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E-mail : info@cerebracomputers.com

CIN : L85110KA1993PLC015091

REF: CITL/BSE/086/2019-20

Friday, 7th February, 2020

Department of Corporate Services (Listing)
BSE Limited P J Towers, Dalal Street, Fort
Mumbai - 400 001

Dear Sirs

Sub: Intimation of outcome of the Board Meeting held on 7th February, 2020 pursuant to Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

As already informed vide our letter dated 27th January, 2020, the Board of Directors of Cerebra Integrated Technologies Limited, Bangalore at its Meeting held on 7th February, 2020 which commenced at 2:30 PM and concluded at 5.20 PM, has *inter alia*:

1. Based on the recommendation of the Audit Committee, considered and approved the un-audited Standalone and Consolidated financial results for the 3rd quarter and nine months ended 31st December, 2019; a copy of the un-audited financial results along with Limited Review Report is enclosed herewith.
2. As informed via our letter dated 5th February, 2020, the business relating to Increase in the Authorized Share Capital of the Company and issue of Convertible Warrants into Equity Shares to the Promoters, **were deferred**.

The above results is also available on the Company's website at www.cerebracomputers.com.

Please take all the above on record and kindly treat this as compliance with Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please take the above on your record.

This is for your information.

Thanking you

Yours sincerely

For Cerebra Integrated Technologies Limited

FOR CEREBRA INTEGRATED TECHNOLOGIES LTD.,



Director

Shridhar S Hegde
Whole Time Director
DIN: 01247342

Enc: As above



CEREBRA INTEGRATED TECHNOLOGIES LIMITED
CIN: L85110KA1993PLC015091

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email:investors@cerebracomputers.com, www.cerebracomputers.com,

Statement of Standalone Unaudited Financial Results for the Third Quarter and Nine Months ended 31.12.2019

Rs. In Lakhs

Particulars	Quarter ended Unaudited (Reviewed)			Nine Months Ended Unaudited (Reviewed)		Year Ended (Audited)
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
I INCOME :						
(a) Revenue from operations	3,339.29	2,480.55	6,318.58	7,014.52	21,082.48	26,105.37
(b) Other income	2.17	175.13	(374.36)	188.78	683.32	582.34
Total income	3,341.46	2,655.68	5,944.22	7,203.30	21,765.80	26,687.71
II Expenses						
(a) Cost of materials consumed	877.03	212.20	1,447.96	1,491.26	1,598.39	2,516.54
(b) Purchases of stock in trade	1,902.64	673.27	2,997.07	3,039.68	16,820.15	17,394.37
(c) Changes (Increase)/Decrease inventories of finished goods, work in progress and stock in trade.	(1,034.83)	323.04	901.66	(1,197.60)	(28.82)	577.27
(d) Employee benefit expenses	262.67	246.09	135.84	649.90	381.67	523.72
(e) Finance cost	88.04	50.70	104.99	214.83	119.48	259.99
(f) Depreciation and amortisation	7.11	6.92	6.75	20.70	20.22	26.98
(g) Other expenses	124.99	137.53	94.88	335.46	253.08	1,500.06
Total expenses	2,227.65	1,649.75	5,689.15	4,554.23	19,164.17	22,798.93
Profit before exceptional items and tax	1,113.81	1,005.93	255.07	2,649.07	2,601.63	3,888.79
Exceptional items	-	-	-	-	-	2,384.69
Profit Before Tax	1,113.81	1,005.93	255.07	2,649.07	2,601.63	1,504.10
Current tax	295.48	232.25	89.14	681.87	909.12	1,503.01
Deferred tax expense	-	-	-	-	-	(104.75)
Total tax expense	295.48	232.25	89.14	681.87	909.12	1,398.26
Profit after tax for the year	818.34	773.67	165.94	1,967.20	1,692.51	105.83
OTHER COMPREHENSIVE INCOME / (LOSS)						
(B) (i) Items that will not be reclassified subsequently to the statement of profit and loss	0.77	0.77	0.37	2.30	1.10	3.06
(ii) Income tax on the items that will not be reclassified subsequently to the statement of profit and loss	0.13	0.23	0.11	0.58	0.31	1.06
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)	0.63	0.54	0.26	1.72	0.79	2.00
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	818.97	774.22	166.20	1,968.92	1,693.30	107.83
Earnings per share (of Rs 10 each):						
Basic	0.68	0.64	0.14	1.62	1.40	0.09
Diluted	0.68	0.64	0.14	1.62	1.40	0.09

For CEREBRA INTEGRATED TECHNOLOGIES LTD.,

[Signature]
Director

Segment Reporting (Standalone - unaudited)
STANDALONE SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Rs. In Lakhs

Particulars	Quarter ended			Nine Months Ended		Year Ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
Segment Revenue						
a. Hardware including trading of refurbished computer accessories	1,427.14	917.35	5,997.58	2,486.68	19,380.52	21,970.16
b. Ewaste Powdering and Refining Division	1,912.14	1,563.20	321.00	4,527.84	1,701.96	4,135.21
Total	3,339.29	2,480.55	6,318.58	7,014.52	21,082.48	26,105.37
Less Inter segment revenue	-	-	-	-	-	-
Net sales/Income from Operations	3,339.29	2,480.55	6,318.58	7,014.52	21,082.48	26,105.37
Segment Results						
a. Hardware including trading of refurbished computer accessories	-86.53	183.74	281.39	-1.64	2,464.79	2,677.08
b. Ewaste Powdering and Refining Division	1,288.39	872.88	78.67	2,865.53	256.32	1,471.70
Total	1,201.86	1,056.62	360.06	2,863.89	2,721.11	4,148.77
Less i. Interest	88.04	50.70	104.99	214.83	119.48	259.99
Add ii. Other Un-allocable Expenditure Net of Un-allocable income	-	-	-	-	-	-
Profit before Tax (before other comprehensive income)	1,113.81	1,005.93	255.07	2,649.07	2,601.63	3,888.79
Segment Assets						
a. Hardware including trading of refurbished computer accessories	28,473.69	35,574.30	37,331.57	28,473.69	37,331.57	35,049.95
b. Ewaste Powdering and Refining Division	10,964.28	6,859.85	3,882.73	10,964.28	3,882.73	5,036.27
Segment Liabilities						
a. Hardware including trading of refurbished computer accessories	13,374.95	17,746.61	16,994.30	13,374.95	16,994.30	17,010.94
b. Ewaste Powdering and Refining Division	1,664.09	1,107.58	221.16	1,664.09	221.16	645.27

Based on management approach as defined in IND AS 108, operating segments, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along with these business segments. The accounting policies used in preparation of financial statements are consistently applied to record revenue and expenditure in individual segments.

Notes

- The above financial results for the quarter ended 31st December, 2019 as recommended by the Audit Committee were approved by the Board of Directors at its Meeting held on 07.02.2020.
- These financial results have been prepared in accordance with Indian Accounting Standards ("IND AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July, 2016.
- With regard to the qualifications by the Auditors, the Company has implemented the Software with regard to the stocks and now the Company will be able to ascertain the exact quantity and value of the stock.
- As regards the remarks of the Auditors for advances and receivables, the Company has infused and is infusing its best efforts to collect the same and is confident of recovering the same in due course of time and hence no provision is made.
- The Company has 32 Stores known as Cerebra Experience Centres across the country through Franchisees to sell the Refurbished products.
- Figures have been regrouped or rearranged, wherever necessary.

For and on behalf of the Board of Directors
For Cerebra Integrated Technologies Ltd.,



Director
Shridhar S Hegde
Wholtime Director and CFO
DIN: 01247342

Place : Bangalore
Date: 07.02.2020



CEREBRA INTEGRATED TECHNOLOGIES LIMITED
CIN: L85110KA1993PLC015091

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Bangalore-560058 Tel No.: +91 80 22046969 Fax no.: +91 80 22046980
email: investors@cerebracomputers.com, www.cerebracomputers.com,

Statement of Consolidated Unaudited Financial Results for the Third Quarter and Nine Months ended 31.12.2019

Rs. In Lakhs

Particulars	Quarter ended Unaudited (Reviewed)			Nine Months Ended Unaudited (Reviewed)		Year Ended (Audited)
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
I INCOME :						
(a) Revenue from operations	4,818.97	5,375.31	8,716.56	14,220.48	30,712.46	38,523.33
(b) Other income	2.20	175.22	(366.44)	188.89	704.26	582.29
Total income	4,821.17	5,550.53	8,350.12	14,409.36	31,416.72	39,105.61
II Expenses						
(a) Cost of materials consumed	874.23	212.20	1,447.95	1,488.46	1,598.39	2,516.54
(b) Purchases of stock in trade	3,176.37	3,268.40	5,159.43	9,347.64	24,884.59	27,932.80
(c) Changes (Increase)/Decrease inventories of finished goods, work in progress and stock in trade.	(1,128.03)	332.25	901.66	(1,290.80)	(28.82)	575.23
(d) Employee benefit expenses	377.03	352.21	215.70	975.68	677.71	903.43
(e) Finance cost	98.35	70.85	111.08	266.19	196.45	375.82
(f) Depreciation and amortisation	8.41	8.19	8.41	23.91	25.24	37.66
(g) Other expenses	151.77	180.56	115.86	430.62	582.49	2,399.17
Total expenses	3,558.14	4,424.65	7,960.09	11,241.70	27,936.06	34,740.65
Profit before exceptional items and tax	1,263.03	1,125.88	390.03	3,167.66	3,480.66	4,364.96
Exceptional items	-	-	-	-	-	2,384.69
Profit Before Tax	1,263.03	1,125.88	390.03	3,167.66	3,480.66	1,980.27
Current tax	295.48	232.25	89.13	681.87	909.12	1,504.33
Deferred tax expense	-	-	-	-	-	(104.75)
Total tax expense	295.48	232.25	89.13	681.87	909.12	1,399.58
Profit after tax for the year	967.55	893.63	300.90	2,485.79	2,571.54	580.69
OTHER COMPREHENSIVE INCOME / (LOSS)						
(B) (i) Items that will not be reclassified subsequently to the statement of profit and loss	0.77	0.77	(0.69)	2.30	1.10	3.06
(ii) Income tax on the items that will not be reclassified subsequently to the statement of profit and loss	0.13	0.23	0.10	0.58	0.31	1.06
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)	0.63	0.54	(0.80)	1.72	0.79	2.00
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	968.19	894.17	300.11	2,487.51	2,572.36	582.69
Profit for the year attributable to :						
Shareholders of the company	947.39	876.91	281.93	2,415.16	2,477.57	440.09
Non controlling interest	20.16	16.70	18.97	70.63	93.98	140.60
Other comprehensive income attributable to						
Shareholders of the company	0.63	0.54	(0.47)	1.72	0.79	2.00
Non controlling interest	-	-	(0.32)	-	-	-
Total comprehensive income attributable to						
Shareholders of the company	948.02	877.46	281.46	2,416.88	2,478.37	442.09
Non controlling interest	20.16	16.70	18.65	70.63	93.98	140.60
Earnings per share (of Rs 10 each):						
Basic	0.78	0.72	0.25	1.99	2.13	0.36
Diluted	0.78	0.72	0.25	1.99	2.13	0.36

For CEREBRA INTEGRATED TECHNOLOGIES LTD.,


Director

Segment Reporting (Consolidated - Unaudited)
CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Rs. In Lakhs

Particulars	Quarter ended Unaudited (Reviewed)			Nine Months Ended Unaudited (Reviewed)		Year Ended (Audited)
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
Segment Revenue						
a. Hardware including trading of refurbished computer accessories	2,906.83	3,812.11	7,547.94	9,692.64	28,984.41	34,362.03
b. Ewaste Powdering and Refining Division	1,912.14	1,563.20	1,164.96	4,527.84	1,701.96	4,135.21
c. IT Services	-	-	3.65	-	26.09	26.09
Total	4,818.97	5,375.31	8,716.56	14,220.48	30,712.46	38,523.33
Less Inter segment revenue	-	-	-	-	-	-
Net sales/Income from Operations	4,818.97	5,375.31	8,716.56	14,220.48	30,712.46	38,523.33
Segment Results						
a. Hardware including trading of refurbished computer accessories	73.15	327.64	324.66	572.89	3,423.94	3,973.59
b. Ewaste Powdering and Refining Division	1,288.39	872.88	177.66	2,865.53	256.32	1,471.70
c. IT Services	-0.16	-3.79	-1.21	-4.57	-3.16	-704.50
Total	1,361.38	1,196.72	501.11	3,433.85	3,677.10	4,740.79
Less i. Interest	98.35	70.85	111.08	266.19	196.45	375.82
Add ii. Other Un-allocable Expenditure Net of Un-allocable income	-	-	-	-	-	-
Profit before Tax (before other comprehensive income)	1,263.03	1,125.88	390.03	3,167.66	3,480.66	4,364.97
Segment Assets						
a. Hardware including trading of refurbished computer accessories	37,152.82	43,111.35	43,873.43	37,152.82	43,873.43	41,518.63
b. Ewaste Powdering and Refining Division	10,964.28	6,859.85	3,882.73	10,964.28	3,882.73	5,036.27
c. IT Services	64.37	1.91	707.78	64.37	707.78	3.90
Segment Liabilities						
a. Hardware including trading of refurbished computer accessories	16,009.77	19,518.37	18,706.28	16,009.77	18,706.28	18,646.22
b. Ewaste Powdering and Refining Division	1,664.09	1,107.58	221.16	1,664.09	221.16	645.27
c. IT Services	765.31	702.70	701.48	765.31	701.48	700.27

Based on management approach as defined in IND AS 108, operating segments, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along with these business segments. The accounting policies used in preparation of financial statements are consistently applied to record revenue and expenditure in individual segments.

Notes

- The above financial results for the quarter ended 31st December, 2019 as recommended by the Audit Committee were approved by the Board of Directors at its Meeting held on 07.02.2020.
- These financial results have been prepared in accordance with Indian Accounting Standards ("IND AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July, 2016.
- With regard to the qualifications by the Auditors, the Company has implemented the Software with regard to the stocks and now the Company will be able to ascertain the exact quantity and value of the stock.
- As regards the remarks of the Auditors for advances and receivables, the Company has infused and is infusing its best efforts to collect the same and is confident of recovering the same in due course of time and hence no provision is made.
- The Company has 32 Stores known as Cerebra Experience Centres across the country through Franchisees to sell the Refurbished products.
- The Middle East is going thru economic turmoil and hence Middle East operations have been affected. The Management is confident that these will not affect the Company's performance on an annual basis.
- Figures have been regrouped or rearranged, wherever necessary.

For and on behalf of the Board of Directors
 For CEREBRA INTEGRATED TECHNOLOGIES LTD.,

Shridhar S. Hodge

Wholetime Director and CFO

DIN: 01247342

Place : Bangalore

Dated : 07-02-2020

ISHWAR & GOPAL

CHARTERED ACCOUNTANTS

K.V. GOPALAKRISHNAYYA, B.Com., F.C.A.

Y. KESHAVAYYA, B.Com., F.C.A.

S. BHASKAR, B.Com., F.C.A.

THILAKRAJ S.P., B.Com., F.C.A.



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bhaskar@gkcas.com
thilak@gkcas.com

To,
The Board of Directors
Cerebra Integrated Technologies Limited,
Bangalore.

Dear Sir,

Subject: -Independent Auditor's Review Report on Standalone Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

We have reviewed the accompanying statement of Unaudited Standalone Financial Results ("The Statement"), of Cerebra Integrated Technologies Limited ("the Company") for the quarter and nine months ended 31st December 2019 being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.

The preparation of the statement in accordance with the recognition and measurement Principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) Prescribed under Section 133 of the companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, is the responsibility of the company management and has been approved by the Board of Directors of the Company. Our Responsibility is to express a conclusion on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410. Review of Interim Financial information performed by the Independent auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular NO. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement except for the following:



Qualified Opinion

- i. The Company has not maintained proper inventory records in its e- waste division. We have been informed that quantity for the purpose of computing cost of materials consumed for the period ended 31st December 2019 and valuation of inventories as on that date of the said division is based on the reconciliation of total receipt ,recycled/processed and dispatch quantity. Value of e-waste division inventories considered in the financial statement as at 31st December 2019 amounted to Rs 860.28 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the consumption of materials and valuation of inventories and ascertain its consequent impact, if any on the Ind AS standalone financial statements.

Emphasis of Matter

Without qualifying our report, we draw attention on:

- i. Loans and advances of Rs 2433.96 Lakhs and receivables of Rs 18242.06 Lakhs are outstanding for substantial period and in our opinion recovery of the same are doubtful. No provision is made in the accounts by the Company as the Company is confident of recovering the same.
- ii. Advances of Rs. 599.86 Lakhs due from a subsidiary the net worth of which is fully eroded for which no provision is made in the accounts

For Ishwar & Gopal,
Chartered Accountants
Registration No: 001154S


K V Gopalakrishnayya
Partner

FRN 001154S
M No 021748

Bangalore, dated 07th February 2020

UDIN: 20021748AAAAQR405-9

ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
Sri Vinayaka Building
No. 21/3, T.S.P. Road
Kalasipalyam
BANGALORE-560 002

ISHWAR & GOPAL

CHARTERED ACCOUNTANTS

K.V. GOPALAKRISHNAYYA, B.Com., F.C.A.

Y. KESHAVAYYA, B.Com., F.C.A.

S. BHASKAR, B.Com., F.C.A.

THILAKRAJ S.P., B.Com., F.C.A.



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keshav@gkcas.com
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thilak@gkcas.com

To,
The Board of Directors
Cerebra Integrated Technologies Limited,
Bangalore.

Dear Sir,

Subject:- Independent Auditor's Review Report on Consolidated Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

We have reviewed the accompanying statement of Unaudited Consolidated Financial Results ("The Statement"), of Cerebra Integrated Technologies Limited ("the Company") and its subsidiaries (the company and its subsidiaries together referred as 'the group')(Refer Annexure 1 for the list of Subsidiaries included in the statement) for the quarter and nine months ended 31st December 2019 being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.

The preparation of the statement in accordance with the recognition and measurement Principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) Prescribed under Section 133 of the companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, is the responsibility of the company management and has been approved by the Board of Directors of the Company. Our Responsibility is to express a conclusion on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410. Review of Interim Financial information performed by the Independent auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular NO. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement except for the following:




Qualified Opinion

- i. The Company has not maintained proper inventory records in its e- waste division. We have been informed that quantity for the purpose of computing cost of materials consumed for the period ended 31st December 2019 and valuation of inventories as on that date of the said division is based on the reconciliation of total receipt ,recycled/processed and dispatch quantity. Value of e-waste division inventories considered in the financial statement as at 31st December 2019 amounted to Rs 860.28 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the consumption of materials and valuation of inventories and ascertain its consequent impact, if any on the Ind AS standalone financial statements.

Emphasis of Matter

Without qualifying our report, we draw attention on loans and advances of Rs 2433.96 Lakhs and receivables of Rs 24499.48 lakhs are outstanding for substantial period and in our opinion recovery of the same is doubtful. No provision is made in the accounts by the group as the group is confident of recovering the same

For Ishwar & Gopal,
Chartered Accountants
Registration No: 001154S



K V Gopalakrishnayya
Partner
FRN 001154S
M No 021748
Bangalore, dated 07th February 2020
UDIN : 20021748AAAA DR 4059

ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
Sri Vinayaka Building
No. 21/3, T.S.P. Road
Kalasipalyam
BANGALORE-560 002

Annexure-01

List of Subsidiaries included in the statement

- a. Cerebra LPO India Limited
- b. Cerebra Middle East FZCO

For **ISHWAR & GOPAL**
CHARTERED ACCOUNTANTS


K.V.GOPALAKRISHNAYYA
PARTNER
M. No. 21748

ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
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BANGALORE-560 002

ANNEXURE I (Standalone)



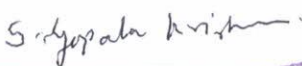



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with 3rd Quarter Unaudited Financial Results -Statement on Impact of Audit Qualifications for the 3rd Quarter ended 31st December, 2019

Pursuant to Regulations 33 and 52 of SEBI (LODR) (Amendment) Regulations, 2016

Amt in Lakhs

I.	Sl. No.	Particulars	Unaudited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	7,014.52	7,014.52
	2.	Total Expenditure	4,554.23	*
	3.	Net Profit/(Loss)	1,967.20	*
	4.	Earnings Per Share Rs.	1.62	*
	5.	Total Assets	3,94,379.66	*
	6.	Total Liabilities	15,039.04	*
	7.	Net Worth	24,398.93	*
* Quantity for the purpose of computing cost of materials consumed for the period ended 31 st December 2019 and valuation of inventories as on that date of the said division is based on the reconciliation of total receipt ,recycled/processed and dispatch quantity. Value of e-waste division inventories considered in the financial statement as at 31 st December 2019 amounted to Rs 860.28 Lakhs. Hence variations cannot be ascertained.				
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: The Company has not maintained proper inventory records in its e- waste division. We have been informed that quantity for the purpose of computing cost of materials consumed for the period ended 31 st December 2019 and valuation of inventories as on that date of the said division is based on the reconciliation of total receipt ,recycled/processed and dispatch quantity. Value of e-waste division inventories considered in the financial statement as at 31 st December 2019 amounted to Rs 860.28 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the consumption of materials and valuation of inventories and ascertain its consequent impact, if any on the Ind AS standalone financial statements.			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of qualification: Fourth Time Qualification			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Not applicable as auditor has not quantified the impact.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Management is of the opinion that there may not be any material impact as the valuation of inventories as on that date of			

<p>the said division is based on the reconciliation of total receipt ,recycled/processed and dispatch quantity</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: Due to the nature of inventory ,ie e-waste, management is not able to quantify the exact impact on valuation without proper inventory records. Further, the Company is in the process of implementing the suitable software to maintain the inventory records.</p> <p>(iii) Auditors' Comments on (i) or (ii) above: No comments</p>

Signatories:	
• CEO/Managing Director	
• CFO	
• Audit Committee Chairman	
• Statutory Auditor	
Place: Bangalore	
Date: 7th February, 2020	

ANNEXURE I (Consolidated)
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with 3rd Quarter Unaudited Financial Results -Statement on Impact of Audit Qualifications for the 3rd Quarter ended 31st December, 2019

Pursuant to Regulations 33 and 52 of SEBI (LODR) (Amendment) Regulations, 2016

Amt in Lakhs

I.	Sl. No.	Particulars	Unaudited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	14,220.48	14,220.48
	2.	Total Expenditure	11,241.70	*
	3.	Net Profit/(Loss)	2,485.79	*
	4.	Earnings Per Share Rs.	1.99	*
	5.	Total Assets	48,181.46	*
	6.	Total Liabilities	18,439.17	*
	7.	Net Worth	29,742.29	*
* Quantity for the purpose of computing cost of materials consumed for the period ended 31 st December 2019 and valuation of inventories as on that date of the said division is based on the reconciliation of total receipt ,recycled/processed and dispatch quantity. Value of e-waste division inventories considered in the financial statement as at 31 st December 2019 amounted to Rs 860.28 Lakhs. Hence variations cannot be ascertained.				
II. Audit Qualification (each audit qualification separately):				
a. Details of Audit Qualification: The Company has not maintained proper inventory records in its e- waste division. We have been informed that quantity for the purpose of computing cost of materials consumed for the period ended 31 st December 2019 and valuation of inventories as on that date of the said division is based on the reconciliation of total receipt ,recycled/processed and dispatch quantity. Value of e-waste division inventories considered in the financial statement as at 31 st December 2019 amounted to Rs 860.28 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the consumption of materials and valuation of inventories and ascertain its consequent impact, if any on the Ind AS standalone financial statements.				
b. Type of Audit Qualification: Qualified Opinion				
c. Frequency of qualification: Fourth Time Qualification				
d. For Audit Qualification(s) where the impact is quantified by the auditor, Not applicable as auditor has not quantified the impact.				
e. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:Management is of the opinion that there may not be any material impact as the valuation of inventories as on that date of				

<p>the said division is based on the reconciliation of total receipt ,recycled/processed and dispatch quantity</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: Due to the nature of inventory ,ie e-waste, management is not able to quantify the exact impact on valuation without proper inventory records. Further, the Company is in the process of implementing the suitable software to maintain the inventory records.</p> <p>(iii) Auditors' Comments on (i) or (ii) above: No comments</p>

Signatories:	
• CEO/Managing Director	<i>V. Rangarath</i>
• CFO	<i>[Signature]</i>
• Audit Committee Chairman	<i>S. Yopala Krishna</i>
• Statutory Auditor	<i>[Signature]</i>
Place: Bangalore	
Date: 7th February, 2020	

