

36th Annual Report

2021 - 2022



DECIPHER LABS LIMITED

Formerly Known as Combat Drugs Limited

Formulating Growth, Deciphering Tomorrows

ANNUAL REPORT

2021 - 2022

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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BOARD OF DIRECTORS

Mr. Sushant Mohanlal
Director (DIN: 01227151)

Mr. Bhupendralal Waghray
Independent Director (DIN: 07337149)

*Mr. G. Venkateswara Rao
Independent Director (DIN: 02147615)
**Appointed w.e.f. 13.08.2022*

Mrs. Vemuri Shilpa
Independent Director (DIN: 07140155)

Mrs. Sonam Jalan

CFO (Chief Financial Officer)

COMPANY SECRETARY & COMPLIANCE OFFICER

- *Mr. Kumar Raghavan
**Ms. Megha Agarwal
**Resigned w.e.f. 01.05.2022*
***Appointed w.e.f. 01.05.2022*

REGISTERED OFFICE

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

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

- M/s. S.S. Reddy & Associates
Practicing Company Secretaries
Plot No.8-2-603/23/3 & 8-2-603/23, 15,
2nd Floor, HSR Summit, Banjara Hills, Road No. 10,
Hyderabad-500 034.

BANKERS

- AXIS Bank Limited
Karnataka Bank Limited

AUDIT COMMITTEE

*Mr. G. Venkateswara Rao
Chairman

Mr. Bhupendralal Waghay
Member

Mr. Sushant Mohan Lal
Member

**Appointed w.e.f. 13.08.2022*

NOMINATION & REMUNERATION COMMITTEE

Mr. Bhupendralal Waghay
Chairman

Mrs. Vemuri Shilpa
Member

*Mr. G. Venkateswara Rao
Member

**Appointed w.e.f. 13.08.2022*

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Sushant Mohan Lal
Member

Mrs. Vemuri Shilpa
Chairman

Mr. Bhupendralal Waghay
Member

INDEPENDENT DIRECTORS

Mr. Bhupendralal Waghay
Mrs. Vemuri Shilpa
Mr. G. Venkateswara Rao

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

REGISTRAR & SHARE TRANSFER AGENTS

Venture Capital & Corporate Investments Pvt. Ltd,
12-10-167, Bharat Nagar, Hyderabad -500018, Telangana.
Toll free No. (+91)- 4023818475/476

LISTED AT	:	BSE Limited
DEMAT ISIN NUMBER IN NSDL & CDSL	:	INE643N01012
WEBSITE	:	www.decipherlabs.in
INVESTOR E-MAIL ID	:	cs@decipherlabs.in
CORPORATE IDENTITY NUMBER	:	L24230TG1986PLC006781

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the members of Decipher Labs Limited will be held on Thursday 29th September, 2022 at 11.30 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2022, the Statement of Profit & Loss and Cash Flow Statement (including the consolidated financial statements) for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Sushant Mohan Lal (DIN: 01227151) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To appoint Mr. G. Venkateswara Rao (DIN: 02147615) as an Independent 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 the provisions of Sections 149, 150, 152, 160 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. G. Venkateswara Rao (DIN: 02147615), who was appointed as additional Director of the Company in the Independent category in the board meeting held on 13.08.2022 and holds office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and the rules made thereunder, be and is hereby appointed as an Independent Director of the Company for a term of (3) three consecutive years with effect from 13.08.2022 to 12.08.2025 who shall not be liable to retire by rotation."

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

4. To approve Related Party Transactions.

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members of the Company be and is hereby accorded to the Company to enter into such related party transactions as detailed below and authorize the Audit Committee and the Board of Directors of the Company to enter into arrangements/ transactions with the following entities and finalize all such terms and conditions, as it may deem fit, within the limits mentioned below:

Related party transactions which may be entered during the Financial Year 2022-23					
S. No.	Name of Related Party	Name of the related party including director, promoter or key managerial personnel who is related, if any	Nature of relationship	Maximum Transaction Value (Amt in Crores.)	Nature of Transaction
1.	Vitpro LLC and Associated Companies	Janaki Ram Ajarapu	Promoter of Vitpro LLC and Decipher Labs Limited	10	Rendering and Obtaining services / business
2.	ICP Solutions Limited	Janaki Ram Ajarapu	Promoter of Decipher Labs Limited and Promoter cum Director of ICP Solutions Limited	5	Rendering and obtaining services / business Payment of rent

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

For **DECIPHER LABS LIMITED**

Place: Hyderabad
Date: 29.08.2022

Sd/-
SUSHANT MOHAN LAL
DIRECTOR
DIN: 01227151

ANNEXURE TO NOTICE

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

FOR ITEM NO: 3 - To appoint Mr. G. Venkateswara Rao (DIN: 02147615) as an Independent Director of the Company.

Mr. G. Venkateswara Rao (DIN: 02147615) was appointed as an Additional Director of the Company on 13.08.2022 in terms of Section 161 (1) of the Companies Act, 2013 and provisions of SEBI (LODR) Regulations, 2015 in the category of 'Non-Executive Independent', who shall hold office up to the date of the ensuing Annual General Meeting and is eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for the appointment of Mr. G. Venkateswara Rao for the office of Director in Independent category.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. G. Venkateswara Rao as a 'Non- executive Independent Director' for a term up to 3 (three) consecutive years commencing from the date of his appointment as an Additional Director i.e., w.e.f. 13.08.2022 to 12.08.2025.

Accordingly, the Board of Directors recommend the passing of the above resolution as a Special Resolution as set out in the item no. 3 of the notice for appointment of Mr. G. Venkateswara Rao as an Independent Director.

Save and except Mr. G. Venkateswara Rao, Independent Director, being the appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

FOR ITEM NO: 4 – To Approve Related Party Transactions

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

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

The particulars of the Related Party Transactions, which are required to be stated in the Explanatory Statement, as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are mentioned in the said resolution item no.4 of the Notice.

All entities falling under definition of related party shall abstain from voting irrespective of whether the entity is party to the particular transaction or not. The Board of Directors recommends the ordinary resolution set forth at item no. 4 of this Notice for your approval.

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

Disclosure as per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021:

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

For **DECIPHER LABS LIMITED**

Place: Hyderabad
Date: 29.08.2022

Sd/-
SUSHANT MOHAN LAL
DIRECTOR
DIN: 01227151

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

Name of the Director	Mr. G. Venkateswara Rao	Mr. Sushant Mohan Lal
Date of Birth	12/01/1959	07/05/1980
Nationality	Indian	Indian
Date of Appointment	13/08/2022	29/09/2020
Qualifications	B.Com, LLB	MBA
Brief Profile	He is a Graduate in Commerce (B.Com) from Osmania University. He has also done Bachelor of Law from Marathwada University and a rich banking experience along with working experience in guiding companies through expansions and M&A.	He is an MBA from Kansas University, USA. He has been associated with the Company since long.
Expertise in specific functional areas	Legal, Finance, Operations, M&A	Marketing, Finance, M&A
Names of Listed entities in which the person also holds the Directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Nil	Nil
Shareholding in the Company.	Nil	3,55,200 equity shares
Inter se relationship with any Director	Nil	Nil
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Mr. G. Venkateswara Rao has all the requisite skills and capabilities as explained above	Mr. Sushant Mohanlal has all the requisite skills and capabilities as explained above

NOTES:

1. In view of the continuing Covid-19 pandemic and consequential restrictions imposed on the movements of people, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 2/2022 dated May 5, 2022, General Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020 in conjunction with Circular No. 14/2020 dated April 08, 2020 and Circular No. 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021 and 20/2021 dated December 08, 2021 (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI / HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/ 11 dated January 15, 2021, and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 on May 13, 2022 issued by SEBI (collectively "SEBI Circulars") Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the MCA Circulars granted certain relaxations and thus permitted the holding of Annual General Meeting ("AGM") of the companies through VC/OAVM viz. without the physical presence of the Members at a common venue. Hence in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA / SEBI Circulars, as applicable, the AGM of the Company is being held through VC / OAVM (e-AGM).
2. The Deemed Venue of the 36th AGM of the Company shall be its Registered Office.
3. Since the AGM will be held through VC/OAVM (e-AGM), the Route Map for venue of AGM is not annexed to the Notice.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be