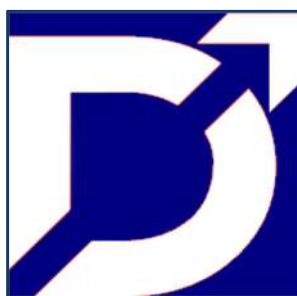


35th Annual Report

2020 - 2021



DECIPHER LABS LIMITED

Formerly Known as Combat Drugs Limited

Formulating Growth, Deciphering Tomorrows

ANNUAL REPORT

2020 - 2021

FORWARD-LOOKING STATEMENT

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

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BEYOND BOUNDARIES

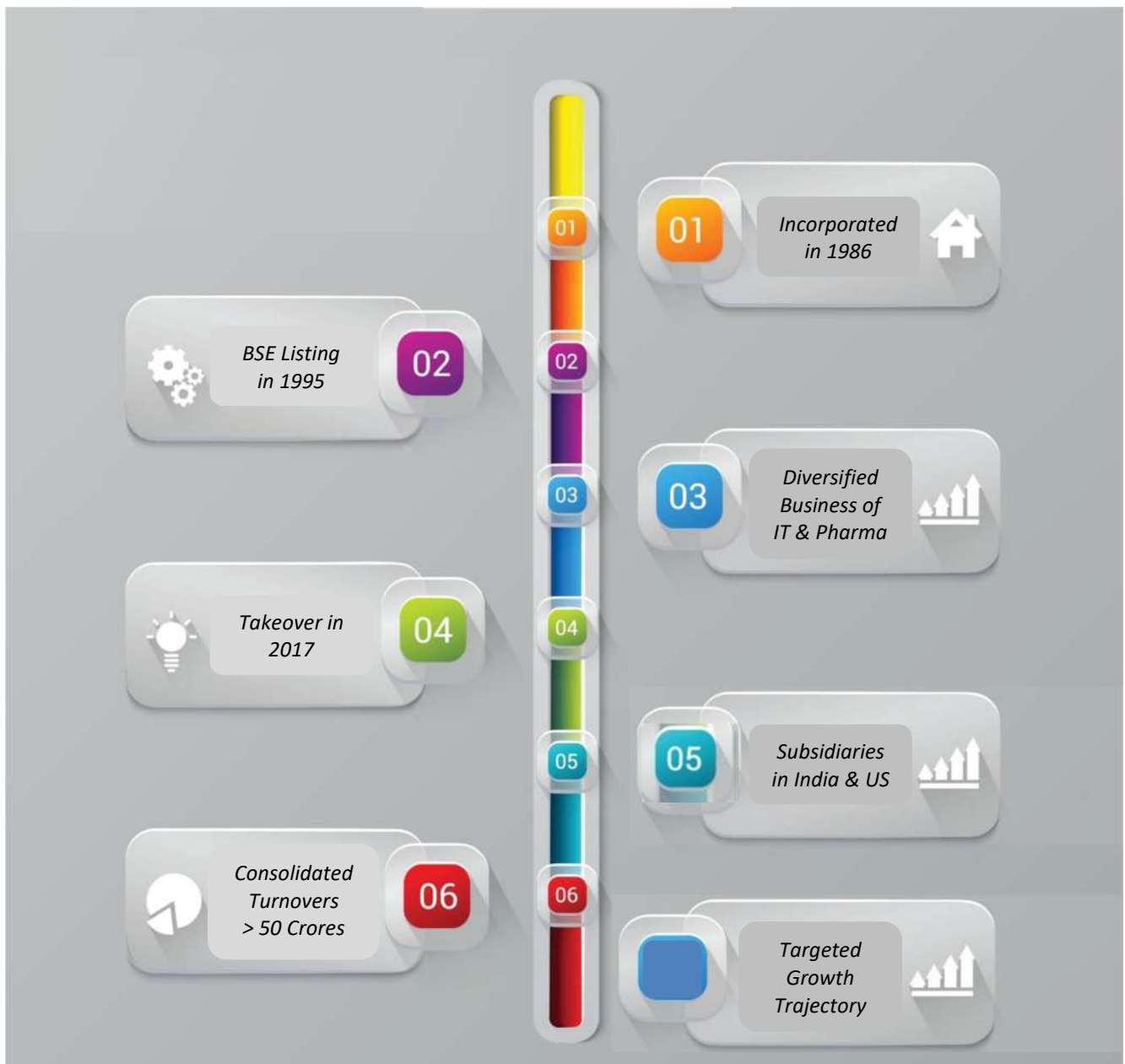
Change is imminent and for those who Decipher the path, Growth is Eminent!!

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

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

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

THE JOURNEY



THE FACTSHEET

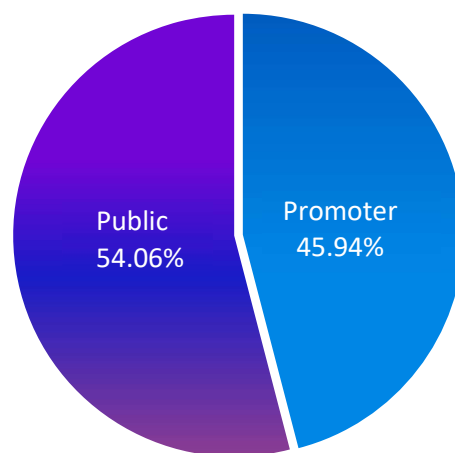
Decipher, established in 1986, has been built on a commitment towards quality, a vision to provide quality at affordable prices. During its years of operation, we have been associated with various companies and professionals who have stood by the company and continue to vouch for the quality of the products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

STOCK PROFILE

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

* Share price & Market Cap Data (BSE) as on 25th August, 2021

SHAREHOLDING



As on 31st March, 2021

THE GROUP BUSINESS



FINANCIAL HIGHLIGHTS

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

THE GROUP'S CLIENTELE

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

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



DECIPHER LABS LIMITED

CIN NO: L24230TG1986PLC006781

Registered/Corporate Office:

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

www.decipherlabs.in
www.combatdrugs.in
040-48536100

Works:

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

BOARD OF DIRECTORS

MR. JANAKIRAM AJJARAPU

Whole Time Director, CEO, Promoter

MR. SUSHANT MOHAN LAL

Director

MRS. VEMURI SHILPA

Independent Director

MR. BHUPENDRALAL WAGHRAY

Independent Director (w.e.f.07.08.20)

KEY MANAGERIAL PERSONNEL

MR. KUMAR RAGHAVAN

Company Secretary & Compliance Officer

MRS. SONAM JALAN

Chief Financial Officer

AUDITORS

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

Marthi & Co, Company Secretaries,
Khairatabad, Hyderabad

REGISTRARS & TRANSFER AGENTS

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

A MESSAGE FROM THE DIRECTOR / PROMOTER

Dear Shareholders,

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

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

The Journey

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

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

Financial highlights FY21

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

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

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

Business update – FY22 Outlook

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

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

With Warm regards,

Janakiram Ajarapu, Director & Promoter

DECIPHER LABS LIMITED

CIN NO: L24230TG1986PLC006781 Formerly known as Combat Drugs Limited

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

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

NOTICE

of the 35th ANNUAL GENERAL MEETING

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

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

ORDINARY BUSINESS:

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

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

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

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

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

SPECIAL BUSINESS:

Item No. 3 - Appointment of Sri Janakiram Ajjarapu as Whole Time 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 Mr. Janakiram Ajjarapu (DIN:02155939) who was appointed as Additional Director and Whole Time Director with effect from 01 October, 2020 on the Board of the Company in terms of Section 161, 196, 203, 205 and other applicable provisions, if any, of the Companies Act, 2013 for a period of One Year, pursuant to the provisions of Section 196, 203 and 205 of the Companies Act, 2013 read with Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014, as the Whole Time Director of the Company with effect from 01 October, 2020, be and is hereby ratified.

RESOLVED THAT pursuant to the recommendations of the Nomination and Remuneration Committee of the Board and approval of the Board through its resolution dated October 01, 2020 and pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Articles of Association of the Company, the SEBI (LODR) Regulations, 2015, and subject to such other approvals as may be required including the Central Government, the approval of the members of the Company be and is hereby accorded to the appointment of Mr. Janakiram Ajjarapu (holding DIN:02155939) as a Whole-Time Director of the Company, liable to retire by rotation., from October 01, 2020 to hold office for a period of three years, as per the terms of appointment including salary, commission and perquisites (hereinafter referred to as "Remuneration"), as detailed in the explanatory statement attached hereto, which hereby is approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement (including authority from time to time, to determine the amount of salary and commission as also the type and amount of perquisite and other benefits payable to the Whole-Time Director), in such manner as may be agreed to between the Board of Directors and the Whole-Time Director.

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

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

SPECIAL BUSINESS:

Item No. 4 - TO APPROVE RELATED PARTY TRANSACTIONS

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

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

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

By the Order of the Board

For **DECIPHER LABS LIMITED**

Sd/-

Sushant Mohanlal

DIRECTOR

Date: 25.08.2021

Place: Hyderabad

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT AT THE 35TH ANNUAL GENERAL MEETING

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

Additional Information on Directors Seeking Appointment/Re-appointment

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

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

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

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

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

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

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

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

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