

REF: CITL/BSE/37/2020-21
Monday, 14th September, 2020

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

Sub: Intimation of outcome of the Board Meeting held on 14th September, 2020 pursuant to Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Dear Sirs

As already informed vide our letter dated 5th September, 2020, the Board of Directors of Cerebra Integrated Technologies Limited, Bangalore at its Meeting held on 14th September, 2020 which commenced at 11:30 A.M and concluded at 05.00 P.M, 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 1st quarter ended 30th June, 2020; a copy of the un-audited financial results along with Limited Review Report is enclosed herewith.
2. Based on the recommendation of the Nomination and Remuneration Committee Meeting, appointed Mr. Adarsha M A (Membership No. ACS 61879) as Company Secretary pursuant to Section 203 of the Companies Act 2013 and Regulation 6(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and designated him as Compliance Officer of the Company in place of Mr. P Vishwamurthy with effect from 14th September, 2020. Brief Profile of Mr. Adarsha M A is mentioned below:

Name	Mr. Adarsha M A
Membership No.	ACS: 61879
Educational Qualification	<ul style="list-style-type: none">• B. Com from Mangalore University, Udupi in the year 2010• Company Secretaries in the year 2019 from the Institute of Company Secretaries of India
Email ID	adarsha.ma@cerebracomputers.com

Disclosure for the appointment Mr. Adarsha M A as Compliance Officer pursuant to Regulations 6 and 30 of SEBI (LODR) Regulations, 2015 as follows:

Reasons for change viz. appointment, resignation, removal death or otherwise	Appointment
Date of appointment (as applicable) and term of appointment	w.e.f. 14 th September, 2020
Brief profile (in case of appointment)	Mr. Adarsha M A is a qualified Company Secretary and having academic qualification of B. Com from Mangalore University, Udupi in the year 2010. He is having three years of experience in the field of Finance and accounts and five years of experience in corporate Secretarial matters.
Disclosure of relationship between Directors (In case of appointment as Director)	Not applicable

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.

Thanking you

Yours sincerely

For Cerebra Integrated Technologies Limited

For CEREBRA INTEGRATED TECHNOLOGIES LTD.,



P Vishwamurthy
Whole Time Director
(DIN: 01247336)

Enc: As above



CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

Regd. Office: No.5 Off 3rd Cross, 1st Stage, Peenya Industrial Area,
Bangalore-560058 Tel No.: +91 80 22046969 Fax no.: +91 80 22046980
email:investors@cerebracomputers.com, www.cerebracomputers.com,

Statement of Standalone Unaudited Financial Results for the First Quarter ended 30.06.2020

Rs. In Lakhs

Particulars	Quarter ended Unaudited (Reviewed)			Year Ended (Audited)
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
INCOME :				
(a) Revenue from operations	1,155.17	2,971.41	1,194.69	9,985.93
(b) Other income	17.84	78.90	11.47	267.68
Total income	1,173.01	3,050.31	1,206.16	10,253.61
Expenses				
(a) Cost of materials consumed	49.56	447.58	402.03	1,938.84
(b) Purchases of stock in trade	2,652.62	2,019.08	463.77	5,058.76
(c) Changes (Increase)/Decrease inventories of finished goods, work in progress and stock in trade.	-1,689.61	97.58	-485.81	-1,100.02
(d) Employee benefit expenses	194.96	266.48	141.15	916.39
(e) Finance cost	93.78	18.40	76.08	233.23
(f) Depreciation and amortisation	8.92	8.49	6.67	29.19
(g) Other expenses	84.83	186.12	72.94	521.58
Total expenses	1,395.08	3,043.73	676.82	7,597.97
Profit before exceptional items and tax	-222.07	6.58	529.34	2,655.64
Exceptional items	-	1,785.07	-	1,785.07
Profit Before Tax	-222.07	-1,778.48	529.34	870.58
Current tax	-	-370.23	154.14	311.64
Prior Period Tax Expenses	-	-138.15	-	-138.15
Deferred tax expense	-	44.44	-	44.44
Total tax expense	-	-463.93	154.14	217.94
Profit after tax for the year	-222.07	-1,314.56	375.20	652.64
OTHER COMPREHENSIVE INCOME / (LOSS)				
(i) Items that will not be reclassified subsequently to the statement of profit and loss	-0.37	-3.78	0.76	-1.49
(ii) Income tax on the items that will not be reclassified subsequently to the statement of profit and loss	-	-1.01	0.22	-0.43
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)	-0.37	-2.78	0.54	-1.06
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	-222.44	-1,317.33	375.74	651.58
Earnings per share (of Rs 10 each):				
Basic	-0.18	-1.08	0.31	0.54
Diluted	-0.18	-1.08	0.31	0.54

Notes

- The above unaudited financial results as reviewed by the Audit Committee were approved by the Board of Directors at its Meeting held on 14th September 2020
- These financial results have been prepared in accordance with Indian Accounting Standard ("IND AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5th July, 2016.
- Total of 37 stores known as Cerebra Experience Centre's are in operation till date.
- Company has collected another Rs. 16.85 Crores of the Trade Receivables at the time of making this report.
- During lockdown, Company was closed as per government order and after the lockdown was lifted, we were allowed to work with only 33% of the staff.
- Company has already implemented its home grown software for entire E-Waste operations.
- 2nd Refurbished factory meant exclusively for refurbishment is fully operational; The Company has started construction of huge factory to handle white goods. The factory will be ready in November.
- Figures have been regrouped or rearranged, wherever necessary.

For CEREBRA INTEGRATED TECHNOLOGIES LTD.

V. Ranganathan
Managing Director

V Ranganathan
Managing Director

Place: Bangalore

Date: 14th September 2020

DIN: 01247305

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

Particulars	Quarter ended Unaudited (Reviewed)			Year Ended (Audited)
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Segment Revenue				
a. Hardware including trading of refurbished computer accessories	1,060.25	2,055.74	142.20	5,556.03
b. Ewaste Powdering and Refining Division	94.92	915.67	1,052.49	4,429.90
Total	1,155.17	2,971.41	1,194.69	9,985.93
Less Inter segment revenue	-	-	-	-
Net sales/Income from Operations	1,155.17	2,971.41	1,194.69	9,985.93
Segment Results				
a. Hardware including trading of refurbished computer accessories	-83.28	-1,860.93	-98.85	-1,208.94
b. Ewaste Powdering and Refining Division	-45.00	100.84	704.26	2,312.75
Total	-128.29	-1,760.09	605.42	1,103.80
Less i. Interest	93.78	18.40	76.08	233.23
Add ii. Other Un-allocable Expenditure Net of Un-allocable income				
Profit before Tax (before other comprehensive income)	-222.07	-1,778.49	529.34	870.58
Segment Assets				
a. Hardware including trading of refurbished computer accessories	20,310.63	17,893.32	35,059.58	17,893.32
b. Ewaste Powdering and Refining Division	8,781.83	16,783.32	5,437.03	16,783.32
Segment Liabilities				
a. Hardware including trading of refurbished computer accessories	5,273.64	5,554.08	17,188.80	5,554.08
b. Ewaste Powdering and Refining Division	959.67	6,040.96	502.08	6,040.96

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.

For CEREBRA INTEGRATED TECHNOLOGIES LTD.


Managing Director

V Ranganathan
Managing Director

DIN: 01247305

Place: Bangalore
Date: 14th September 2020



CEREBRA INTEGRATED TECHNOLOGIES LIMITED
CIN: L85110KA1993PLC015091

Regd Office: No.S 5 Off 3rd Cross, 1st Stage, Peenya Industrial Area,
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 First Quarter ended 30.06.2020

Rs. In Lakhs

Particulars	Quarter ended Unaudited (Reviewed)			Year Ended (Audited)
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
INCOME :				
(a) Revenue from operations	1,586.63	3,979.44	4,026.19	18,199.91
(b) Other income	17.84	78.90	11.47	267.79
Total income	1,604.47	4,058.34	4,037.67	18,467.70
Expenses				
(a) Cost of materials consumed	49.56	450.38	402.03	1,938.84
(b) Purchases of stock in trade	3,086.68	2,757.60	2,902.88	12,105.24
(c) Changes (Increase)/Decrease inventories of finished goods, work in progress and stock in trade.	-1,743.26	170.88	(495.02)	(1,119.91)
(d) Employee benefit expenses	239.47	354.14	246.44	1,329.82
(e) Finance cost	113.64	42.84	96.98	309.03
(f) Depreciation and amortisation	10.36	10.05	7.32	33.97
(g) Other expenses	96.42	217.16	98.28	647.78
Total expenses	1,852.86	4,003.06	3,258.90	15,244.76
Profit before exceptional items and tax	(248.39)	55.28	778.76	3,222.94
Exceptional items	-	1,785.07	-	1,785.07
Profit Before Tax	(248.39)	(1,729.78)	778.76	1,437.88
Current tax	-	(370.23)	154.14	311.64
Prior Period Tax Expenses	-	(138.15)	-	(138.15)
Deferred tax expense	-	44.44	-	44.44
Total tax expense	-	(463.93)	154.14	217.94
Profit after tax for the year	(248.39)	(1,265.85)	624.62	1,219.94
OTHER COMPREHENSIVE INCOME / (LOSS)				
(i) Items that will not be reclassified subsequently to the statement of profit and loss	(0.37)	(3.78)	0.76	(1.49)
(ii) Income tax on the items that will not be reclassified subsequently to the statement of profit and loss	-	(1.01)	0.22	(0.43)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)	(0.37)	(2.78)	0.54	(1.06)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	(248.76)	(1,268.62)	625.16	1,218.88
Profit attributable to				
a) Owners	(244.83)	(1,270.92)	590.86	1,144.24
b) Non-Controlling Interest	(3.56)	5.07	33.76	75.70
Other Comprehensive income Attributable to				
a) Owners	(0.37)	(2.78)	0.54	(1.06)
b) Non Controlling Interest	-	-	-	-
Total Comprehensive Income Attributable to				
a) Owners	(245.20)	(1,273.70)	591.40	1,143.18
b) Non Controlling Interest	(3.56)	5.07	33.76	75.70
Earnings per share (of Rs 10 each):				
Basic	(0.20)	(1.05)	0.49	0.94
Diluted	(0.20)	(1.05)	0.49	0.94

Notes

- The above unaudited financial results as reviewed by the Audit Committee were approved by the Board of Directors at its Meeting held on 14th September 2020.
- These financial results have been prepared in accordance with Indian Accounting Standard ("IND AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5th July, 2016.
- Total of 37 stores known as Cerebra Experience Centre's are in operation till date.
- Company has collected another Rs. 16.85 Crores of the Trade Receivables at the time of making this report.
- During lockdown, Company was closed as per government order and after the lockdown was lifted, we were allowed to work with only 33% of the staff.
- Company has already implemented its home grown software for entire E-Waste operations.
- 2nd Refurbished factory meant exclusively for refurbishment is fully operational; The Company has started construction of huge factory to handle white goods. The factory will be ready in November.
- Figures have been regrouped or rearranged , wherever necessary.

For CEREBRA INTEGRATED TECHNOLOGIES LTD.

V. Ranganathan
Managing Director

V Ranganathan
Managing Director
DIN: 01247305

Place: Bangalore
Date: 14th September 2020

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

Particulars	Quarter ended Unaudited (Reviewed)			Year Ended Audited
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Segment Revenue				
a. Hardware including trading of refurbished computer accessories	1,491.72	3,063.76	2,973.70	13,770.01
b. Ewaste Powdering and Refining Division	94.92	915.67	1,052.49	4,429.90
c. IT Services	-	-	-	-
Total	1,586.63	3,979.44	4,026.19	18,199.91
Less Inter segment revenue	-	-	-	-
Net sales/Income from Operations	1,586.63	3,979.44	4,026.19	18,199.91
Segment Results				
a. Hardware including trading of refurbished computer accessories	-89.71	-1,786.96	172.10	-560.45
b. Ewaste Powdering and Refining Division	-45.00	100.84	704.26	2,312.75
c. IT Services	-0.04	-0.82	-0.62	-5.39
Total	-134.75	-1,686.94	875.74	1,746.91
Less i. Interest	113.64	42.84	96.98	309.03
Add ii. Other Un-allocable Expenditure Net of Un-allocable income Profit before Tax (before other comprehensive income)	-	-	-	-
	-248.39	-1,729.78	778.76	1,437.88
Segment Assets				
a. Hardware including trading of refurbished computer accessories	30,554.54	28,042.01	42,353.40	28,042.01
b. Ewaste Powdering and Refining Division	8,781.83	16,783.32	5,437.03	16,783.32
c. IT Services	0.51	0.53	5.89	0.53
Segment Liabilities				
a. Hardware including trading of refurbished computer accessories	8,674.37	8,645.45	19,054.20	8,645.45
b. Ewaste Powdering and Refining Division	959.67	6,040.96	502.08	6,040.96
c. IT Services	702.31	702.29	702.88	702.29

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.

For CEREBRA INTEGRATED TECHNOLOGIES LTD.

V Ranganathan

Managing Director

V Ranganathan

Managing Director

DIN: 01247305

Place: Bangalore

Date: 14th September 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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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results ("The Statement"), of Cerebra Integrated Technologies Limited ("the Company") for the quarter ended 30th June 2020 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.
2. 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.
3. 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
4. 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:

5. Qualified Opinion

The Company has not maintained proper inventory records in its e- waste division. We have been informed that valuation of inventories of the said division as on 30th June 2020 is computed based on the quantitative reconciliation of materials issued for and generated on processing based on theoretical standards and actual quantity of goods sold. Value of e waste division inventories considered in the financial statement as at 30th June 2020 amounted to Rs 539.44 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any, on the Ind AS consolidated financial statements.

6. Emphasis of Matter

We draw attention to the following matters relating to advances and receivables outstanding for substantial period for which no provision is made as the management is confident of recovering the same either in cash or in kind.

- a. Loans and advances include Rs 719.52 Lakhs advanced for purchase for immovable property.
- b. Advance for import of property plant and equipment's /software amounting to Rs. 1065.94 lakhs.
- c. Trade receivables include Rs 3675.48 Lakhs of e waste division wherein recovery is linked with balance supply of minimum quantity.
- d. Trade receivables also include Rs. 3,308.52 Lakhs outstanding for substantial period.

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



K V Gopalakrishnayya
Partner
FRN 001154S
M No 021748
UDIN: 20021748AAAAOX8892

Place: Bangalore,
Date: 14/09/2020

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.

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Cerebra Integrated Technologies Limited (hereinafter referred to as "the Parent") and its Subsidiaries (the Parent and its Subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2020 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations, 2015") (as amended).
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared 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 relevant rules issued there under, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The Statement includes the results of the following entities:

Parent:

- Cerebra Integrated Technologies Limited

Subsidiaries:

- Cerebra LPO India Limited
- Cerebra Middle East FZCO

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of Review Reports of Other Auditors referred in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement of Consolidated Unaudited Financial Results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Qualified Opinion

The Parent Company has not maintained proper inventory records in its e- waste division. We have been informed that valuation of inventories of the said division as on 30th June 2020 is computed based on the quantitative reconciliation of materials issued for and generated on processing based on theoretical standards and actual quantity of goods sold. Value of e waste division inventories considered in the financial statement as at 30th June 2020 amounted to Rs 539.44 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any, on the Ind AS consolidated financial statements.

7. Emphasis of Matter

We draw attention to the following matters relating to advances and receivables outstanding for substantial period for which no provision is made as the management is confident of recovering the same either in cash or in kind.


- a. Loans and advances include Rs 719.52 Lakhs advanced for purchase for immovable property.
- b. Advance for import of property plant and equipment's /software amounting to Rs. 1065.94 lakhs.
- c. Trade receivables include Rs 3675.48 Lakhs of e waste division wherein recovery is linked with balance supply of minimum quantity.
- d. Trade receivables also include Rs. 5,563.29 Lakhs outstanding for substantial period.



8. The Consolidated Unaudited Financial Results include the Group's share of net loss after tax of Rs. 26.27 Lakhs for the quarter ended 30th June, 2020 and total comprehensive income of Rs. 26.27 Lakhs for the Quarter ended 30th June 2020 as considered in the Consolidated Unaudited Financial Results, in respect of one subsidiary, whose financial results have not been reviewed by us. These financial results have been reviewed by other Auditors whose Reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the Joint Venture, is based solely on the Reports of the other Auditors and the procedures performed by us as stated in Paragraph 3 above.

Our conclusion on the Statement is not modified in respect of above matter.

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



K V Gopalakrishnayya
Partner
FRN 001154S
M No 021748
UDIN: 20021748AAAAOW8599

Place: Bangalore,
Date: 14/09/2020

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

ANNEXURE I (Standalone)

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with 1st Quarter Unaudited Financial Results -Statement on Impact of Audit Qualifications for the 1st Quarter ended 30th June, 2020

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

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,155.17	1,155.17
	2.	Total Expenditure	1,395.08	*
	3.	Net Profit/(Loss)	-222.07	*
	4.	Earnings Per Share Rs.	-0.18	*
	5.	Total Assets	29,092.46	*
	6.	Total Liabilities	6,233.31	6,233.31
	7.	Net Worth	22,859.15	*
		* Variation if any is not ascertainable. However inventory valuation is made as per the physical verification carried out by the management .		
II.	Audit Qualification (each audit qualification separately):			
	<p>a. Details of Audit Qualification: The Company has not maintained proper inventory records in its e- waste division. We have been informed that valuation of inventories of the said division as on 30th June 2020 is computed based on the quantitative reconciliation of materials issued for and generated on processing based on theoretical standards and actual quantity of goods sold. Value of e waste division inventories considered in the financial statement as at 30th June 2020 amounted to Rs 539.44 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any, on the Ind AS consolidated financial statements.</p>			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of qualification: Sixth 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 is carried out based on the physical verification carried out by them			



	(ii) If management is unable to estimate the impact, reasons for the same: Owing to the nature and quantity of materials no quantification can be made: 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 has implemented home grown suitable software to maintain the inventory records
	(iii) Auditors' Comments on (i) or (ii) above: No comments

. Further, the Company has implemented home grown suitable software to maintain the inventory records

III	Signatories
	CEO / Managing Director <i>V. Rengatha</i>
	CFO -
	Audit Committee Chairman <i>S. Gopal Krishna</i>
	Statutory Auditor For ISHWAR & GOPAL CHARTERED ACCOUNTANTS
Place :	Bangalore
Date:	14 th September 2020
	K.V. GOPALAKRISHNAYYA PARTNER M.No. 21748



ISHWAR & GOPAL
Chartered Accountants
Sri Vinayaka Building
21/3, T.S.P. Road, Kalasipalyam
BANGALORE-560002

ANNEXURE I (Consolidated)

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with 1st Quarter Unaudited Financial Results -Statement on Impact of Audit Qualifications for the 1st Quarter ended 30th June, 2020.

**Pursuant to Regulations 33 and 52 of SEBI (LODR) (Amendment) Regulations, 2016
Amt in Lakhs**

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,586.63	1,586.63
	2.	Total Expenditure	1,852.86	*
	3.	Net Profit/(Loss)	(248.39)	*
	4.	Earnings Per Share Rs.	-0.20	*
	5.	Total Assets	39,336.87	*
	6.	Total Liabilities	10,336.36	10,336.36
	7.	Net Worth	29,000.52	*
		* Variation if any is not ascertainable. However inventory valuation is made as per the physical verification carried out by the management.		
II.		Audit Qualification (each audit qualification separately):		
		a. Details of Audit Qualification: The Parent Company has not maintained proper inventory records in its e- waste division. We have been informed that valuation of inventories of the said division as on 30th June 2020 is computed based on the quantitative reconciliation of materials issued for and generated on processing based on theoretical standards and actual quantity of goods sold. Value of e waste division inventories considered in the financial statement as at 30th June 2020 amounted to Rs 539.44 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any, on the Ind AS consolidated financial statements.		
		b. Type of Audit Qualification: Qualified Opinion		
		c. Frequency of qualification: Sixth 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 is carried out based on the physical verification carried out by them (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 has implemented home grown suitable software to maintain the inventory records.
	(iii) Auditors' Comments on (i) or (ii) above: No comments

III	Signatories	
	CEO / Managing Director	<i>V. Pargathan</i>
	CFO	-
	Audit Committee Chairman	<i>S. Gopal Krishna</i> For ISHWAR & GOPAL CHARTERED ACCOUNTANTS
	Statutory Auditor	<i>[Signature]</i> K.V. GOPALAKRISHNAYYA PARTNER M.No. 21748
	Place :	Bangalore
	Date:	14 th September 2020



ISHWAR & GOPAL
Chartered Accountants
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21/3, T.S.P. Road, Kalasipalyam
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