80	384273	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.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	384273	3.67	384273	3.67

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	Goldsmith Landmarks Pvt Ltd				
	At the beginning of the year	370896	4.63	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.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	370896	3.67	370896	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
5	Priya Bhanuthu				
	At the beginning of the year	0	0	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.):	Acquired during the Year			
	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
6	Umesh Narayan				
	At the beginning of the year	180537	2.26	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.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	180537	1.79	180537	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	Accura Projects & Infrastructures (I) Pvt Ltd				
	At the beginning of the year	150294	1.88	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)	150294	1.49	150294	1.49

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
8	Gudipudi Venkateshwar Rao				
	At the beginning of the year	200000	2.50	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Disposed During the Year			
	At the end of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

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	100083	1.25	100083	1.25
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Acquired 11,960 During the Year			
	At the end of the year (or on the date of separation, if separated during the year)	112043	1.11	112043	1.11

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	Sushant Mohan Lal	655200	8.19	No Change During the Year	655200	6.48
2	Vasudev Kommaraju	0	0		0	0
3	Vemuri Shilpa	0	0		0	0
4	Bhupendralal Waghray	0	0		0	0
5	Sonam Jalan		0			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				
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
1.	Gross salary	WTD	WTD	19,20,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Sushant Mohan Lal 12,00,000	Vasudev 7,20,000	
	(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			
2.	Stock Option	--	NIL	NIL
3.	Sweat Equity		NIL	NIL
4.	Commission as % of profit others, specify...		NIL	NIL
5.	Others, please specify		NIL	NIL
6.	Total (A)	12,00,000	7,20,000	19,20,000
	Ceiling as per the Act			

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	Company Secretary	CFO	Total
1.	Gross salary				
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	NIL	3,00,000	7,20,000	10,20,000
	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				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- others,				
5.	Others, please specify	-	-	-	-
6.	Total	NIL	3,00,000	7,20,000	10,20,000

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)
A. Company			Nil		Nil
Penalty					
Punishment					
Compounding					
B. Directors			Nil		Nil
Penalty					
Punishment					
Compounding					
C. Other Officers in Default			Nil		Nil
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 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 read with Rule 7 of Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 Nagaratnam

Partner

Membership No. 212926

UDIN: 20212926AAAAABY6245

Place: Hyderabad

Date: 29.06.2020

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 31 March 2020 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 31 March 2020, 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: 20212926AAAABY6245

Place: Hyderabad

Date: 29.06.2020

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 granted unsecured loans to two wholly owned subsidiaries covered in the register maintained under section 189 of the Act.
 In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not prejudicial interest of the Company
 The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal and receipt of interest are not due as on balance sheet date.
 There are no overdue amounts as at the year-end in respect of both principal and interest.

- (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.

- (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. 0.21 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, 2020.

- (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 made preferential allotment of shares and the provisions of Section 42 of the Companies Act, 2013 have been complied with. The Company has issued these shares to the members of a foreign entity "Decipher Software Solutions LLC" against swap of stock held by them.
- (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 Nagaratnam

Partner

Membership No. 212926

UDIN: 20212926AAAABY6245

Place: Hyderabad

Date: 29.06.2020

DECIPHER LABS LIMITED

(Formerly known as Combat Drugs Limited)

STANDALONE BALANCE SHEET AS AT 31 March 2020*All amounts in ₹ Lakhs, unless otherwise stated*

Particulars	Note	As at 31 March 2020	As at 31 March 2019
I. ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	10.83	0.70
(b) Financial assets - Investments	4	841.00	4.56
(c) Deferred tax assets (net)	12	0.04	-
(d) Other non-current assets	5	0.30	0.30
Current Assets			
(a) Inventories	6	31.87	32.15
(b) Financial assets			
(i) Trade receivables	7.1	17.45	303.69
(ii) Cash and cash equivalents	7.2	2.96	1.76
(iii) Other financial assets	7.3	0.52	19.22
(c) Current tax assets	8	0.06	0.06
(d) Other current assets	9	259.82	221.39
TOTAL ASSETS		1,164.85	583.83
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	1,010.00	800.00
(b) Other equity	11	96.51	(550.29)
Liabilities			
Non-Current Liabilities			
(a) Deferred tax liabilities (net)	12	-	0.01
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	13.1	23.04	13.87
(ii) Trade payables	13.2		
a) Total outstanding dues of Micro and small enterprises		-	-
b) Total outstanding dues of creditors other than Micro & Small Enterprises		25.59	313.40
(iii) Other financial liabilities	13.3	9.27	6.04
(b) Other current liabilities	14	0.44	0.80
TOTAL EQUITY AND LIABILITIES		1,164.85	583.83

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: 0001255

Sd/-

Y.Lakshmi Nagaratnam

Partner

M.No: 212926

Place: Hyderabad

Date: 29.06.2020

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
(Formerly known as Combat Drugs Limited)

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2020

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Note	As at 31 March 2020	As at 31 March 2019
I. Revenue from operations	15	142.35	678.11
II. Other income	16	1.32	0.88
III. Total revenue (I + II)		143.67	678.99
IV. Expenses			
Purchase of stock-in-trade	17	61.85	614.72
Changes in inventories of stock in trade	18	0.28	(22.42)
Employee benefits expense	19	32.01	16.68
Depreciation expense	3	0.35	0.06
Other expenses	20	32.43	32.25
Total expenses		126.92	641.29
V. Profit/(Loss) before tax (III - IV)		16.75	37.70
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	12	(0.05)	0.01
VII. Profit/(Loss) for the period (V-VI)		16.80	37.69
VIII. Other comprehensive income		-	-
IX. Total comprehensive income for the year		16.80	37.69
X. Earning per equity share (Face Value of Rs. 10/- each)			
(1) Basic		0.17	0.47
(2) Diluted		0.17	0.47

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

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Kumar Raghavan

Company Secretary

Sd/-

Sonam Jalan

Chief Financial Officer

Place: Hyderabad

Date: 29.06.2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

2. Significant Accounting Policies

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

a) Statement of Compliance

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

New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments - Appendix C to Ind AS 12, Income Taxes
- Amendment to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement - Amendments to Ind AS 19, Employee Benefits

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.

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.

Transition

The Company have not any leased assets hence there is no impact of transition provisions

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, 2020.

Note 3:

3 Property, Plant and Equipment

Changes in the carrying value property, plant and equipment for the year ended 31st March, 2020

All amounts in ₹ Lakhs, unless otherwise stated

Sr. No	Particulars	Plant and Equipment	Computers	Total
1	Gross Carrying Amount			
	As at 1st April, 2019	0.39	0.18	0.57
	Additions	-	10.50	10.50
	Disposal / Adjustments	-	-	-
	As at 31st March, 2020	0.39	10.68	11.07
2	Depreciation			
	As at 1st April, 2019	0.06	-	0.06
	Charge for the year	0.05	0.24	0.29
	Disposal / Adjustments	-	-	-
	As at 31st March, 2020	0.11	0.24	0.35
3	Net Block			
	As at 31st March, 2020	0.28	10.44	10.71

3.1 Other Intangible Assets - Computer Software

Changes in the carrying value other intangible assets for the year ended 31st March, 2020

Sr. No	Particulars	Rs. In Lakh
1	Gross Carrying Amount	
	As at 1st April, 2019	0.17
	Additions	-
	As at 31st March, 2020	0.17
2	Amortisation	
	As at 1st April, 2019	0.00
	Charge for the year	0.06
	As at 31st March, 2020	0.06
3	Net Block	
	As at 31st March, 2020	0.11

4. Investments

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	As at 31 March 2020	As at 31 March 2019
Investments in Equity Instruments (Unquoted - Measured at amortised cost)		
Wholly owned subsidiaries		
RA LABS Pte Ltd, Singapore (7,122(P.Y 100) Equity Shares of SGD 1/- each)	-	3.56
Decipher Software Solutions LLC., (2,000(P.Y Nil) common stock @ USD1 each)	840.00	-
ICP Solutions Private Limited (10,000(P.Y 10,000) Equity Shares of Rs. 10/- each)	1.00	1.00
TOTAL	841.00	4.56
Aggregate amount of unquoted investments	841.00	4.56
Aggregate amount of Impairment in value of Investment	-	-

5. Other Non-current assets

Particulars	As at 31 March 2020	As at 31 March 2019
Deposit – Rent	0.30	0.30
TOTAL	0.30	0.30

6. Inventories (Valued at Lower of Cost and NRV)

Particulars	As at 31 March 2020	As at 31 March 2019
a) Finished goods	27.09	4.78
b) Packing Materials	4.78	27.37
TOTAL	31.87	32.15

7.1 . Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade Receivables considered good - Unsecured	17.45	303.69
TOTAL	17.45	303.69

7.2. Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
a) Balances with banks in current accounts	2.91	1.21
b) Cash on hand	0.05	0.55
TOTAL	2.96	1.76

7.3. Other financial assets (current)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance given to Subsidiary Companies	-	18.68
Interest receivable on Loans	0.52	0.54
TOTAL	0.52	19.22

8. Current tax assets

Particulars	As at 31 March 2020	As at 31 March 2019
TDS Receivable	0.06	0.06
TOTAL	0.06	0.06

9. Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019
Deposit with others	221.39	221.39
Advance for expenses	29.02	-
Other Receivables	9.41	-
TOTAL	259.82	221.39

10. Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
AUTHORIZED:	-	-
1,01,00,000 Equity Shares of ₹10/- each (P Y 80,00,000 Equity Shares of ₹10/- each)	1,010.00	800.00
TOTAL	1,010.00	800.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL	-	-
1,01,00,000 Equity Shares of ₹10/- each (P Y 80,00,000 Equity Shares of ₹10/- each)	1,010.00	800.00
TOTAL	1,010.00	800.00

(A) Movement in equity share capital:

Particulars	Number of shares	Amount
Balance at April 01, 2019	80.00	800.00
Movement during the year	21.00	210.00
Balance at March 31, 2020	101.00	1,010.00

(B) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31 March 2020		31 March 2019	
	No. of Shares	% holding	No. of Shares	% holding
Janakiram Ajarapu	46,39,927	45.94	46,39,927	58.00
Sushant Mohan Lal	6,55,200	6.49	6,55,200	8.19
Pavan Mantripragada	10,71,000	10.60	-	-
Janaki Yenamandra	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	As at 31 March 2020	As at 31 March 2019
Reserves and surplus		
Retained Earnings	(533.49)	(550.29)
Securities Premium	630.00	-
TOTAL	96.51	(550.29)

Retained earnings

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	(550.29)	(587.98)
Profit for the year	16.80	37.69
Closing balance	(533.49)	(550.29)

Securities Premium

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	-	-
On account of issue of shares	630.00	-
Closing balance	630.00	-

11.1: Retained earnings represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

11.2: Securities Premium is used to record premium on issue of shares of the Company. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013

13.1. Borrowings - Current

Particulars	As at 31 March 2020	As at 31 March 2019
Current - Loans from Related parties – Unsecured		
From Directors	9.68	13.87
From Subsidiary	13.36	-
TOTAL	23.04	13.87

Net Debt Reconciliation - from directors

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance of borrowings	13.87	13.30
Add: Amount received during the year	16.24	15.11
Less : Amount repaid during the year	20.43	14.54
Closing balance of borrowings	9.68	13.87

Net Debt Reconciliation - from subsidiary

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance of borrowings	(16.53)	-
Add: Amount received during the year	50.10	-
Less : Amount repaid during the year	79.99	-
Closing balance of borrowings	13.36	-

12. Deferred Tax Asset

Particulars	As at 31 March 2020	As at 31 March 2019
(Arising on account of timing difference) Depreciation	0.04	0.01

Reconciliation of Deferred Tax Liability/(Asset)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening Balance - Deferred Tax Liability	0.01	0.01
Tax Income/(Expense) recognised in Profit or Loss	0.05	-
Tax Income/(Expense) recognised in Other Comprehensive Income	-	-
Deferred Tax Liability/(Asset)	(0.04)	0.01

Movements in Deferred Tax Liabilities/(Asset):

Particulars	Assets : Impact of difference between Tax Depreciation and Depreciation
At 1st April, 2019	0.01
(Charged)/Credited: to Profit or Loss	0.05
to Other Comprehensive Income directly to Equity	-
At 31st March, 2020	(0.04)

13.2. Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Due to Micro and small enterprises	-	-
Due to others	25.59	313.40
TOTAL	25.59	313.40

Disclosures required under Sec 22 of Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2020	As at 31 March 2019
(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 2020	As at 31 March 2019
Outstanding expenses	9.27	6.04
TOTAL	9.27	6.04

14. Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	0.44	0.80
TOTAL	0.44	0.80

Statutory dues include GST, Professional tax, TDS payable

15. Revenue from operations

Particulars	As at 31 March 2020	As at 31 March 2019
Sale of products		
Pharma sales	78.25	629.66
Other Operating revenue	64.10	48.45
TOTAL	142.35	678.11

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	As at 31 March 2020	As at 31 March 2019
Interest income	0.83	0.59
Discount received	0.03	-
Foreign exchange gain(net)	0.46	0.29
TOTAL	1.32	0.88

17. Purchase of stock-in-trade

Particulars	As at 31 March 2020	As at 31 March 2019
Material Consumed	61.85	614.72
TOTAL	61.85	614.72

18. Changes in inventories of stock in trade

Particulars	As at 31 March 2020	As at 31 March 2019
Opening inventories		
Finished Goods	27.37	4.81
Packing materials	4.78	4.92
(A)	32.15	9.73
Closing inventories		
Finished Goods	27.09	27.37
Packing materials	4.78	4.78
(B)	31.87	32.15
TOTAL (A-B)	0.28	(22.42)

19. Employee benefits expense

Particulars	As at 31 March 2020	As at 31 March 2019
Directors' Remuneration	19.20	9.00
Salaries to Staff	12.42	7.48
ESI contribution	0.08	0.04
Staff welfare expenses	0.31	0.16
TOTAL	32.01	16.68

20. Other expenses

Particulars	As at 31 March 2020	As at 31 March 2019
Advertisement Expenses	0.66	0.56
Payment to Auditor (Refer Note 20a)	1.38	1.46
Consultancy & Other Charges	8.83	13.64
Travelling Expenses	0.63	1.75
Office Expenses	1.94	1.43
Repairs and Maintenance	0.35	-
Postage & Telegrams	3.21	3.90
Printing & Stationery	2.21	1.90
Rent, Rates & Taxes	2.20	2.81
Telephone Expenses	0.06	0.07
Listing Fees	3.00	2.50
Miscellaneous Expenses	7.97	2.23
TOTAL	32.43	32.25

20a. Payment to auditor

Particulars	As at 31 March 2020	As at 31 March 2019
To statutory auditors		
-Statutory audit fee	0.50	0.50
-Tax audit fee	0.10	0.10
-For other services (including fees for quarterly reviews)	0.78	0.86
TOTAL	1.38	1.46

21. 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 31March 2020		As at 31 March 2019	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost:					
Current					
Trade receivables	3	17.45	17.45	303.69	303.69
Cash and cash equivalents	3	2.96	2.96	1.76	1.76
Other financial assets	3	0.52	0.52	19.22	19.22
Total		20.93	20.93	324.68	324.68
Financial liabilities					
Measured at amortised cost					
Current					
Borrowings	3	23.04	23.04	13.87	13.87
Trade payables	3	25.59	25.59	313.40	313.40
Other financial liabilities	3	9.27	9.27	6.04	6.04
Total		57.90	57.90	333.31	333.31

*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.

22. 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 31 March 2020 and 31 March 2019.

(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 dollors 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 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Change in USD				
1% increase	0.05	0.29	0.05	0.29
1% decrease	(0.05)	(0.29)	(0.05)	(0.29)
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 2020	As at 31 March 2019
Gross carrying amount	17.45	303.69
Expected credit losses (Loss allowance provision)	-	-
Carrying amount of trade Receivables	17.45	303.69

(ii) Reconciliation of loss allowance provision

Particulars	Trade receivable
Loss allowance as at 31 March 2019	-
Changes in loss allowance during the period 19-20	-
Loss allowance as at 31 March 2020	-

(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.

Contractual maturities of financial liabilities as at

Particulars	As at 31 March 2020		As at 31 March 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 mnths
Borrowings	23.04	-	13.87	-
Trade Payables	25.59	-	313.40	-
Other Financial liabilities	9.27	-	6.04	-
Total	57.90	-	333.31	-

23. 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 2020	As at 31 March 2019
Borrowings		
Current	23.04	13.87
Non current	-	-
Debt	23.04	13.87
Equity		
Equity share capital	1,010.00	800.00
Other equity	96.51	(550.29)
Total capital	1,106.51	249.71
Gearing ratio in % (Debt/ capital)	2.08%	5.55%

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 31 March 2020 and 31 March 2019.

24. Contingent liabilities and Capital Commitments- Nil (P.Y-Nil)

25. Related party disclosures

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
i) Subsidiary Companies RA Labs Pte Ltd, Singapore	Wholly owned Subsidiary Company upto 30.03.2020
ICP Solutions Private Limited, India	Wholly owned Subsidiary Company
Decipher Software Solutions LLC., USA	Wholly owned Subsidiary Company from 19.12.2019
ii) Key Management Personnel (KMP): Sushant Mohan Lal Vemuri Shilpa Ragu Raghuram Vasudev Komaraju Kumar Raghavan Sonam Jalan	Director Independent Director Independent Director upto 27.02.2020 Wholetime Director Company Secretary Chief Financial Officer
iii) Relatives of Key Management Personnel (KMP): Suchit Mohan Lal	Father of Sushant Mohan Lal
iv) Enterprises in which key managerial personnel and/or their relatives have control: Ruchi Bio Tech	Sushant Mohan Lal – Proprietor

26. Earnings per share (EPS)

Particulars	31 March 2020	31 March 2019
Profit/(Loss) after tax	16.80	37.69
Weighted average number of equity shares in calculating Basic and Diluted EPS (in Number)	1,01,00,000	80,00,000
Face value per share ₹	10.00	10.00
Basic and Diluted Earnings per Share (EPS)₹	0.17	0.47

27. 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

'44.98% (P.Y 74.82%) of Revenue is coming from one single customer.

28. Due to the Covid 19 situation, there have been several restrictions imposed by the Governments across the globe considering public health and safety measures during March 2020. Based on the current indicators of economic conditions, the company expects to recover the carrying amount of all its assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company as at date of approval of these financial statements has used Internal and external sources of information including credit

reports, related information and economic forecasts. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these standalone financial results and the company will continue to closely monitor any material changes to the economic conditions in the future.

29. Previous Year figures have been regrouped wherever necessary.

As per our report of even date

For M. Anandam & Co

Chartered Accountants

Firm Registration Number: 0001255

Sd/-

Y. Lakshmi Nagarathnam

Partner

M.No: 212926

Date: 29.06.2020

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, 2020

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		16.75		37.70
Adjustments for :				
Depreciation		0.35		0.06
Operating Profit before W. Capital Changes		17.10		37.76
Adjustments for:				
(Increase) / Decrease in Trade Receivables	286.24		(244.91)	
(Increase) / Decrease in Inventories	0.28		(22.42)	
(Increase) / Decrease in Other Assets	(19.73)		(15.61)	
Increase / (Decrease) in Trade Payable	(287.81)		257.52	
Increase / (Decrease) in Other Liabilities	2.89		(8.16)	
		(18.13)		(33.58)
Cash Generated from Operations		(1.03)		4.18
Direct Taxes Paid		-		-
Net Cash generated from/(used in) Operating Activities		(1.03)		4.18
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(10.50)		(0.77)	
Investments in Wholly Owned subsidiary Co	-		(4.51)	
Sale of Wholly Owned subsidiary Company	3.56		-	
Net Cash used in Investing Activities		(6.94)		(5.28)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short Term Borrowings (net)	9.17		0.57	
Net Cash generated from Financing Activities		9.17		0.57
Net decrease in Cash and Cash Equivalents		1.20		(0.53)
Cash and Cash Equiv at beginning of the year		1.76		2.29
Cash and Cash Equivalents at end of the year		2.96		1.76

Notes to cash flow statement

- 1 Components of cash and cash equivalents

Balances with banks	2.91	1.21
Cash on hand	0.05	0.55
Cash and cash equiv considered in the cash flow stmt	2.96	1.76
- 2 The above cash flow statement has been prepared under with the 'Indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.
- 3 Reconciliation of liabilities arising from financing activities.

Particulars	Outstanding as at 1st April, 2019	Cash flows	Non-cash Changes	Outstanding as at 31st March, 2020
Short-term borrowings - Directors	13.87	4.19	-	9.68
Short-term borrowings - Subsidiary	(16.53)	29.89		13.36
Total liability from financing activities	(2.66)	34.08	-	23.04

As per our report of even date

For M. Anandam & Co
Chartered Accountants
Firm Registration Number: 000125S
Sd/-
Y.Lakshmi Nagaratnam
Partner

For and on behalf of the Board

Sd/-
V. Shilpa
Director
DIN: 07140155

Sd/-
Sushant Mohan Lal
Director
DIN: 01227151

Date: 29.06.2020
Place: Hyderabad

Sd/-
Kumar Raghavan
Company Secretary

Sd/-
Sonam Jalan
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 MARCH 2020

All amounts in ₹ Lakhs, unless otherwise stated

a. Equity share capital

Particulars	Note	Equity share capital
As at 01 April 2018	10	800.00
Changes in equity share capital		-
As at 01 April 2019		800.00
Changes in equity share capital		210.00
As at 31 March 2020		1,010.00

b. Other equity

	Note	Retained Earnings	Securities Premium
As at 01 April 2018	11	(587.98)	-
Profit/(loss) for the year		37.69	-
As at 01 April 2019		(550.29)	-
Profit/(loss) for the year		16.80	-
On account of issue of shares		-	630.00
As at 31 March 2020		(533.49)	630.00

As per our report of even date

For M. Anandam & Co

Chartered Accountants

Firm Registration Number: 0001255

Sd/-

Y.Lakshmi Nagaratnam

Partner

Date: 29.06.2020

Place: Hyderabad

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Kumar Raghavan

Company Secretary

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, Decipher Software Solutions LLC and RA Labs PTE Ltd (the Holding Company and its wholly owned subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2020, 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, 2020, 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 in respect of one wholly owned subsidiary namely Decipher Software Solutions LLC whose financial statements and financial information reflect total assets of Rs. 2972.62 lakhs as at 31st March, 2020, total revenue of Rs. 1893.24 lakhs and net cash outflows amounting to Rs. 104.56 lakhs for the year ended on that date as considered in the consolidated financial statements, which have been audited by other independent auditor up to the period ended 31st December, 2019 and are unaudited for the period from 1st January, 2020 to 31st March, 2020. These financial statements have been audited for the period ended 31st December, 2019 since the wholly owned subsidiary follows a different accounting period from that of the Holding Company. Unaudited financial statements for the period from 1st January, 2020 to 31st March, 2020 have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of the wholly owned 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 wholly owned subsidiary is based solely on the report of the other auditor/unaudited financial statements and financial information as the case may be.

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 its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Management has converted the financial statements from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary is based on the report of other auditor and the conversion adjustments prepared by the Management and audited by us. Our opinion is not modified in respect of this matter.

2. The consolidated financial statement includes financial statements and financial information of one subsidiary namely RA Labs Pte Ltd, Singapore which was disposed off during the year and whose financial statements and financial information reflect total assets of Rs Nil Lakhs as at 31st March, 2020, total revenue of Rs Nil lakhs and net cash outflows of Rs 0.59 lakhs for the period 1st April, 2019 to 26th March, 2020 respectively, which are taken as certified by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements and financial information are not material to the Group. Our opinion is not modified in respect of this matter.

The financial statements of the subsidiary, located outside India, have been prepared in accordance with accounting principles generally accepted in its country. The Management has converted the financial statements of this subsidiary from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary is based on the information given by the management and the conversion adjustments prepared by the Management and audited by us. Our opinion is not modified in respect of this matter.

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, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiary, which is incorporated in India, none of the directors of the Holding Company is disqualified as on 31st March, 2020 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

Place: Hyderabad

Date: 29.06.2020

UDIN: 20212926AAAACA3306

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, 2020 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 31st March, 2020, 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

Place: Hyderabad

Date: 29.06.2020

UDIN: 20212926AAAACA3306

DECIPHER LABS LIMITED

(Formerly known as Combat Drugs Limited)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020*All amounts in ₹ Lakhs, unless otherwise stated*

Particulars	Note	As at 31 March 2020	As at 31 March 2019
I. ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	3	23.16	0.70
(b) Right to use assets		163.67	-
(c) Deferred tax asset (net)	4	4.55	-
(d) Goodwill		311.35	-
(d) Financial assets			
Other financial asset	5	699.47	-
(e) Other non current assets	6	68.22	1.82
Current Assets			
(a) Inventories	7	31.87	32.15
(b) Financial assets			
(i) Trade receivables	8.1	1,461.77	345.67
(ii) Cash and cash equivalents	8.2	146.84	29.97
(iii) Other Financial asset	8.3	346.30	-
(c) Other current assets	9	280.98	223.89
TOTAL ASSETS		3,538.18	634.20
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	1,010.00	800.00
(b) Other equity	11	246.05	(547.34)
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
(i) Lease Liabilities		147.82	-
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	12.1	1,111.23	20.08
(ii) Lease Liabilities		36.00	-
(ii) Trade payables	12.2		
a) Total outstanding dues of Micro enterprises and small enterprises			-
b) Total outstanding dues of other than Micro and small enterprises		719.97	313.40
(iii) Other Financial liabilities	12.3	383.59	42.56
(b) Other current liabilities	13	10.19	1.96
(c) Current Tax Liabilities (net)	14	40.72	3.54
TOTAL EQUITY AND LIABILITIES		3,705.57	634.20

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

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Kumar Raghavan

Company Secretary

Sd/-

Sonam Jalan

Chief Financial Officer

Date: 29.06.2020

Place: Hyderabad

DECIPHER LABS LIMITED
(Formerly known as Combat Drugs Limited)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Note	31 March 2020	31 March 2019
I. Revenue from operations	15	2,398.64	805.78
II. Other income	16	27.29	-
III. Total revenue (I + II)		2,425.93	805.78
IV. Expenses			
Cost of materials consumed	17	-	614.72
Purchase of Stock-in-Trade	18	61.85	-
Changes in inventories of finished goods and stock in trade	19	0.28	(22.42)
Employee benefits expense	20	1,957.20	109.73
Finance cost	21	72.15	-
Depreciation and amortisation	22	55.61	0.06
Other expenses	23	132.23	59.61
Total expenses		2,279.32	761.70
V. Profit/Loss before tax (III - IV)		146.61	44.08
VI. Tax expense:			
(1) Current tax	14	40.98	3.54
(2) Deferred tax		(4.46)	-
VII. Profit/Loss for the period (V-VI)		110.09	40.54
VIII. Other comprehensive income			
Items that will be reclassified to statement of profit and loss			
Exchange differences on translating the financial statements of a foreign operation		49.65	0.10
Other comprehensive income (net of tax)		49.65	0.10
IX. Total comprehensive income for the year		159.74	40.64
Net Profit for the year attributable to:			
Owners of the parent		110.09	40.54
Non-Controlling Interests		-	-
Other Comprehensive Income attributable to:			
Owners of the parent		49.65	0.10
Non-Controlling Interests		-	-
Total Comprehensive Income attributable to:			
Owners of the parent		159.74	40.64
Non-Controlling Interests		-	-
X. Earning per equity share attributable to the owners of Combat Drugs Limited	32		
(1) Basic		0.11	0.51
(2) Diluted		0.11	0.51

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 Nagarathnam

Partner

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Kumar Raghavan

Company Secretary

Sd/-

Sonam Jalan

Chief Financial Officer

Date: 29.06.2020

Place: Hyderabad

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Background

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

These Financial Statements of the Group as at and for the year ended 31st March, 2020 (including comparatives) were approved and authorised for issue by the Board of Directors of the Group on 29th June, 2020.

The Group includes the following wholly owned subsidiaries, viz, ICP Solutions Private Limited, India, Decipher Software Solutions LLC, USA and RA Labs Pte Ltd, Singapore upto 26.03.2020.

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 Consolidated Financial Statements (CFS) include the financial statements of the Parent and its wholly owned subsidiaries excluding Cloud Computing Global Pte Ltd, Singapore. The assets, liabilities, income and expenses of the wholly owned subsidiaries is aggregated and consolidated line by line. Profit or loss and each component of other comprehensive income are attributed to the owners. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. 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 as per 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.

New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, Leases
 - Uncertainty over Income Tax Treatments - Appendix C to Ind AS 12, Income Taxes
 - Amendment to Ind AS 12, Income Taxes
 - Plan Amendment, Curtailment or Settlement - Amendments to Ind AS 19, Employee Benefits
- The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b) Basis of preparation

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

c) Use of estimates and critical accounting judgements

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

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives

of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

d) Revenue Recognition

i) Sale of Products

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery / dispatch of the goods. Revenue from the sale of goods is measured at the value of the consideration received or receivable, net of returns, discounts, volume rebates. Till 30th September, 2017, Revenue is inclusive of excise duty and excluding taxes collected from parties such as outgoing sales taxes or value added taxes. With effect from 1st July, 2017 revenue is excluding goods and service tax.

ii) Other income

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

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

e) Income tax

Current income tax

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

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

Deferred tax

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

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

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

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

f) Impairment of assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or

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

g) Cash and cash equivalents

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

h) Trade receivables

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

i) Inventories

Raw Materials, Fuel, Stores & Spares and Packing Materials

Valued at lower of cost and net realizable value (NRV). 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 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) De-recognition 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.

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) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

As Lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is

charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee:

The Company assess 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:

- (1) The Contract involves the use of an identified asset;
- (2) The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (3) The Company has the right to direct the use of the asset.

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 balance lease term 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.

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 the 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.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

As Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease

w) Recent accounting pronouncements

There is no such notification which would have been applicable from April 1, 2020.

3. Property, Plant and Equipment

Changes in the carrying value property, plant and equipment for the year ended 31st March, 2020

N	Particulars	Office Equipment	Furniture and Fixtures	Plant and Equip	Computers	Total
1	Gross Carrying Amunt					
	As at 1st April, 2019	-	-	0.39	0.18	0.57
	Additions	2.30	10.86	-	10.50	23.66
	Disposal / Adjustments	-	-	-	-	-
	As at 31 March, 2020	2.30	10.86	0.39	10.68	24.23
2	Depreciation					
	As at 1st April, 2019	-	-	0.06	-	0.06
	Charge for the year	0.25	0.58	0.05	0.24	1.12
	Disposal / Adjustments	-	-	-	-	-
	As at 31 March, 2020	0.25	0.58	0.11	0.24	1.18
3	Net Block					
	As at 31 March, 2020	2.05	10.28	0.28	10.44	23.05

3.1 Other Intangible Assets - Computer Software

Changes in the carrying value other intangible assets for the year ended 31 March, 2020

N	Particulars	Rs. In Lakh
1	Gross Carrying Amount	
	As at 1st April, 2019	0.17
	Additions	
	Disposal / Adjustments	0.17
	As at 31 March, 2020	
2	Depreciation	
	As at 1st April, 2019	-
	Charge for the year	0.06
	Disposal / Adjustments	-
	As at 31 March, 2020	0.06
3	Net Block	
	As at 31 March, 2020	0.11

4. Deferred Tax Asset

Particulars	As at 31 March 2020	As at 31 March 2019
(Arising on account of timing difference)		
Deferred tax Asset		
Preliminary Expenses	0.01	-
Lease Asset and Liability	4.61	-
Deferred tax liability		
Depreciation	0.07	-
TOTAL	4.55	-

Reconciliation of Deferred Tax Assets:

Particulars	As at 31 March 2020	As at 31 March 2019
Opening Balance - Deferred Tax Asset	-	-
Tax Income/(Expense) recognised in statement of profit or loss	4.46	-
Deferred Tax Assets	(4.46)	-

Movements in Deferred Tax Assets

Particulars	Lease Liability	Impact of difference between preliminary expenses	Depreciation
Opening	-	-	-
(Charged)/Credited:			
to Profit or Loss	4.61	0.01	0.07
Deferred Tax Assets	4.61	0.01	0.07

5. Other financial assets (non - current)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
a) Rent deposits	6.87	-
b) Other receivables	692.60	-
TOTAL	699.47	-

6. Other Non-Current assets

Particulars	As at 31 March 2020	As at 31 March 2019
a) Deposit – Rent	0.30	0.30
b) Deposits with Department	-	1.52
c) Prepaid Rent	3.41	-
d) Other non current assets	64.51	-
TOTAL	68.22	1.82

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

Particulars	As at 31 March 2020	As at 31 March 2019
a) Packing Material	4.78	4.78
b) Finished goods	27.09	27.37
TOTAL	31.87	32.15

8.1 . Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured considered good	1,461.77	345.67
TOTAL	1,461.77	345.67

8.2. Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
a) Balances with banks in current accounts	145.88	29.24
b) Cash on hand	0.96	0.73
TOTAL	146.84	29.97

9. Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019
Deposit with others	221.39	221.39
Input Tax Receivables	16.03	2.50
Prepaid Expenses	29.35	-
TDS Receivable	0.60	-
Other Receivables	5.63	-
Salary Advance	7.98	-
TOTAL	280.98	223.89

10. Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
AUTHORIZED:		
1,01,00,000 Equity Shares of ₹10/- each (P Y 80,00,000 Equity Shares of ₹10/- each)	1,010.00	800.00
TOTAL	1,010.00	800.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
1,01,00,000 Equity Shares of ₹10/- each (P Y 80,00,000 Equity Shares of ₹10/- each)	1,010.00	800.00
TOTAL	1,010.00	800.00

(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
Balance at March 31, 2020	1,01,00,000	1,010.00

(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 2020	As at 31 March 2019
Reserves and surplus		
Retained earnings	(433.60)	(547.34)
Other Comprehensive Income		
Exchange differences in translating the financial statements of foreign operations	49.65	-
Securities Premium	630.00	-
TOTAL	246.05	(547.34)

(a) Retained earnings

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	(547.34)	(587.98)
Profit/(Loss) for the year	110.09	40.54
Less: Adjustment of Consolidation	8.28	-
Less: Ind AS adjustment as per 116	(4.63)	-
Closing balance	(433.60)	(547.34)

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

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	0.10	-
Less: Adjustment on consolidation	(0.10)	-
Movement during the year	49.65	0.10
Closing balance	49.65	0.10

(c) Securities Premium

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	-	-
On account of shares issued during the year	630.00	-
Closing balance	630.00	-

12.1 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Loans from Related Parties		
Unsecured loans		
From Directors	9.99	20.08
From Banks	0.18	-
From Financial Institution	167.39	-
Secured Loans		
From Banks	933.67	-
TOTAL	1,111.23	20.08

12.2. Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Dues to micro enterprises and small enterprises	-	-
Dues to creditors other than micro enterprises and small enterprises	719.97	313.40
TOTAL	719.97	313.40

Unsecured Loans from others represents loan of Subsidiary company, Decipher Labs LLC, from S G Credit Solutions LLC which is repayable in thirty-six bi-weekly installments.

Secured Loans from bank represents loan of Subsidiary company, Decipher Labs LLC, which is Line of credit from SFB bank which is secured against receivables.

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 2020	As at 31 March 2019
(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.

12.3 Other Financial liabilities

Paticulars	As at 31 March 2020	As at 31 March 2019
Outstanding expenses	354.76	42.56
Employee Benefit Payable	28.83	-
TOTAL	383.59	42.56

13. Other current liabilities

Paticulars	As at 31 March 2020	As at 31 March 2019
Statutory Liabilities	10.19	1.96
TOTAL	10.19	1.96

14. Current Tax Liability

Paticulars	As at 31 March 2020	As at 31 March 2019
Provision for Tax	40.72	3.54
TOTAL	40.72	3.54

15. Revenue from operations

Particulars	31 March 2020	31 March 2019
Sale of products		
Pharma Sales	78.25	629.66
Other Operating Revenue	64.10	-
Sale of Services		
IT Consulting Services	2,256.29	176.12
TOTAL	2,398.64	805.78

16. Other income

Particulars	31 March 2020	31 March 2019
Interest	18.57	-
Rental income	8.23	-
Foreign Exchange Gain(net)	0.46	-
Discount Received	0.03	-
TOTAL	27.29	-

17. Cost of materials consumed

Particulars	31 March 2020	31 March 2019
Material consumed	-	614.72
TOTAL	-	614.72

18. Purchase of Stock-in-trade

TOTAL	31 March 2020	31 March 2019
Purchase of Stock-in-trade	61.85	-
TOTAL	61.85	-

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

Particulars	31 March 2020	31 March 2019
Opening inventories		
Packing materials	4.78	4.92
Finished Goods	27.37	4.81
(A)	32.15	9.73
Closing inventories		
Packing materials	4.78	4.78
Finished Goods	27.09	27.37
(B)	31.87	32.15
TOTAL (A-B)	0.28	(22.42)

20. Employee benefits expense

Particulars	31 March 2020	31 March 2019
Salaries to Staff	1949.83	109.33
Contribution to PF and ESI	2.15	0.24
Staff welfare expenses	5.22	0.16
TOTAL	1,957.20	109.73

21. Finance Costs

Particulars	31 March 2020	31 March 2019
Lease charges	24.39	-
Interest on Borrowings	47.76	-
TOTAL	72.15	-

22. Depreciation and amortization expense

Particulars	31 March 2020	31 March 2019
Depreciation of property, plant and equipment	1.12	0.06
Amortisation of Intangible asset	0.06	-
Amortisation of Goodwill	9.65	-
Leased Depreciation	44.78	-
TOTAL	55.61	0.06

23. Other expenses

Particulars	31 March 2020	31 March 2019
Advertisement Expenses	0.66	0.56
Payment to Auditor	2.16	1.91
Consultancy & Other Charges	48.21	17.23
Travelling Expenses	20.82	1.75
Office Expenses	3.35	1.43
Postage & Telegrams	3.40	5.20
Printing & Stationery	2.21	1.90
Rent, Rates and Taxes	5.14	15.80
Telephone Expenses	1.26	0.28
Listing Fee	3.00	2.50
Water charges	0.40	0.12
Security Charges	5.17	0.15
Business Development Charges	1.08	-
Electricity and generator expenses	6.67	1.70
Preliminary expenses written off	-	2.36
Forex loss	1.58	1.08
Web Maintenance	0.32	-
Internet Charges	1.28	-
Repairs and Maintenance	3.43	-
Bank Charges	5.19	0.62
Filing Charges	3.05	-
Insurance	2.77	-
Miscellaneous Expenses	11.08	5.02
TOTAL	132.23	59.61

24. Leases

On transition, the adoption of the new standard leases IND AS 116 resulted in recognition of 'Right of Use'(ROU) asset of ₹ 218.23, and a lease liability of ₹218.23 Lakhs. The effect of this adoption is insignificant on the profit before tax, profit for

the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 12%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Rent
Opening balance as on 1st April 2019	-
Additions	207.32
Deletions	-
Depreciation	43.65
Closing balance as on 31st March 2020	163.67

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	Rent
Current lease liability	36.00
Non-current lease liability	147.82
Closing balance as on 31st March 2020	183.82

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Rent
Opening balance as on 1st April 2019	-
Additions	211.95
Finance cost accrued during the period	23.97
Payment	52.10
Translation difference	-
Closing balance as on 31st March 2020	183.82

The table below provides details regarding the contractual maturities of lease liabilities as at March 31,2020 on an undiscounted basis:

Particulars	Rent
Less than one year	56.17
One to five years	175.12
More than five years	-
Total	231.29

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 23.97 Lakhs for the year ended March 31, 2020.

Rental income on assets given on operating lease to holding company was ₹ Nil for the year ended March 31, 2020.

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.

Reportable segment	Product/ Services
Pharma	Manufacturing and trading of Pharmaceutical drugs
Consultancy	Consultancy Services

Particulars	31 March 2020			31 March 2019		
	Pharma	Consultancy	Total	Pharma	Consultancy	Total
Segment revenue	78.25	2,347.68	2,425.93	629.66	176.12	805.78
Less : Inter segment revenue	-	-	-	-	-	-
Total revenue from operations	78.25	2,347.68	2,425.93	629.66	176.12	805.78
Segment result (Profit before tax and interest) from each segment	7.06	211.71	218.77	20.65	23.43	44.08
Less : Interest	-	72.15	72.15	-	-	-
Total Profit before tax	7.06	139.55	146.62	20.65	23.43	44.08
Capital employed (Segment assets - segment liabilities)	31 March 2020			31 March 2019		
Segment assets	323.33	3,214.85	3,538.18	560.00	74.20	634.20
Segment liabilities	45.99	2,236.12	2,282.11	334.11	47.48	81.59

b) Major Customer in Pharmaceutical Segment

'44.98% (P.Y 74.82%) of Revenue is coming from one single customer

c) Major Customer in IT Consultancy

21.69%(P.Y 100%) 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 % consolidated Net assets	Amount (₹ in '000)	As a % of consolidated Profit and Loss	Amount (₹ in '000)	consolidated Other Comprehensive	Amount (₹ in '000)	consolidated Total Comprehensive	Amount (₹ in '000)
Parent								
Decipher Labs Limited (Formerly known as Combat Drugs Limited) - Parent Company	21.14	265.53	11.89	13.09	100	49.65	39.28	62.74
Subsidiary								
ICP Solutions Private Limited, India	1.36	17.09	12.01	13.22	-	-	8.28	13.22
Decipher Software Solutions LLC, USA	77.50	973.43	76.10	83.78	-	-	52.45	83.78
TOTAL	100.00	1,256.05	100	110.09	100	49.65	100.00	159.74

27. 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. Borrowings (non-current) consists of loans from banks and government authorities, other financial liabilities(non-current) consists of interest accrued but not due on deposits other financial assets consists of employee advances where the fair value is considered based on the discounted cash flow.

3. The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

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 Group's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

Particulars	Level	31 March 2020		31 March 2019	
		Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets					
Measured at amortised cost:					
Non Current					
Other financial assets	3	699.47	699.47	-	-
Current					
Trade receivables	3	1,461.77	1,461.77	345.67	345.67
Cash and Cash Equivalents	3	146.84	146.84	29.97	29.97
Other Financial Asset	3	346.30	346.30	-	-
Total		2,654.38	2,654.38	375.64	375.64
Financial liabilities					
Measured at amortised cost					
Non Current					
Lease Liabilities	3	147.82	147.82	-	-
Current					
Borrowings	3	1,111.23	1,111.23	20.08	20.08
Lease Liabilities	3	36.00	36.00	-	-
Trade Payables	3	719.97	719.97	313.40	313.40
Other Financial liabilities	3	383.59	383.59	42.56	42.56
Total		2,398.61	2,398.61	376.04	376.04

*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 Group 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 Group 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.

28. Financial risk management

The Group 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 Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

(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, 2020 and March 31, 2019.

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 31 March 2020 and 31 March 2019.

(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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group's exposure to foreign currency changes for all other currencies is not material. The Group 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 rates with all other variables held constant. The impact on the Group'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	Increase/(decrease) in profit before tax	Increase/(decrease) in other components of equity
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Change in USD				
1% increase	0.05	0.29	0.05	0.29
1% decrease	(0.05)	(0.29)	(0.05)	(0.29)
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 where the functional currency of the group is a currency other than US dollars.

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Group 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 Group'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 Group'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. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group also holds deposits as security from certain customers to mitigate credit risk.

- i. Credit risk on cash and cash equivalents and other bank balances is limited as the Group 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	31 March 2020	31 March 2019
Gross carrying amount	1,461.77	345.67
Expected credit loss (Loss allowance provision)	-	-
Carrying amount of trade receivables	1,461.77	345.67

(ii) Reconciliation of loss allowance provision

Particulars	Trade receivables
Loss allowance as at 31 March 2019	-
Changes in loss allowance during the period of 2019-20	-
Loss allowance as at 31 March 2020	-

(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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group'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. Group'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.

(ii) Maturities of Financial liabilities

Contractual maturities of financial liabilities as at:

Particulars	31 March 2020		31 March 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	1,111.23	-	20.08	-
Lease liabilities	36.00	147.82	-	-
Trade Payables	719.97	-	313.40	-
Expenses Payable	383.59	-	42.56	-
Total	2,250.79	147.82	376.04	-

29. Capital management

A. Capital management and Gearing Ratio

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is debt divided by total capital. The Group includes within debt, interest bearing loans and borrowings.

Particulars	31 March 2020	31 March 2019
Borrowings		
Current	1,111.23	20.08
Debt	1,111.23	20.08
Equity		
Equity share capital	1,010.00	800.00
Other equity	246.05	(547.34)
Total capital	1,256.05	252.66
Gearing ratio in % (Debt/ Capital)	88.47%	7.95%

In order to achieve this overall objective, the Group'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 31 March 2020 and 31 March 2019.

30. Contingent liabilities and Capital Commitments- Nil

31. Related party transactions

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
i) Key Management Personnel (KMP): Sushant Mohan Lal Vemuri Shilpa Ragu Raghuram Vasudev Komaraju Kumar Raghavan Sonam Jalan	Director Independent Director Independent Director upto 27.02.2020 Wholetime Director Company Secretary Chief Financial Officer
ii) Relatives of Key Management Personnel (KMP): Suchit Mohan Lal	Father of Sushant Mohan al
iii) Enterprises in which key managerial personnel and/or their relatives have control: Ruchi Bio Tech	Sushanth Mohan Lal – Proprietor

32. Earnings per share (EPS)

Particulars	31 March 2020	31 March 2019
Profit after tax	110.09	40.54
Weighted average number of equity shares in calculating Basic and Diluted EPS (In Numbers)	1,01,00,000	80,00,000
Face value per share ₹	10.00	10.00
Basic and Diluted Earnings per Share (EPS)₹	0.11	0.51

33. The COVID-19 outbreak in early 2020 has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. The management is continuously monitoring the impact of the pandemic on its financial statements. These economic and market conditions and other effects of the COVID-19 outbreak may adversely affect the Company. As of the date of this report, the Group has not faced any material impact to its business. At this point, the extent to which COVID-19 may impact the Group's business is uncertain.

The Management is not aware of any other matter or circumstance, other than those which are disclosed above or not otherwise dealt with in the Financial Statements that has significantly or may significantly affect the operations of the company in the subsequent years the financial effects of which has not been provided for as of the March 31, 2020.

34. 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

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Kumar Raghavan

Company Secretary

Sd/-

Sonam Jalan

Chief Financial Officer

Date: 29.06.2020

Place: Hyderabad

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	146.61	44.08
Adjustments for :		
Exchange differences on translating the financial statements of a foreign operation	49.65	0.10
Depreciation	55.61	0.06
Finance costs	72.15	-
Pre paid Rent	(0.48)	-
Operating Profit before Working Capital Changes		
Changes in operating assets and liabilities		
(Increase) / Decrease in Trade Receivables	(1,116.10)	(286.89)
(Increase) / Decrease in Inventories	0.28	(22.42)
(Increase) / Decrease in Other Assets	(1,480.61)	1.21
Increase / (Decrease) in Trade Payable	406.57	257.51
Increase / (Decrease) in Other Liabilities	348.33	29.53
Cash Generated from Operations	(1,517.99)	23.18
Income taxes paid	-	-
Net cash inflow (outflow) from operating activities	(1,517.99)	23.18
Cash flows from investing activities		
Purchase of Fixed assets	(24.17)	(0.76)
Deposits with departments	-	(1.52)
Proceeds from sale of investment in subsidiary	3.56	-
Adjustment on account of sale of investment in subsidiary	8.28	-
Net cash inflow (outflow) from investing activities	(12.33)	(2.28)
Cash flow from financing activities		
Proceeds/(repayment) of borrowings	1,091.15	6.78
Increase in Share Capital and Security Premium*	840.00	-
Finance costs	(72.15)	-
Payment for lease liabilities	(55.51)	-
Net cash inflow (outflow) from financing activities	1,803.49	6.78
Net increase (Decrease) in cash and cash equivalents	273.17	27.68
Cash and Cash equivalents at the beginning of the financial Year	29.97	2.29
On account of Acquisition of Subsidiary	11.09	-
Cash and Cash equivalents at the end of the Year	314.23	29.97

* On Account of Acquisition of Subsidiary

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: 000125S

Sd/-

Y.Lakshmi Nagaratnam

Partner

Date: 29.06.2020

Place: Hyderabad

For and on behalf of the Board

Sd/-

V. Shilpa

Director

DIN: 07140155

Sd/-

Sushant Mohan Lal

Director

DIN: 01227151

Sd/-

Kumar Raghavan

Company Secretary

Sd/-

Sonam Jalan

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

All amounts in ₹ Lakhs, unless otherwise stated

a. Equity share capital

Particulars	Note	As at 31 March 2020
As at 01 April 2018	10	800.00
Changes in equity share capital		-
As at 01 April 2019		800.00
Changes in equity share capital		210.00
As at 31 March 2020		1,010.00

b. Other equity

Particulars	Note	Retained Earnings	Securities Premium	Exchange differences in translating the financial statements of foreign operations
As at 01 April 2018	11	(587.98)	-	-
Profit for the year		40.64	-	0.10
Exchange differences in translating the financial statements of foreign operations		-	-	-
As at 01 April 2019		(547.34)	-	0.10
Profit for the year		110.09	-	-
On account of issue of shares		-	630.00	-
Exchange differences in translating the financial statements of foreign operations		-	-	49.65
Less: Adjustment of Consolidation		8.28	-	(0.10)
Less: Ind AS adjustment as per 116		(4.63)	-	-
As at 31 March 2020		(433.60)	630.00	49.65

As per our report of even date

For M. Anandam & Co

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

Y.Lakshmi Nagaratnam

Partner

Date: 29.06.2020

Place: Hyderabad

For and on behalf of the Board

Sd/-

V. Shilpa

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DIN: 07140155

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Company Secretary

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Sonam Jalan

Chief Financial Officer