

REGD. OFFICE:

S5 Off 3rd Cross Peenya Industrial Area
Peenya 1st Stage ,Bengaluru – 560 058.
Tel: +91-80-22046969-78
Fax : +91-80-22046980
Web : www.cerebracomputers.com
E-mail : info@cerebracomputers.com
CIN: L85110KA1993PLC015091

Ref. No.-CITL/SE/019/2022-23
Wednesday, 7th September, 2022

| | |
|---|---|
| Department of Corporate Services (Listing) BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001 Scrip Code: 532413 | Listing Department, National Stock Exchange of India Limited 5 th Floor, Exchange Plaza Bandra (E), Mumbai - 400 051 Scrip Symbol: CEREBRAINT |
|---|---|

Dear Sirs

Sub: 28th (Twenty Eighth) Annual General Meeting - Copy of Notice cum Annual Report

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed copy of the Notice cum Annual Report of 28th Annual General Meeting of the Company to be held at **02:00 PM on Thursday, 29th September, 2022** through Video Conference / Other Audio-Visual Means ("VC/OAVM"). The Annual Report for the Financial Year 2021-22 along with the Notice is sent only through e-mails to the Shareholders of the Company at their registered e-mail addresses today and will be uploaded on the website of the Company.

Please take the documents on record and kindly treat this as compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you
Yours faithfully

For Cerebra Integrated Technologies Limited

MAITRI
CHATTERJEE

Digitally signed by
MAITRI CHATTERJEE
Date: 2022.09.07
15:53:15 +05'30'

Maitri Chatterjee
Company Secretary and
Compliance Officer
M. No. - A57375

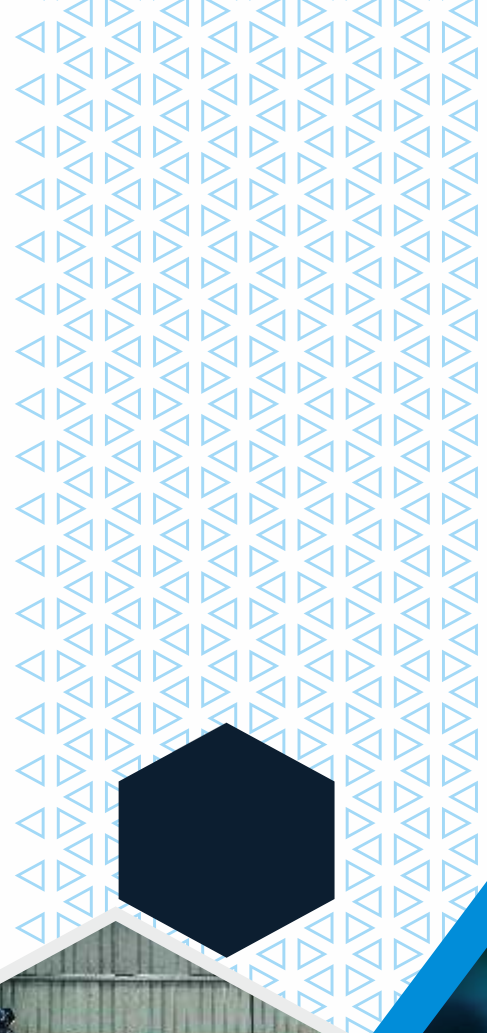
Encl: As above

CEREBRA[®]

28th

ANNUAL REPORT

2021 - 2022



BOARD OF DIRECTORS

| | |
|------------------------|--|
| Mr. P. E. Krishnan | - Non- Executive Chairman and Independent Director |
| Mr. V.Ranganathan | - Managing Director |
| Mr. P. Vishwamurthy | - Whole Time Director |
| Mr. S. Gopalakrishnan | - Independent Director |
| Mr. MVS Vasan | - Independent Director |
| Mr. Riyaz Suterwalla | - Non-Executive and Non Independent Director |
| Mrs. Bhavna Philipose | - Independent Director |
| Mr. Parthasarathi Naik | - Independent Director |
| Mr. Amul Mahendra Shah | - Non Executive and Non Independent Director |

Chief Financial Officer

Mr. H. S. Venkatesh

Company Secretary and Compliance Officer

Ms. Maitri Chatterjee

REGISTERED OFFICE AND FACTORY

#S-5, Off 3rd Cross, 1st Stage,

Peenya Industrial Area,

Bangalore - 560058

Tel: 91-80-22046969

Fax: 91-80-22046980

Web: www.cerebracomputers.com

Email: info@cerebracomputers.com

investors@cerebracomputers.com

SUBSIDIARY COMPANY

Cerebra LPO India Limited

STATUTORY AUDITORS

Messrs YCRJ & Associates

Chartered Accountants

#236 3rd Floor, 4th Main, F-Block

Sahakaranagar, Bangalore - 560 092

SECRETARIAL AUDITOR

Mr. Parameshwar G Bhat

Practising Company Secretary

Bangalore

INTERNAL AUDITORS

Messrs RPAR & Co LLP

Chartered Accountants

Bangalore

REGISTRARS & SHARE TRANSFER AGENTS

KFIN Technologies Limited

Selenium Tower B, Plot Nos. 31 & 32,

Financial District, Nanakramguda, Serilingampally Mandal

Hyderabad - 500032, India

Phone: +91 40 67161563

E- Waste Recycling Unit

Plot Nos. 41 to 46, KIADB Industrial Area

Narasapura, Appasandra Village

Narasapura Hobli

Kolar District

E- Waste Recycling Unit

Plot Nos. 41 to 46, KIADB Industrial Area

Narasapura, Appasandra Village

Narasapura Hobli

Kolar District

BANKER

Canara Bank (erstwhile Syndicate Bank)

ENLISTMENTS

BSE Limited

National Stock Exchange of India Limited (NSE)

DEPOSITORIES

National Securities Depository Limited

Central Depository Services India Limited

FROM THE DESK OF MANAGING DIRECTOR

Dear Stakeholders

Greetings from Cerebra. I do believe that you and your families are safe. It is always a pleasure to communicate you all and hopefully we all should meet soon.

Your Company has done very well with the turnover and the profit coming back to pre-covid levels. For information your Company has achieved a turnover of Rs. 235.87 Crores with an EBITDA of Rs. 47.15 Crore.

Your Company has been successful in building a brand for refurbished computers and also has been recognised as a e-waste recycler of repute across the country. We have all the quality certifications as a e-waste recycler and also have been able to bag a huge list of large customers of which some of them are in the fortune 500 list.

Due to this our future is looking very bright and am sure we will do well in the coming years. Our third unit is ready and in operation. We have approached the KIADB to give us an absolute sale deed since we have finished 50% of the construction. Needless to add, land forming part of the assets of the Company will add significant value.

This Industry being capital intensive, we have approached the banks and also are working with a few large investors for working capital and also to set up two more plants one in the West near Mumbai and one in the North of India near Delhi. We also have to set up the precious metal refinery soon.

Our employee strength is also growing and we will be adding a few experienced leaders in the coming quarters to take your Company to greater heights. Mr. Ravi Neeladri our CEO for the E-Waste division is working very hard to ensure that.

Our sincere thanks to the Government of Karnataka and Government of India for all their support and our sincere thanks to the Banks, Employees for their unstinted support without which we will not be where we are today.

Looking forward to meeting you all soon.

With Warm Regards,

V Ranganathan
Managing Director
DIN: 01247305

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

Regd Off.: #S-5, off 3rd Cross, I Stage, Peenya Industrial Area Bangalore - 560 058

Telephone: 1800-425-46969 Email: info@cerebracomputers.com Web: www.cerebracomputers.com

NOTICE

NOTICE is hereby given that the 28th (Twenty Eighth) Annual General Meeting of the Company will be held on Thursday, 29th day, September, 2022 at 02:00 P.M. through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report.
2. To appoint Mr. Riyaz Suterwalla (holding DIN: 07866056), Director who retires by rotation and being eligible, offers himself for re-appointment.

**By order of the Board
For Cerebra Integrated Technologies Limited**

**Place: Bangalore
Date: 30th May, 2022**

**Maitri Chatterjee
Company Secretary
M. No. – A57375**

NOTES:

1. In view of disruptions caused by COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing or other audio visual means (VC) till December 31, 2021, subject to compliance with various conditions mentioned therein. Similarly, SEBI vide Circular No. 79 dated May 12, 2020 and Circular No. 11 dated January 15, 2021 granted certain relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till December 31, 2021. Further, MCA vide General Circular No. 02/2022 dated May 5, 2022 extended the option to conduct the AGM through VC till December 31, 2022. Similarly, SEBI vide Circular No. 62 dated May 13, 2022 extended the relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till December 31, 2022 subject to certain conditions. In compliance with the MCA Circulars, SEBI Circulars and applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 28th AGM of your Company is being convened and conducted through VC.
2. 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 MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis..
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.cerebracomputers.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.
8. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
9. The Shares of the Company are compulsorily traded in dematerialized form as per the directions of the Stock Exchanges. Accordingly, the Members who have not opted for dematerialization of shares are once again reminded to take steps to dematerialize their holdings. Further, the Members may note that as per SEBI (LODR) (Fourth Amendment) Regulations, 2018, with effect from April 1, 2019, except in case of transmission or transposition of securities, no transfer of securities shall be processed unless the securities are held in the dematerialized form. Accordingly, Shareholders holding Equity Shares in physical form are urged to have their shares dematerialized so that they will be able to transfer them freely and participate in corporate actions.
10. Members who have not registered their email address so far, are requested to register their email IDs for receiving all communications including Annual Report, Notices etc. from the Company electronically.
11. Annual Report for the Financial Year 2021-22 along with Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting is being sent only through electronic mode to the Members whose email IDs are registered with the Company/Depository Participant(s). Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website at www.cerebracomputers.com, website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of CDSL at www.evotingindia.com.

THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING THE MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Sunday, 25th September, 2022 (09:00 AM) and ends on Wednesday, 28th September, 2022 (05:00 PM). During this period the Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 22nd September, 2022 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the Meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Shareholders, in respect of all Shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. |
| | 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. |
| | 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration |
| | 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be |

| | |
|--|--|
| | re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| | 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com . Select "Register Online for IDeAS "Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp |
| | 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting and joining virtual Meeting for **Shareholders other than individual shareholders holding in Demat form & physical Shareholders.**

- 1) The Shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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6) If you are a first-time user follow the steps given below:

| For Shareholders holding shares in Demat Form other than individual and Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant to 'CEREBRA INTEGRATED TECHNOLOGIES LIMITED' on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporate" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@cerebracomputers.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending Meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend Meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance **at least two days prior to Meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **two days prior to Meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@cerebracomputers.com. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as speakers will only be allowed to express their views/ ask questions during the Meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to shobha.anand@kfintech.com.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

Other instructions:

- (I) The voting rights of Shareholders shall be in proportion to their Shares of the Paid-up Equity Share Capital of the Company as on the cut-off date of Thursday, 22nd September, 2022.
- (ii) The Board of Directors has appointed Mr. Parameshwar G. Bhat, Practising Company Secretary, Bangalore, (Membership No. FCS 8860) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Mr. Parameshwar G. Bhat has conveyed to the Company his willingness to act as such.
- (ii) The Scrutinizer will submit his report to the Chairman of the Company or Managing Director or Company Secretary or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than two working days from the conclusion of the AGM. The result declared along with the Scrutinizer's Report shall be communicated to the Stock Exchange, CDSL and RTA and will also be displayed on the website of the Company at www.cerebracomputers.com.

1. DETAILS PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 OF THE DIRECTORS PROPOSED TO BE RE-APPOINTED:

| | |
|---|---|
| Name | Mr. Riyaz Suterwalla |
| DIN | 01247305 |
| Designation | Non-Executive and Non Independent Director |
| Date of Birth | 27th February, 1974 |
| Date of Appointment | 14th September, 2017 |
| Qualifications | Chartered Accountant from the Institute of Chartered Accountants of England and Wales |
| Expertise in specific functional area | Finance and Portfolio Management |
| Relationship between Directors inter-se | Nil |
| Names of listed entities in which the person holds the Directorship | Nil |
| Membership of Committees of the Board of other listed entity | Nil |
| No. of Shares held in the Company | Nil |

**By order of the Board
For Cerebra Integrated Technologies Limited**

**Place: Bangalore
Date: 30th May, 2022**

**Maitri Chatterjee
Company Secretary
M. No. – A57375**

NOTE:

Kind attention of the Members of the Company holding shares in physical form is drawn to the following:

Members holding Equity Shares of the Company in physical form are requested to kindly get their Equity Shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of Equity Shares/ issuance of Equity Shares in physical form have been disallowed by SEBI.

The Company will send individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to the **SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021** shortly. The aforesaid communication is also available on the website of the Company. Attention of the Members holding Shares of the Company in physical form is invited to go through the said important communication under the web link at <https://cerebracomputers.com/pdf/Investor-Service-Request/2022-09-02-Isr-Forms.pdf>.

Members may please note that **SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022** has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the link <https://cerebracomputers.com/pdf/Investor-Service-Request/2022-09-02-Isr-Forms.pdf>.

As a part of the green initiatives, the Members who have not yet registered their E-mail addresses are requested to register their E-mail addresses with their DPs in case the Shares are held by them in electronic form and with the RTA in case the Shares are held by them in physical form. Upon such Registration, all communication from the Company/ RTA will be sent to the registered E-mail address.

BOARD'S REPORT

To the Members

The Directors of your Company have pleasure in presenting before you the 28th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2022.

CONSOLIDATED FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS AND STATE OF AFFAIRS:

(Rs. in Lakhs)

| Particulars | 2021-22 | 2020-21 |
|---|----------|---------|
| Gross Income | 23587.41 | 7008.29 |
| Profit Before Interest and Depreciation | 4715.87 | 877.25 |
| Finance Charges | 624.97 | 442.59 |
| Gross Profit | 4090.90 | 434.66 |
| Provision for Depreciation | 42.86 | 43.03 |
| Profit before exceptional and extraordinary items and tax | 4048.04 | 391.63 |
| Exceptional Item | - | - |
| Provision for Tax | 1279.94 | 268.34 |
| Net Profit After Tax | 2768.11 | 123.29 |
| Other Comprehensive Income | -0.22 | 0.02 |
| Total Comprehensive Income | 2767.89 | 123.31 |
| Total Comprehensive Income Attributable to | | |
| a) Owners | 2767.57 | 169.30 |
| b) Non-Controlling Interest | -0.32 | -46.01 |
| Earnings per Equity Share of Rs. 10/- each | | |
| Basic | 2.47 | 0.10 |
| Diluted | 2.33 | 0.10 |
| Proposed Dividend on Equity Shares | 0 | 0 |
| Tax on proposed Dividend | 0 | 0 |

1. PERFORMANCE OF THE COMPANY:

E-Waste Recycling & Refurbishment Business:

Globally only 17.4% of Electronic Waste is documented to be collected and recycled properly thus realising 10 Billion \$ worth of raw materials which can be used in remanufacturing of new products. India generated 3.1 million tonnes of E- Waste in 2021 and only around 10% of this E – Waste is collected by the formal sector. In India, refurbish and reuse is gathering pace and is reflected in about 12 million units of refurbished PC sales annually. The refurbished category is growing at 4X on a YoY basis.

Government of India for the first time in the budget speech has acknowledged Circular Economy and its benefits. The increase in affluence during the last century, especially in the industrialised countries, have generated a linear economy and a consumer society. This growth came at the expense of resources, the environment and human health. Recently, moves towards a circular economy have shown the potential of decoupling growth from resource use, maintaining affluence and taking the environment, resources and health of people into account. A circular economy aims to maintain to value of products, components and materials throughout their entire lifecycles. The longer a product can retain its functionality, for example through repair or reuse, the higher value and environmental savings are obtained in the system . After a product reaches the end of its functional life, the reuse of components or parts (remanufacture) is preferred over recycling of it.

Your Company has already embraced the idea of Circular Economy. It has been successful in employing repair, remanufacture, remarket and recycle processes thus enabling the extension of end of life products. By extending the end of life of a single PC, we can delay a carbon footprint of 422.5 KGs by couple of years. Your company has refurbished over 40,000 PCs during last Financial Year.

Your Company has completed the third facility at Narsapura and obtained 40,000 MT capacity authorisation from Karnataka State Pollution Control Board which is double the capacity as compared to the previous Financial Year.

Your Company has also partnered with large OEMs and world's largest data storage company to collect the used/end of life assets from bulk consumers and has added four large OEMs as customers in the EPR business segment.

Enterprise Solutions Division

Your Company continues to implement various IT based projects for the government agencies, departments and institutions as in the past many years. Your company studies the customers infrastructure requirements, identifies pain points and accordingly designs and plans their It requirements which includes hardware and software comprising of client endpoints, servers, storage, networking, security, application software among others and ensures successful implementation for optimal performance.

Regional Transport Office, GoK – Your Company has received work order for continuation of operations and maintenance of the Automated Driving Testing System and the same is work in progress. Additionally, received work order from KSRTC Hassan

for setting up of infrastructure for automated periodic testing of driver skills. This is work in progress.

Karnataka State Road Transport Corporation – Successfully completed supply and installation of 500+ printers across various offices within Karnataka for internal use as well as for printing tickets. North West Karnataka Road Transport Corporation – Successfully completed supply and installation of 325 printers across all depots for internal and ticketing use. Bangalore International Airport Limited – Successfully providing maintenance services for the previously supplied P-gates.

Non-Government Segment – Successfully completed supply and installation of Laptops, Desktops, Workstations, Servers, Printers to few corporate, SMB and educational institutions.

CEREBRA MIDDLE EAST FZCO:

The pandemic has reduced the opportunities in the U.A.E. and your Company has been serving its existing customers in the service industry.

CME's focus area for the Financial Year 2020-21 was in the service industry.

The Company has entered in to a Share Transfer Agreement dated 17th March 2022 with a potential purchaser from Dubai for transfer of its entire Shareholding of 86.5% in the subsidiary Company.

2. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments which occurred, affecting the financial position of the Company between 31st March, 2022 and the date on which this report has been signed.

3. CHANGE IN THE NATURE OF BUSINESS:

The Company continues to focus on the strength of ESD, EMS and E-Waste and in addition, the Company will be focusing on the High-End Servers, Large Data Storage etc.

LOCKDOWN - COVID 19:

It is quite unfortunate and sad that Corona Virus has caused significant health concerns across the Globe and resulted in multiple deaths. Social distancing being the only and the first compulsory remedy, entire World was forced to observe Lockdown. Your Company had complied with the directions of the Government of India, the Government of Karnataka and the relevant authorities and strictly adhered to the Lockdown in its facilities and at all Offices. Your Company had to shut down the operations completely from 27th April, 2021 and resumed the operations from 13th June, 2021 adhering to the Government's lockdown guidelines. The employees, vendors, customers, outsourcing agencies, Consultants and other acquaintances had to suspend their operations almost fully. Considering the nature of operations of your Company, "Work From Home" concept could not be made applicable at the operating facilities.

4. DIVIDEND:

Whilst your Directors understand the sentiments of the Investors, the financials in the year that has passed, do not enable the Board to recommend any dividend.

Further, during the Financial Year, the Board of Directors approved the Dividend Distribution Policy on 30th June, 2021 in terms of Regulation 43(A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The Policy has been hosted on the website of the Company at <https://cerebracomputers.com/pdf/Policies/2021-06-30-Cerebra-Dividend-Distribution-Policy.pdf>.

Your Board will endeavour to consider dividend in the years to come then barring unforeseen circumstances.

5. AMOUNTS TRANSFERRED TO RESERVES:

The Board of the Company has proposed not to transfer any funds to its reserves.

6. CHANGES IN SHARE CAPITAL:

Authorized Share Capital

During the Financial Year 2021-22, the Authorised Share Capital of the Company was increased from Rs. 1,28,00,00,000 (Rupees Hundred and Twenty Eight Crores only) divided into 12,80,00,000 (Twelve Crores Eighty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,53,00,00,000 (Rupees One Hundred and Fifty Three Crores only) divided into 15,30,00,000 (Fifteen Crores Thirty Lakhs) Equity Shares of Rs. 10/- (Rupee Ten only) each by additionally creating 25,00,000 (Twenty Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each by passing of a Special Resolution by the Members of the Company through Postal Ballot on 24th October, 2021.

Paid up Share Capital

The Paid-up Capital of the Company was reduced pursuant to the Order of the Hon'ble National Company Law Tribunal, Bengaluru Bench vide is Order No. C.P. No. 157/BB/2020 dated 8th December, 2021 in the matter of Reduction of Paid-up Capital of the Company. The said Order was approved by the Registrar of Companies, Karnataka on 4th February, 2022.

During the Financial Year 2021-22, the Paid-up Share Capital of the Company was reduced from Rs. 1,21,18,64,820/- (Rupees One Hundred and Twenty One Crores Eighteen Lakhs Sixty Four Thousand Eight Hundred and Twenty only) divided into 12,11,86,482 (Twelve Crores Eleven Lakhs Eighty Six Thousand Four Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,11,98,64,820/- (Rupees One Hundred and Eleven Crores Ninety Eight Lakhs Sixty Four Thousand Eight Hundred and Twenty only) divided into 11,19,86,482 (Eleven Crores Nineteen Lakhs Eighty Six Thousand Four Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) each.

Disclosure regarding Issue of Equity Shares with Differential Voting Rights

During the financial year under review, the Company has not issued any Shares with Differential Voting Rights.

Disclosure regarding issue of Employee Stock Options:

During the financial year under review, the Company has not issued any Employee Stock Options. However, the Company has passed a Special Resolution at the Annual General Meeting of the Company held on 28th September, 2020 and has approved the "Cerebra Integrated Technologies Limited Employee Stock Option Scheme, 2020".

Disclosure regarding issue of Sweat Equity Shares:

During the financial year under review, the Company has not issued Sweat Equity Shares.

7. BOARD MEETINGS:

The Meetings of the Board are held at regular intervals with time gaps of not more than 120 days between two consecutive Meetings. During the financial year under review, Six (6) Meetings were held on 14th June, 2021; 30th June, 2021, 14th August, 2021; 17th September, 2021; 13th November, 2021 and 27th January, 2022.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

The details of other Committee Meetings held during the financial year 2021-22 are exhibited in the Corporate Governance Report.

Committees of the Board:

Currently, the Board has six (6) Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Rights Issue Committee. A detailed note on the composition of the Board and its Committees and other related particulars are provided in the Report on Corporate Governance forming part of this Annual Report.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Riyaz Suterwalla (holding DIN: 07866056), Non-Executive Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mrs. Preethi Javali resigned from the office of Non Executive Director of the Company due to personal reasons with effect from the closing hours of 28th May, 2021.

Mr. Kishan S Rao resigned from the office of the Chief Financial Officer of the Company on 20th November, 2021.

Based on the recommendation of the Nomination and Remuneration Committee, Mr.H S Venkatesh was appointed as the Chief Financial Officer of the Company with effect from 1st January, 2022 by the Board at its Meeting held on 13th November, 2021.

Your Board is pleased to report that all the Independent Directors i.e., Mr. PE Krishnan, Mr. S Gopalakrishnan, Mr. MVS Vasan, Ms. Bhavna Philipose and Mr. Parthasarathi Naik have maintained highest standards of integrity in their dealings with the Company. They also possess the requisite expertise and experience (including Proficiency) necessary for acting as Independent Directors of the Company.

9. DECLARATION FROM INDEPENDENT DIRECTORS ON AN ANNUAL BASIS:

Your Company has received necessary declaration from each Independent Director of the Company under the provisions of Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in the provisions of Section 149(6).

On October 22, 2019, MCA had released the Companies (Accounts) Amendment Rules, 2019, the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019. These rules have come into force on December 1, 2019 and your Company has complied with these requirements.

SEBI (LODR) (Amendment) Regulations, 2018 has changed the evaluation criteria of Independent Directors from April 1, 2019.

As per the amendment, evaluation of Independent Directors by the entire Board shall include:

- (a) Performance of Directors and
- (b) Fulfilment of independence criteria as specified in the Listing Regulations and their independence from the management.

Details on terms of appointment of Independent Directors and the familiarization program have been displayed on website of the Company at https://cerebracomputers.com/pdf/Policies/Familiarisation_Program_ID.pdf.

10. COMPOSITION OF AUDIT COMMITTEE:

As on 31st March, 2022, the Audit Committee of the Company consisted of three (3) Non-Executive Independent Directors and all of them have financial and accounting knowledge.

The Board has accepted the recommendations of the Audit Committee during the Financial Year under review.

The composition of Audit Committee as on 31st March, 2022 is as follows:

- a. Mr. S. Gopalakrishnan - Chairman
- b. Mr. P. E. Krishnan - Member
- c. Mr. MVS Vasani - Member

11. NOMINATION AND REMUNERATION COMMITTEE POLICY:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy for selection and appointment of Directors, Senior Management and for other employees and their remuneration. The same has been disclosed on the website of the Company at <https://www.cerebracomputers.com/pdf/Policies/Nomination-and-Remuneration-Policy.pdf>. The composition, criteria for selection of Directors and the terms of reference of the Nomination and Remuneration Committee is stated in the Corporate Governance Report.

The composition of Nomination and Remuneration Committee as on 31st March, 2022 is as follows:

- a. Mr. S. Gopalakrishnan - Chairman
- b. Mr. P. E. Krishnan - Member
- c. Mr. MVS Vasani - Member

12. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has established an effective Vigil Mechanism pursuant to the provisions of Sections 177(9) and (10) of the Companies Act, 2013 and as per Regulation 4(2)(d)(iv) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 which is available on website of the Company at <https://cerebracomputers.com/pdf/Policies/Policy-Whistle-Blower-and-Vigil-Mechanism.pdf> and there were no cases reported during the last period.

13. RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:

No commission has been received by MD/WTD from a Company and/or receipt of commission/remuneration from its Subsidiary Companies to be provided during the financial year under review.

14. ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return is placed on the website of the Company at <http://www.cerebracomputers.com/>.

15. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings (SS-1) and General Meetings (SS-2).

16. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV:

The Company has one Subsidiary namely:

- a) Cerebra LPO India Limited, India

Financial performance of the Subsidiary Company referred to in Section 129 of the Companies Act, 2013 in Form AOC-1 is annexed to this Report as **Annexure-I**.

Your Company did not have any Joint Venture or Associate Company as at the end of the Financial Year 2021-22.

The Policy for determining material Subsidiaries as approved by the Board is uploaded on the Company's website of the Company at <https://www.cerebracomputers.com/pdf/Policies/Policy-for-determining-Materiality-for-Disclosures.pdf>.

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The Policy for determining material Subsidiaries as approved by the Board is uploaded on the Company's website of the Company at <https://www.cerebracomputers.com/pdf/Policies/Policy-for-determining-Materiality-for-Disclosures.pdf>.

17. STATUTORY AUDITORS:

Messrs YCRJ & Associates, Chartered Accountants, Bangalore (Firm Registration No. 006927S) were appointed as Statutory Auditors of the Company for a period of 5 (five) years, to hold office from the conclusion of AGM 2020 till the conclusion of the 31st (thirty first) AGM to be held in the year 2025.

Messrs YCRJ & Associates, Chartered Accountants have confirmed that they satisfy the independence criteria as per Companies Act, 2013 and Code of ethics issued by the Institute of Chartered Accountants of India.

QUALIFICATIONS IN THE AUDIT REPORT:

Explanations by the Board on the comments of Statutory Auditors:

| Sl. No. | Qualifications made by Secretarial Auditor | Explanations by the Board |
|---------|--|---|
| a. | The company has reported Rs.22.88 Crore as inventory held by the company as on 31.03.2022 which includes Rs.14.97 Crore being materials related to E Waste Division, for which we have not been provided with item wise details, movement of inventory during the year and basis for valuation. And, Due to the nature of inventory, we could not verify the quantity of the inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the quantity and value of inventory held by the E waste division as on 31.03.2022. In view of the above we are unable ascertain the correctness of the valuation of Inventory and ascertain its consequent impact, if any on the standalone financial result. | With respect to the qualification mentioned the management is of the opinion that the Company has maintained stock records. However, nature of inventory measurement of EPR materials can be done only on estimated basis. However, the Company has initiated the development of software to address the requirement. |
| b. | Loans and Advances (under Non current assets) reported by the company includes Rs.5.94 Crore receivable from its subsidiary company and which is outstanding for more than 2 years, Also, the subsidiary company's auditors expressed concerns over the subsidiary company's ability to continue as going concern as the net worth of the company has been completely eroded. The company has not made any provision for expected loss of said advance and its investment in equity shares (with book value of Rs.0.035 Crore) of the said subsidiary company. And hence, profit and Reserves reported in standalone financial result are over stated to the extent of Rs.5.97 Crore. | With respect to the qualification mentioned the management is proposing to merge the subsidiary company with the company or it will look out for outright sale for recovery of advance. |

18. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Parameshwar G Bhat, Bangalore, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor in Form MR-3 is annexed to this Report as **Annexure II**.

Explanations by the Board on the comments of Secretarial Auditor:

| Sl. No. | Qualifications made by Secretarial Auditor | Explanations by the Board |
|---------|---|---|
| a. | The Company has not spent the CSR obligations during the year and there by not complying with Section 135 of the Companies Act, 2013. | The Company was not able to identify a suitable project for the CSR spend. However, the Company will endeavour to spend the amount for CSR in the current Financial Year. |

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**(A) Conservation of energy:**

| | |
|--|--|
| Steps taken / impact on conservation of energy, | The Company's operations are not power intensive. Nevertheless, your Company has introduced various measures to conserve and minimize the use of energy wherever it is possible. |
| (i) Steps taken by the company for utilizing alternate sources of energy including waste generated | Nil |
| (ii) Capital investment on energy conservation equipment | Not Applicable |
| Total energy consumption and energy consumption per unit of production as per Form A | Not Applicable |

(B) Technology absorption:

| | |
|--|----------------|
| Efforts in brief, made towards technology absorption, adaptation and innovation | Nil |
| Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. | Not Applicable |
| In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: | Nil |
| Technology imported | Not Applicable |
| Year of Import | Not Applicable |
| Has technology been fully absorbed | Not Applicable |
| If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action | Not Applicable |

(C) Research and Development (R&D)

| | |
|---|--|
| Specific areas in which R & D carried out by the company | The Company has not carried out any research and development work during the course of the year. |
| Benefits derived as a result of the above R & D | Not Applicable |
| Future plan of action | Not Applicable |
| Expenditure on R & D | |
| (a) Capital | Nil |
| (b) Recurring | Nil |
| © Total | Nil |
| (d) Total R & D expenditure as a percentage of total turnover | Nil |

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(D) Foreign exchange earnings and Outgo

| | |
|---|---|
| Activities relating to exports | Not Applicable |
| Initiatives taken to increase exports | Not Applicable |
| Development of new export markets for products and services | Not Applicable |
| Export plans | Not Applicable |
| Total Exchange used (Cash basis) | As on 31st March, 2022: Rs. 2,43,01,982/- |
| Total Foreign Exchange Earned (Accrual Basis) | As on 31st March, 2022: Rs.1,70,08,948/- |

20. RATIO OF REMUNERATION TO EACH DIRECTOR:

The Company had 251 employees as on 31st March, 2022. Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 and read with Rules 5(1), (2) and (3) of the Companies (Appointment and Remuneration) Rules, 2014, details/disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is annexed to this report as Annexure-III.

There are no employees receiving remuneration more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum and /or Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand only) per month. Therefore, statement/disclosure pursuant to Sub Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than Rs. 60,00,000/- (Rupees Sixty Lakhs only) per financial year or Rs. 5,00,000/- (Rupees Five Lakhs only) per month as the case may be. Therefore statement/disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

21. DEPOSITS:

Your Company has not invited/accepted/renewed any deposits from public as defined under the provisions of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and accordingly, there were no deposits which were due for repayment on or before 31st March, 2022.

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

The Hon'ble National Company Law Tribunal, Bengaluru Bench passed its Order No. C.P. No. 157/BB/2020 dated 8th December, 2021 in the matter of Reduction of Paid-up Capital of the Company.

Apart from the above matter, no other Orders were passed by any Court or Regulator or Tribunal during the period under review which impact the going concern status of the Company.

23. REVISION OF FINANCIAL STATEMENT OR THE ANNUAL REPORT:

As per the Secretarial Standards-4, in case the Company has revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority, the detailed reasons for such revision shall be disclosed in the Report of the year as well as in the Report of the relevant financial year in which such revision is made.

No such revision of Financial Statements took place in any of the three preceding financial years under consideration.

24. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

There is no such process initiated during the year, therefore said clause is not applicable to the Company.

25. FAILURE TO IMPLEMENT ANY CORPORATE ACTION:

There were no such events took place during the year under consideration.

26. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Your Company has continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization. The Audit Committee, which meets at least four times a financial year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors. Based on the report of internal audit, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Any significant audit observations and corrective actions thereon are presented to the Audit Committee and the Board. No major internal control weakness was identified during the year. The Company also has a well-functioning Whistle Blower Policy in place

The Board has appointed Messrs RPAR & Co LLP, Chartered Accountants as Internal Auditors of your Company for the Financial Year 2022-23.

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the financial year under review, the Company has not given any loan, Guarantees or made Investments within the meaning of Section 186 of the Companies Act, 2013.

28. RISK MANAGEMENT POLICY:

The Company has a Risk Management Policy pursuant to the requirements of Listing Regulations. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at <https://cerebracomputers.com/pdf/Policies/2021-08-14-Cerebra-Risk-Management-Policy.pdf>.

29. INDUSTRIAL RELATIONS:

Industrial relations have been cordial and constructive, which have helped your Company to achieve production targets.

30. RELATED PARTY TRANSACTIONS:

There were no Related Party Transactions during the Financial Year for disclosure.

However, the Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at <https://cerebracomputers.com/pdf/Policies/2022-01-27-Policy-on-Related-Party-Transaction.pdf>.

31. FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the Directors individually. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Further, the Independent Directors, at their exclusive Meeting held on 27th January, 2022, reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations. The Independent Directors have also declared their independence. The Nomination and Remuneration Committee has reviewed the existing criteria for evaluation of performance of the Independent Directors and the Board and reviewed the existing policy of remuneration of Directors.

32. LISTING WITH THE STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the financial year 2022-23 to National Stock Exchange of India Limited (NSE) and BSE Limited where the Company's Shares are listed.

33. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

A separate Report on Corporate Governance in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a Certificate from a Practising Company Secretary regarding compliance to the Conditions stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure IV**.

As required by SEBI (LODR) (Amendment) Regulations, 2018, 'Annual Secretarial Compliance Report' issued by Mr. Parameshwar G Bhat, Practising Company Secretary for the Financial Year ended 31st March 2022 has been filed with the Stock Exchanges on 27th May, 2022.

Further, in compliance with the Listing Regulations, your Board has adhered to the Corporate Governance Code. All the requisite Committees are functioning in line with the guidelines.

As reported earlier, a reputed firm of independent Chartered Accountants has been carrying out the responsibilities of Internal Audit of the Company and periodically reporting their findings on systems, procedures and management practices.

34. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

The Company has formulated CSR Policy pursuant to the provisions of Section 135 of the Companies Act, 2013. The Company has constituted a Corporate Social Responsibility (CSR) Committee comprising of the following Members:

1. Mr. V Ranganathan - Chairman
2. Mr. S Gopalakrishnan - Member
3. Mr. P Vishwamurthy - Member
4. Mr. PE Krishnan - Member

The details of CSR activities are exhibited in **Annexure V** to this Report.

35. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report is annexed herewith as **Annexure VI**.

36. BUSINESS RESPONSIBILITY REPORT:

Since your Company is one among the top 1000 Listed Companies based on market capitalization as of 31st March, 2022, a separate Section on Business Responsibility is annexed as **Annexure VII** and forms part of this Annual Report pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (as amended from time to time).

37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The Policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. The Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

No complaint pertaining to sexual harassment was reported during the financial year.

38. DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

39. DISCLOSURE REQUIREMENTS:

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon and Management Discussion and Analysis are attached, which forms part of this report. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time and that such systems are adequate and operating effectively.

40. ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for valuable contribution made by employees at all levels, active support and encouragement received from the Government of India, Government of Karnataka, Company's Bankers, Customers, Principals, Business Associates and other Acquaintances.

The Directors regret the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Your Directors recognize the continued support extended by all the Shareholders and gratefully acknowledge with a firm belief that the support and trust will continue in future also.

For and on behalf of Cerebra Integrated Technologies Limited

Date: 30th May, 2022

Place: Bangalore

V Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079

Vishwamurthy P
Whole Time Director
DIN: 01247336
Address: No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basaveshwaranagar
Bangalore-560 079

Form AOC-1

(Pursuant to first proviso to sub Section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient feature of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures

Part "A" Subsidiaries

(Information in respect of each Subsidiary to be presented with amounts in Rs.)

| Sl. No. | Particulars | Cerebra LPO India Limited |
|---------|--|---------------------------|
| 1. | Reporting period (if different from the holding company's reporting period) | 31st March, 2022 |
| 2. | Reporting currency and Exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries) | INR |
| 3. | Share Capital | 5,00,000 |
| 4. | Reserves and surplus | -7,08,90,000 |
| 5. | Total assets | 69,000 |
| 6. | Total Liabilities | 7,04,60,000 |
| 7. | Investments | Nil |
| 8. | Turnover | Nil |
| 9. | Profit/Loss before taxation | -1,06,000 |
| 10. | Provision for taxation | Nil |
| 11. | Profit/Loss after taxation | -1,06,000 |
| 12. | Proposed Dividend | Nil |
| 13. | % of shareholding | 70 |

For and on behalf of Cerebra Integrated Technologies Limited

Date: : 30th May, 2022

Place: Bangalore

V Ranganathan
 Managing Director
 DIN: 01247305
 Address: Brindavan 90, 3rd Cross,
 Sri Venkateshwara Krupa Layout
 West of Chord Road, Bangalore-560 079

Vishwamurthy P
 Whole Time Director
 DIN: 01247336
 Address:No.: 22 A, 'VANASUMA'
 3rd Stage, 4th Block,
 Basaveshwaranagar
 Bangalore-560079

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2022

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

BANGALORE

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cerebra Integrated Technologies Limited(CIN: L85110KA1993PLC015091) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Cerebra Integrated Technologies Limited for the financial year ended on 31.03.2022 according to the provisions of following Acts/Rules wherever applicable:

- i. The Companies Act, 2013 and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA, 1956") and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act, 1992"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018
 - (h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
 - (j) Circulars/Guidelines issued there under;
- vi. The industry specific laws applicable to the Company are:
 1. The Information Technology Act, 2000
 2. Policy relating to Software Technology Parks of India and its regulations
 3. The Indian Copyright Act, 1957
 4. The Patents Act, 1970
 5. The Trade Marks Act, 1999
 6. E-Waste Management Rules, 2016
- vii. The other following general laws as may be applicable to the Company, wherever applicable:

(1) Employer/Employee Related laws & Rules:

- i. The Factories Act, 1948
- ii. The Employees State Insurance Act, 1948
- iii. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- iv. Contract Labour (Regulation and Abolition) Act, 1970
- v. The Minimum Wages Act, 1948

- vi. The Payment of Wages Act, 1936
- vii. The Payment of Gratuity Act, 1972
- viii. The Payment of Bonus Act, 1965
- ix. The Maternity Benefit Act, 1961
- x. The Equal Remuneration Act, 1976
- xi. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- xii. The Karnataka Labour Welfare Fund Act, 1965
- xiii. The Apprentices Act, 1961
- xiv. The Industrial Employment Standing Orders Act, 1946
- xv. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- xvi. The Karnataka Industrial Establishments (National & Festival) Holidays Act, 1963
- xvii. The Karnataka Public Safety (Measures) Enforcement Act, 2017
- xviii. Karnataka Shops & Commercial Establishment Act, 1961

(2) Environment Related Acts & Rules:

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981
- iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- v. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

3) Economic/Commercial Laws & Rules:

- i. The Competition Act, 2002
 - ii. The Indian Contract Act, 1872
 - iii. The Sale of Goods Act, 1930
 - iv. The Forward Contracts (Regulation) Act, 1952
 - v. The Indian Stamp Act, 1899
- The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e., SS - 1 and SS - 2.

I further state that during the period under review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable Labour Laws, environmental laws and other applicable laws as mentioned above. Certain non-material findings made during the course of the audit relating to the provisions of the Act, Labour Laws and Secretarial Standards. Following observations have been brought before the Shareholders which are treated as material in nature:

- a) *The Company has not spent the CSR obligations during the year and there by not complying with Section 135 of the Companies Act, 2013.*

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that there were some instances of non-compliances of the provisions of Section 185 of the Companies Act, 2013 with regard to providing loan/advance facility to its Subsidiary during the Financial Year 2019-20 and the said loan was continuing during the year as well. However, the said subsidiary i.e. Cerebra Middle East FZ CO ceased to be subsidiary with effect from 31.03.2022.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such instance.

The Company has filed the Application before National Company Law Tribunal, Bench, at Bengaluru pursuant to the Companies Act and SEBI Regulations on 1st October, 2020 as per the Award passed by the Hon'ble Arbitral Tribunal in the matter of Arbitration Dispute under the Arbitration and Conciliation Act, 1996 on 22nd March, 2019 for the Cancellation of Share Capital of the Company by 92 Lakhs Equity Shares, subject to the provisions of Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital) Rules, 2016. The same was approved by the Shareholders by way of Special Resolution at the Annual General Meeting held on 25th September, 2019 and the application was approved by the National Company Law Tribunal, Bench, at Bengaluru vide its order dated 8th December, 2021. *However, the corresponding changes in the master data of the Company in the Ministry of Corporate Affairs website are not yet reflected.*

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Further report that the Company had obtained approval for issue of 62,50,000 Equity Shares and 1,78,60,000 Convertible Warrants to certain Potential Investor by passing of a Special Resolution by Members of the Company through Postal Ballot on 24th October, 2021. However, due to complications which arose out of CoVID-19 pandemic, the Company had withdrawn the proposal of allotment of the aforesaid Equity Shares and Convertible Warrants.

I further report that the Company had received a Notice from the Registrar of Companies, Karnataka under Section 206(4) of the Companies Act, 2013 on 21st December, 2021 seeking various information and documents from the Company as part of the inquiry. The Company had reported to me that they have made representation before the Registrar of Companies, Bengaluru and have furnished all the information and documents before the Registrar of Companies on 19th January, 2022. Thereafter, there was no further communication received from the ROC.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Bangalore
Date: 30th May, 2022

Parameshwar G. Bhat
FCS No.: 8860
C P No.: 11004
UDIN:F008860D000432360

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Customs Act, Goods and Service Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date: 30th May, 2022

Parameshwar G. Bhat
FCS No.: 8860
C P No.: 11004

RATIO OF REMUNERATION

| | |
|--|--|
| (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; | 2:1 |
| (ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | <ol style="list-style-type: none"> 1. Mr. V Ranganathan - Managing Director- 0% 2. Mr. H S Venkatesh- Chief Financial Officer- 0% (w.e.f. 1st January, 2022) 3. Mr. P Vishwamurthy- Whole Time Director - 0% 4. Ms. Maitri Chatterjee-Company Secretary- 0% 5. Mr. Kishan S Rao – Chief Financial Officer - 0% (till 20th November, 2021) |
| (iii) the percentage increase in the median remuneration of employees in the financial year; | - 0% |
| (iv) the number of permanent employees on the rolls of company; | As on 31st March, 2022 251 Employees |
| (v) the explanation on the relationship between average increase in remuneration and company performance; | Increase in remuneration is based on the industrial standard and experience of each employees |
| (vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company; | Remuneration paid to Key Managerial person is based on Remuneration Policy of the Company |
| (vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year; | There is no material variation in the share price |
| (viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | This is as per the Company's increment guidelines |
| (ix) comparison of each remuneration of the Key Managerial Personnel against the performance of the company | This is as per the Company's increment guidelines |
| (x) the key parameters for any variable component of remuneration availed by the directors; | Not Applicable |
| (xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; | Not Applicable |
| (xii) affirmation that the remuneration is as per the Remuneration Policy of the company. | Yes |

For and on behalf of Cerebra Integrated Technologies Limited

Date: 30th May, 2022

Place: Bangalore

V Ranganathan
 Managing Director
 DIN: 01247305
 Address: Brindavan 90, 3rd Cross,
 Sri Venkateshwara Krupa Layout
 West of Chord Road, Bangalore-560 079
 Bangalore-560079

Vishwamurthy P
 Whole Time Director
 DIN: 01247336
 Address: No.: 22 A, 'VANASUMA'
 3rd Stage, 4th Block,
 Basaveshwaranagar
 Bangalore-560 079

ANNEXURE TO THE BOARD'S REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the financial year ended 31st March, 2022, in compliance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

As reported in the last Annual Report, your Company has implemented and complied with the Corporate Governance Code recommended by Securities and Exchange Board of India (SEBI). Your Company shall always be managed with the principles of Good Corporate Governance with a view to enhance overall Shareholder value and to run the business effectively to achieve its corporate objectives.

2. BOARD OF DIRECTORS:

The present strength of the Board is 9 (Nine) Directors, comprising of 2(two) Executive Directors, 2 (two) Non-Executive, Non-Independent Directors, 5(five) Non-Executive, Independent Directors including one Independent Woman Director. Chairman of the Board is a Non-Executive Independent Director. The profiles of the Directors are available on the website of the Company at www.cerebracomputers.com.

The Company meets the requirement of Regulation 17(1) of the Listing Regulations read with Section 149 of the Companies Act, 2013 (the 'Act') in terms of the composition of its Board.

The Board of Directors of the Company is headed by an Independent Non-Executive Director.

After due circulation of agenda and notes thereon, the Board of Directors met at reasonable periods of intervals to transact business on various Board's functions, responsibilities and accountabilities. Compliances of various Laws and Regulations along with the Corporate Philosophy, goal, plans and strategies have been dwelt at length by the Board at its various proceedings.

The Board of Directors confirms that all the Independent Directors of the Company are in compliance with the Act and fulfil the conditions specified under the Listing Regulations and are Independent of the Management of the Company.

Pursuant to Regulation 17A of the Listing Regulations, none of the Directors holds directorships in more than 7 (Seven) Listed Companies or 10 (ten) public companies or acts as an Independent Director in more than 7 (seven) Listed Companies. Also, none of them is a Member of more than 10 (ten) Committees or Chairperson of more than 5 (five) Committees across all the public companies in which he or she is a Director in terms of Regulation 26 of the Listing Regulations. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2022 has been received from the Directors.

Declaration under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:

All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

As required under Regulation 25(8) of the Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Company has obtained a Certificate to this effect from Mr. Vijayakrishna K.T., Practising Company Secretary, Bangalore as mandated under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018.

The details of the Directors' attendance at the Meetings of the Board of your Company during the financial year end 31st March, 2021 are furnished below:

| Sl. No. | Name | DIN | Category | Designation | No. of Board Meetings attended | No. of Directorship in other Companies incorporated in India | No. of Committee memberships in other Companies incorporated in India | No. of Committee chairmanship in other Companies incorporated in India | Attended last AGM |
|---------|----------------------|----------|--|-------------------------------------|--------------------------------|--|---|--|-------------------|
| 1. | Mr. V Ranganathan | 01247305 | Executive Director (Promoter Group) | Managing Director | 6 | 2 | - | - | Yes |
| 2. | Mr. P Vishwamurthy | 01247336 | Executive Director (Promoter Group) | Whole Time Director | 5 | 1 | - | - | Yes |
| 3. | *Mrs. Preethi Javali | 07157145 | Non-Executive Director | Non-Executive ¹ Director | 1 | - | - | - | Not Applicable |
| 4. | Mr. PE Krishnan | 01897686 | Non-Executive and Independent Director | Independent Director | 5 | - | - | - | Yes |
| 5. | Mr. S Gopalakrishnan | 01898255 | Non-Executive and Independent Director | Independent Director | 6 | - | - | - | Yes |

| | | | | | | | | | |
|----|------------------------|----------|--|-----------------------|---|---|---|---|-----|
| 6. | Mr. Riyaz Suterwalla | 07866056 | Non-Executive and Non-Independent Director | Professional Director | 4 | - | - | - | Yes |
| 7. | Mr. Amul Mahendra Shah | 08593808 | Non-Executive and Non-Independent Director | Professional Director | 6 | - | - | - | No |
| 8. | Mr. MVS Vasani | 01088868 | Non-Executive and Independent Director | Independent Director | 5 | - | - | - | Yes |
| 9. | Ms. Bhavna Philipose | 08741062 | Non-Executive and Independent Director | Independent Director | 6 | - | - | - | Yes |
| 10 | Mr. Parthasarathi Naik | 08707417 | Non-Executive and Independent Director | Independent Director | 6 | - | - | - | Yes |

*Ms*Preethi Javali resigned from the office of the Director w.e.f. 28th May, 2021 due to personal reasons.

Notes:

- Private Limited Companies, Foreign Companies and the Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.
- Chairpersonship/ Membership in the Audit and Stakeholders' Relationship Committee of listed and un-listed Public Companies are considered for the above purpose.
- None of the Directors is a Member in neither more than 10 Committees, nor a Chairman in more than 5 Committees across all Companies in which he is a Director.

DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.

The Board Directors duly met Six (6) times during the Financial Year on 14th June, 2021;30th June, 2021, 14th August, 2021; 17th September, 2021;13thNovember, 2021 and 27th January, 2022.

None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.

Skills, Expertise and Competence of the Board of Directors

The following are the list of core skills / expertise / competencies identified by the Board of Directors:

- Knowledge on Company's businesses, policies and culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Leading growth through acquisitions and other business combinations, with the ability to assess, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.
- Business Strategy, Sales & Marketing, Management, Administration, Decision Making.
- Knowledge about maintaining Board and Management accountability, protecting shareholders' interests, and governance practices.
- Financial and Management skills.
- Technical / Professional skills and specialized knowledge in relation to Company's business.

Each Director's Skills / expertise / competencies as referred above in point nos.1 to 6:

| Sl. No. | Name of the Director | Areas of expertise | | | | | |
|---------|------------------------|--------------------|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| 1. | Mr. PE Krishnan | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Mr. V Ranganathan | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3. | Mr. P Vishwamurthy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. | *Mrs. Preethi Javali | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. | Mr. S Gopalakrishnan | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6. | Mr. Riyaz Suterwalla | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7. | Mr. Amul Mahendra Shah | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 8. | Mr. MVS Vasani | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 9. | Ms. Bhavna Philipose | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 10. | Mr. Parthasarathi Naik | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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*Ms. Preethi Javali resigned from the office of the Director w.e.f. 28th May, 2021 due to personal reasons.

3. AUDIT COMMITTEE:

The Audit Committee is responsible for over view of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment and removal of the Statutory and Internal Auditors, fixation of audit fees, the approval for payment for any other services and reviewing with the management the annual financial statements before submission to the Board.

The Committee also meets the management team and reviews the operations, new initiatives and performance of the business units. The Minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

As on 31st March, 2022, the Audit Committee comprised of the following Members:

- a. Mr. S. Gopalakrishnan - Chairman
- b. Mr. P. E. Krishnan - Member
- c. Mr. MVS Vasani - Member

The Audit Committee met 5 (Five) times during the Financial Year on 14th June, 2021; 30th June, 2021; 14th August, 2021; 13th November 2021 and 27th January, 2022.

The details of attendance of the Meetings of the Audit Committee are as follows:

| Sl. No. | Name | No. of Meetings attended during the financial year |
|---------|-----------------------|--|
| 1. | Mr. S. Gopalakrishnan | 4 |
| 2. | Mr. P.E. Krishnan | 5 |
| 3. | Mr. MVS Vasani | 5 |

The Audit Committee reviewed the Financial Results, accounting and financial controls as well as Policies and practices as also internal control and Internal Audit Systems.

The terms of reference / role of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 and Part C of Schedule II of the Listing Regulations, 2015 (as amended) as well as the provisions of Section 177 of the Act, 2013. The brief description of the terms of reference of the Audit Committee is given below:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) Approval of payment to the Statutory Auditors for any other services rendered by them;
- d) Reviewing, with the management, the annual Financial Statements and Auditor's Report thereon before submission to the Board for approval;
- e) Reviewing, with the management, the quarterly Financial results before submission to the board for approval;
- f) Reviewing the statement of significant related party transactions, if any;
- g) Discussion with Internal Auditors of any significant findings.

4. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of Listing Regulations, the Board has constituted Nomination and Remuneration Committee.

Following are the terms of reference of the Committee inter-alia, the following:

- a) Chairman: Chairman of the Committee shall be an Independent Director as may be elected by the members of the Committee.
- b) Quorum: Quorum for Meeting of the Committee shall be a minimum of two members provided one of them shall always be an Independent Director.
- c) Frequency of Meetings: The Committee may meet at such times as may be deemed necessary.
- d) Role: The Role of the Committee shall include inter-alia the following:
 - Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
 - Formulation of criteria for evaluation of Independent Directors and the Board including carrying out evaluation of every Director's performance;
 - Devising a Policy on Board diversity;
 - Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal.

- Such other matters as may be prescribed under the Companies Act, 2013, listing agreement and by the Board of Directors of the Company from time to time.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

e) Invitees: The Committee may invite such executives of the Company and such other persons as it may consider appropriate.

f) Secretary to the Committee: The Company Secretary shall be the Secretary of the Committee who shall flag actions and serve as executive support to the Committee.

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.

As on 31st March, 2022, the Nomination and Remuneration Committee comprised of the following Members:

- Mr. S. Gopalakrishnan - Chairman
- Mr. P. E. Krishnan - Member
- Mr. MVS Vasani - Member

The Committee met 1 (One) time during the Financial Year on 13th November, 2021.

The details of attendance of the Meetings of the Nomination and Remuneration Committee are as follows:

| Sl. No. | Name | No. of Meetings attended during the financial year |
|---------|-----------------------|--|
| 1. | Mr. S. Gopalakrishnan | 1 |
| 2. | Mr. P.E. Krishnan | 1 |
| 3. | Mr. MVS Vasani | 1 |

Details of remuneration of all Directors:

| Sl. No. | Name | Designation | Salary (in Rs) | Sitting fee (in Rs.) |
|--|------------------------|--|----------------|----------------------|
| Executive/Whole Time Directors | | | | |
| 1. | Mr. V Ranganathan | Managing Director | 16,35,000 | Nil |
| 2. | Mr. P Vishwamurthy | Whole Time Director | 16,35,000 | Nil |
| Non-Executive and Independent /Non- Independent Directors | | | | |
| 3. | Mr. PE Krishnan | Independent Director | Nil | 1,05,000 |
| 4. | Mr. S Gopalakrishnan | Independent Director | Nil | 1,15,000 |
| 5. | Mr. Riyaz Suterwalla | Non-Executive and Non-Independent Director | Nil | Nil |
| 6. | Mr. Amul Mahendra Shah | Non-Executive and Non-Independent Director | Nil | Nil |
| 7. | Mr. MVS Vasani | Independent Director | Nil | 90,000 |
| 8. | Ms. Bhavna Philipose | Independent Director | Nil | 90,000 |
| 9. | Mr. Parthasarathi Naik | Independent Director | Nil | 90,000 |

Fixed Component / Performance Linked Incentive / Criteria:

Performance related Bonus is payable to the Executive Directors only, as per the terms of the Agreement entered into between the Company and the Executive Directors.

Service Contract / Notice Period / Severance Fee:

- The Contracts of Service entered into by the Company with the Whole Time Directors and Chief Financial Officer and Director, provides that the Company and the Executive Directors shall be entitled to terminate the Agreement by giving Notice period as mentioned in the Agreement in writing on either side.
- No severance fee is payable by the Company to the Executive Directors on termination of the Agreement.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The role of the Committee shall inter-alia include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of Shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by Shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company.

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As on 31st March, 2022, the Stakeholders' Relationship Committee was comprised of the following Members:

- a. Mr. S. Gopalakrishnan - Chairman
- b. Mr. P. E. Krishnan - Member
- c. Mr. MVS Vasan - Member

The Committee met once during the financial year on 27th January, 2022.

The details of attendance of the Meetings of the Stakeholders' Relationship Committee are as follows:

| SI. No. | Name | No. of Meetings attended during the financial year |
|---------|-----------------------|--|
| 1. | Mr. S. Gopalakrishnan | 0 |
| 2. | Mr. P.E. Krishnan | 1 |
| 3. | Mr. MVS Vasan | 1 |

The aforesaid Committee met continuously to address the various issues relating to the investors, including non-receipt of Annual Reports, Dividend related issues, Change of addresses, transfers of Shares, dematerialization and other related aspects. The Company has also continuously requisitioned the services of an Independent Practising Company Secretary to review the procedures followed by the Registrar of Share Transfer Agent.

No major grievance of any investor was pending as on 31st March, 2022.

Ms. Maitri Chatterjee, Company Secretary, is the Compliance Officer of the Company.

6. RISK MANAGEMENT COMMITTEE:

During the year, your Board has constituted Risk Management Committee comprising of five Members. This Committee shoulders the responsibility of monitoring and reviewing the risk management plan and periodical review of the Risk Management Policy and appraise the Board about risk assessment and mitigation procedure. It also undertakes to ensure that Executive Management controls risks by means of properly designed risk management framework.

As on 31st March, 2022, the Risk Management Committee comprised of the following Members:

- a. Mr. V Ranganathan - Chairman
- b. Mr. P Vishwamurthy - Member
- c. Mr. MVS Vasan - Member
- d. Mr. Parthasarathi Naik - Member
- e. Mr. Ravi Neeladri - Member

The Committee met twice during the financial year on 13th November, 2021 and 27th January, 2022.

The details of attendance of the Meetings of the Risk Management Committee are as follows:

| SI. No. | Name | No. of Meetings attended during the financial year |
|---------|------------------------|--|
| 1. | Mr. V Ranganathan | 2 |
| 2. | Mr. P Vishwamurthy | 2 |
| 3. | Mr. MVS Vasan | 2 |
| 4. | Mr. Parthasarathi Naik | 1 |
| 5. | Mr. Ravi Neeladri | 2 |

Risk Management Policy is hosted on the Company's website at <https://cerebracomputers.com/pdf/Policies/2021-08-14-Cerebra-Risk-Management-Policy.pdf>.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Company has complied with the provisions of Section 135 of the Act except for the provisions of Section 135(5) of the Act and the Corporate Social Responsibility Committee has discharged its functions during the financial year under review.

The CSR Policy of the Company is disclosed on the website of the Company at https://www.cerebracomputers.com/pdf/Policies/Corporate_Social_Responsibility-Policy.pdf.

As on 31st March, 2022, the Corporate Social Responsibility Committee comprised of the following Members:

- a. Mr. V Ranganathan - Chairman
- b. Mr. S Gopalakrishnan - Member
- c. Mr. P Vishwamurthy - Member
- d. Mr. P E Krishnan - Member

The Committee met once during the financial year on 27th January, 2022.

The details of attendance of the Meetings of the Corporate Social Responsibility Committee are as follows:

| Sl. No. | Name | No. of Meetings attended during the financial year |
|---------|----------------------|--|
| 1. | Mr. V Ranganathan | 1 |
| 2. | Mr. P.E. Krishnan | 1 |
| 3. | Mr. P Vishwamurthy | 1 |
| 4. | Mr. S Gopalakrishnan | 1 |

The Committee has formulated a CSR Policy detailing the activities to be undertaken by the Company with a broad objective to create a significant positive impact in the lives of a large number of people and society – beyond its normal course of business operations.

8. INDEPENDENT DIRECTORS' MEETING:

During the financial year under review, the Independent Directors met on 27th January, 2022, inter-alia, to discuss:

- Evaluation of the performance of the Non-Independent Directors and the Board as a whole
- Evaluation of the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

The Independent Directors viz., Mr. P.E. Krishnan, Mr. MVS Vasana and Mr. S Gopalakrishnan were present at the Meeting. Further, Mr. Parthasarathi Naik and Ms. Bhavna Philipose could not attend the Meeting.

The Company had also further during the financial year, conducted Familiarisation programme for Independent Directors of the Company and the details of such familiarisation programmes are disseminated on the website of the Company at <http://cerebracomputers.com/reports-and-filings/#1507712636471-31397811-0284be2a-7469>.

9. CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:

The Company has laid down the criteria for making payments to the Non-Executive Directors. The details of such criteria are available on the website of the Company at <https://www.cerebracomputers.com/pdf/Policies/Criteria-for-making-payments-to-Non-Executive-Directors.pdf>.

10. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance and its Committee's and the Directors individually. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performances of the Committees were evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India on January 5, 2017.

In a separate Meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, etc.

At the Board Meeting that followed the Meeting of the Independent Directors and Meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The Company had also further during the financial year, conducted Familiarization program for Independent Directors of the Company and the details of such familiarization programs are disseminated on the website of the Company at https://cerebracomputers.com/pdf/Policies/Familiarisation_Program_ID.pdf.

11. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on 31st March, 2022, who held Shares in the Company, are as under:

| Sl. No. | Name of Directors | Number of Shares held |
|---------|------------------------|-----------------------|
| 1. | Mr. S. Gopalakrishnan | Nil |
| 2. | Mr. P. E. Krishnan | 25,100 |
| 3. | Mr. MVS Vasana | Nil |
| 4. | Mr. Riyaz Sutterwalla | Nil |
| 5. | Mr. Amul Mahendra Shah | Nil |
| 6. | Ms. Bhavna Philipose | Nil |
| 7. | Mr. Parthasarathi Naik | 32,000 |

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12. COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:

Ms. Maitri Chatterjee
Company Secretary and Compliance Officer
Cerebra Integrated Technologies Limited
S5, Off 3rd Cross, Peenya Industrial Area
Peenya I Stage, Bengaluru -560058
Tel.: 1800-425-46969
Fax: 080-22046980
Email: maitri.c@cerebracomputers.com
Website: www.cerebracomputers.com

13. DETAILS OF ANNUAL GENERAL MEETING (AGM):

| Year | Date | Time | Location |
|---------|----------------------|----------|--|
| 2018-19 | 25th September, 2019 | 10:00 AM | #S-5, Off 3rd Cross, 1st Stage, Peenya Industrial Area, Bengaluru- 560 058 |
| 2019-20 | 28th September, 2020 | 11:30 AM | Through Video Conferencing |
| 2020-21 | 30th September, 2021 | 03:00 PM | Through Video Conferencing |

Particulars of Special Resolutions passed in the last 3 (three) AGMs are given below:

| | |
|----------------------|--|
| 25th September, 2019 | <ol style="list-style-type: none">1. Re-appointment of Mr. Pazayanur Eswaran Krishnan (holding DIN: 01897686), as an Independent Director2. Increase in the Limit of Borrowing Powers3. Powers to hypothecate etc4. Approval of Reduction of Share Capital of the Company5. Approval of Cerebra Integrated Technologies Limited Employee Stock Option Scheme, 2019 |
| 28th September, 2020 | <ol style="list-style-type: none">1. Re-appointment of Mr. V Ranganathan (holding DIN: 01247305) as Managing Director of the Company2. Re-appointment of Mr. P. Vishwamurthy (holding DIN: 01247336) as Whole Time Director of the Company3. Approval of Cerebra Employees Stock Option Plan - 2020 |
| 30th September, 2021 | NIL |

Particulars of Special Resolutions passed through Postal Ballot during the Financial Year are given below:

| | |
|--------------------|--|
| 24th October, 2021 | <ol style="list-style-type: none">1. To Increase in the Authorised Share Capital of the Company2. To alter the Memorandum of Association of the Company3. Issue of Warrants to Investors on preferential basis4. Further issue of Equity Shares on preferential basis |
|--------------------|--|

14. MEANS OF COMMUNICATION:

Quarterly/half yearly/Annual Financial Results are forwarded to the Stock Exchanges, Published in Financial Express English and E-Sanje Kannada Newspapers. The Company's financial results and shareholding pattern are also displayed on the Company's website. The Company has made some presentations to the Institutional investors or to the Analysts and the details of the same are hosted on the website of the Company at <https://cerebracomputers.com/investors.php>.

15. DISCLOSURES:

SUBSIDIARY COMPANIES:

The Company has one Subsidiary as mentioned below:

a) Cerebra LPO India Limited

The Financials of the Subsidiary Company have been duly reviewed by the Audit Committee and the Board of the Holding Company. The Board Minutes of the Unlisted Subsidiary Company have been placed before the Board of the Holding Company. The Holding Company's Board is also periodically informed about all significant transactions and arrangements entered into by the Subsidiary Company. The Company has also formulated a Policy for determining the Material Subsidiary and the details of such policies as approved by the Board are disseminated in the website of the Company at <https://cerebracomputers.com/pdf/Policies/Policy-for-determining-Material-subsiaries.pdf>.

16. RELATED PARTY TRANSACTIONS:

There were no Related Party Transactions as per Section 188 of the Companies Act, 2013 during the financial year.

Further, the Company has disclosed the Policy on dealing with Related Party Transactions on its website at <https://cerebracomputers.com/pdf/Policies/2022-01-27-Policy-on-Related-Party-Transaction.pdf>

17. RISK MANAGEMENT:

As an established practice, at each Meeting of the Board, the Directors are updated on Risk Identification and steps taken to mitigate the same.

All the insurable assets of the Company are deemed to have been adequately insured.

Further, the Company has disclosed the Policy on Risk Management on its website at <https://cerebracomputers.com/pdf/Policies/2021-08-14-Cerebra-Risk-Management-Policy.pdf>.

18. SECRETARIAL COMPLIANCE CERTIFICATE:

SEBI (LODR)(Amendment) Regulations, 2018 mandates the Company to obtain a 'Annual Secretarial Compliance Report' in the prescribed format from a Practicing Company Secretary which has been obtained and filed with the Stock Exchanges on May 27, 2022.

19. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

There were no outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity during the Financial Year.

20. CODE OF CONDUCT:

The Company has adopted Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team. The Code of Conduct is available on the website of the Company at url: https://cerebracomputers.com/pdf/Policies/Code-of-Conduct_Senior-Management-1.pdf.

Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period 1st April 2021 to 31st March, 2022.

The Certificate by CEO of the Company concerning compliance with the Code of Conduct for Directors and Senior Management is given below:

**Code of Conduct for Directors and Senior Management
CEO Confirmation**

I hereby confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of, the financial year ended 31st March, 2022.

Place: Bengaluru

Date: 30th May, 2022

V. Ranganathan

Managing Director

DIN: 01247305

21. REPORTING OF INTERNAL AUDITORS:

The Internal Auditors duly appointed, report to the Audit Committee.

22. CEO AND CFO CERTIFICATION:

The Managing Director and the Chief Financial Officer of the Company have certified to the Board of Directors, inter-alia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under SEBI Regulations, for the period ended 31st March, 2022.

23. GENERAL SHAREHOLDERS' INFORMATION:

The following information would be useful to the Shareholders:

1. Annual General Meeting Date and Time: **Thursday at 02:00 PM, 29th September, 2022**
2. Venue: **Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")**
3. Financial Year: **1st April, 2021 to 31st March, 2022**
4. Book Closure Date: **23rd September, 2022 to 29th September, 2022 (both days inclusive)**
5. Listing on Stock Exchange at:
 - a. **BSE Limited**
 - b. **National Stock Exchange of India Limited (NSE)**

24. DEPOSITORIES:

National Securities Depository Limited

Central Depository Services Limited

Stock Code: BSE- 532413

NSE- CEREBRAINT

Demat arrangement with NSDL and CDSL: **INE345B01019**

25. REGISTRARS AND SHARE TRANSFER AGENTS:

KFIN Technologies Limited

Selenium Tower B, Plot number 31 & 32

Financial District, Nanakramguda, Serilingampally Mandal

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Hyderabad-500 032 India
Phone: 040 - 91 40-67161564 Fax 9140-23420814
Email: shobha.anand@kfintech.com

26. STOCK MARKET DATA:

BSE Limited

Scrip Code: 532413

(In Rupees)

| Month | Open Price | High Price | Low Price | Close Price |
|--------|------------|------------|-----------|-------------|
| Apr-21 | 51.50 | 56.70 | 46.55 | 50.55 |
| May-21 | 50.10 | 58.00 | 48.50 | 53.00 |
| Jun-21 | 53.50 | 67.50 | 50.00 | 60.15 |
| Jul-21 | 59.90 | 61.65 | 55.00 | 60.75 |
| Aug-21 | 62.00 | 63.75 | 51.50 | 60.00 |
| Sep-21 | 60.25 | 60.70 | 54.20 | 54.65 |
| Oct-21 | 54.60 | 57.00 | 50.90 | 53.45 |
| Nov-21 | 54.15 | 87.75 | 52.50 | 81.05 |
| Dec-21 | 85.40 | 87.30 | 75.00 | 80.25 |
| Jan-22 | 81.60 | 99.00 | 78.30 | 84.95 |
| Feb-22 | 86.20 | 91.50 | 66.25 | 75.60 |
| Mar-22 | 68.90 | 79.80 | 68.90 | 78.85 |

National Stock Exchange of India Limited (NSE)

Scrip Code: CEREBRAINT

(In Rupees)

| Month | Open Price | High Price | Low Price | Close Price |
|--------|------------|------------|-----------|-------------|
| Apr-21 | 49.00 | 50.85 | 48.50 | 50.55 |
| May-21 | 52.10 | 53.50 | 52.10 | 52.90 |
| Jun-21 | 60.00 | 61.50 | 59.70 | 60.25 |
| Jul-21 | 58.50 | 61.70 | 58.30 | 60.95 |
| Aug-21 | 61.30 | 61.35 | 57.35 | 59.95 |
| Sep-21 | 56.40 | 56.40 | 54.20 | 54.55 |
| Oct-21 | 52.30 | 54.90 | 52.00 | 54.05 |
| Nov-21 | 81.90 | 84.40 | 80.30 | 81.25 |
| Dec-21 | 80.95 | 82.05 | 79.80 | 80.25 |
| Jan-22 | 86.30 | 87.85 | 84.30 | 85.00 |
| Feb-22 | 75.30 | 77.10 | 70.00 | 75.85 |
| Mar-22 | 78.00 | 80.00 | 76.05 | 78.70 |

27. SHARE TRANSFER SYSTEM:

The Company in consultation with the RTA ensures that the transfers of Shares in physical form and dematerialization take place well within the time limits.

28. Distribution of Shareholding as at 31st March, 2022:

| Category (Amount) | No. of holders | % of holders | Total Shares |
|-------------------|----------------|---------------|------------------|
| 0-500 | 18769 | 77.17 | 2593190 |
| 501 - 1000 | 2069 | 8.51 | 1761696 |
| 1001 - 2000 | 1273 | 5.23 | 2030084 |
| 2001 - 3000 | 540 | 2.22 | 1411792 |
| 3001 - 4000 | 224 | 0.92 | 818596 |
| 4001 - 5000 | 280 | 1.15 | 1335187 |
| 5001 - 10000 | 426 | 1.75 | 3285334 |
| 10001 - 20000 | 263 | 1.08 | 3888746 |
| 20001 and above | 478 | 1.97 | 104061857 |
| TOTAL | 24322 | 100.00 | 121186482 |

Categories of Shareholding as at 31st March, 2022

| Category | No. of Shares held | % of holding |
|---------------------------------|--------------------|--------------|
| Promoters Holding: | | |
| i. Indian Promoters | 6115065 | 5.05 |
| ii. Foreign Promoters | Nil | Nil |
| Sub Total | 6115065 | 5.05 |
| Non-Promoters Holding: | Nil | Nil |
| iii. Mutual Fund and UTI | | |
| iv. Foreign Portfolio Investors | 233684 | 0.19 |
| v. Body Corporate | 19799854 | 16.34 |
| vi. Overseas Body Corporate | 21100000 | 17.41 |
| vii. NRIs | 4398822 | 3.63 |
| viii. General Public | 69374021 | 57.24 |
| ix. Clearing Members | 154976 | 0.13 |
| x. NBFCs Registered with RBI | 10060 | 0.01 |
| Sub Total | 115071417 | 94.95 |
| Grand Total | 121186482 | 100 |

Note: The Paid-up Capital of the Company was reduced from Rs. 1,21,18,64,820/- (Rupees One Hundred and Twenty One Crores Eighteen Lakhs Sixty Four Thousand Eight Hundred and Twenty only) divided into 12,11,86,482 (Twelve Crores Eleven Lakhs Eighty Six Thousand Four Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,11,98,64,820/- (Rupees One Hundred and Eleven Crores Ninety Eight Lakhs Sixty Four Thousand Eight Hundred and Twenty only) divided into 11,19,86,482 (Eleven Crores Nineteen Lakhs Eighty Six Thousand Four Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) each pursuant to the Order of the Hon'ble National Company Law Tribunal, Bengaluru Bench vide its Order No. C.P. No. 157/BB/2020 dated 8th December, 2021 in the matter of Reduction of Paid-up Capital of the Company. The said Order was approved by the Registrar of Companies, Karnataka on 4th February, 2022.

Dematerialization of Shares and liquidity as at 31st March, 2022:

About 94.09% of the 11,40,28,568 outstanding Equity Shares have been dematerialized up to March 31, 2022.

29. Dematerialization of Shares:

The Company's Shares are admitted into both the depositories viz. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] and the ISIN allotted for the Equity Shares of the Company is INE345B01019 and about 94.09% of the Shares of the Company are held in demat form as on 31st March, 2022.

30. Management Discussion and Analysis:

The Management Discussion and Analysis is attached to the Board's Report and is a part of this Annual Report.

31. Details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

This Corporate Governance Report of the Company for the financial year 2020-21 is in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

32. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Regulations and Guidelines of SEBI and other Statutory Authorities on all matters relating to the Capital Markets. The Company has not paid any fines during the last three financial years.

33. OTHER DISCLOSURES:

(i) Materially Significant Related Party Transactions

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

(ii) Vigil Mechanism

The Company has a Vigil Mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards for victimization of Director(s) / Employee(s) who avail of the mechanism. In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. No personnel of the Company have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue. The Whistle Blower Policy is available on the Company's website at <https://cerebracomputers.com/pdf/Policies/Policy-Whistle-Blower-and-Vigil-Mechanism.pdf>.

(iii) Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of complaints filed during the financial year: 0
- b. Number of complaints disposed of during the financial year: 0
- c. Number of complaints pending as on end of the financial year: 0

34. Compliance with Discretionary Requirements:

The Company has also ensured the implementation of non mandatory items such as:

i) Shareholder Rights

The Company's quarterly and half-yearly financial results including summary of the significant events are published in the newspapers and the results were also uploaded on the Company's website. Therefore, no individual intimations were sent to the Shareholders. However, based on the requests from Shareholders, if any, the Company would provide them individually.

ii) Audit qualifications

There are two qualifications/ modified audit opinion in the Statutory Auditors' Report on the Accounts for the year ended 31st March, 2022. The Management responses for such qualified opinion have been covered in the Board's Report.

iii) Reporting of Internal Auditors:

Internal Auditors directly report to the Chairperson of the Audit Committee. The Internal Auditors will have regular Meetings with the Chairman of the Audit Committee.

iv) Separate posts of the Chairman and the CEO

The Company has appointed separate persons to the post of the Chairman and the CEO.

35. Details of fees paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part as per Clause 10 (k), Part C of Schedule V of SEBI (LODR) Regulations, 2015:

The Company has paid Rs. 12,25,140/- to the Statutory Auditors in the financial year 2021-22 for all the services rendered by them to the Company and its Subsidiaries.

36. Certification on Corporate Governance:

Compliance Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is attached to the Board's Report and is a part of this Annual Report.

37. Plant Locations:

1. S5, Off 3rd Cross, Peenya Industrial Area
Peenya I Stage, Bengaluru-560 058
Karnataka, India
Phone: 080-28370282/84
2. Plot No. 41 to 46
KIADB, Narasapura Industrial Area
Appsandra Village, Narasapura Hobli
Kolar District-563 133
Karnataka, India
Phone: 08152-297039

38. Address for correspondence:

Cerebra Integrated Technologies Limited
S5, Off 3rdCross, Peenya Industrial Area
Peenya I Stage, Bengaluru -560 058
Tel.: 1800-425-46969
Fax: 080-22046980
Email: investors@cerebracomputers.com
Website: www.cerebracomputers.com

For and on behalf of Cerebra Integrated Technologies Limited

Date: 30th May, 2022

Place: Bangalore

V Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079

Vishwamurthy P
Whole Time Director
DIN: 01247336
Address:No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basaveshwaranagar
Bangalore-560079

CEO/CFO CERTIFICATION FOR THE YEAR ENDED 31ST MARCH, 2022

To
The Board of Directors
Cerebra Integrated Technologies Limited
Bengaluru

We, V Ranganathan, Managing Director and H S Venkatesh, Chief Financial Officer of Cerebra Integrated Technologies Limited, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee;
- (1) there were no significant changes in internal control over financial reporting during the year ended March 31, 2022;
 - (2) there were no significant changes in accounting policies during the year ended March 31, 2022; and
 - (3) there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Bengaluru
Date: 30th May, 2022

V Ranganathan
Managing Director
DIN: 01247305

H S Venkatesh
Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members

Cerebra Integrated Technologies Limited

Bangalore

I have examined all the relevant records of Cerebra Integrated Technologies Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2022 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore

Date: 30.05.2022

Vijaykrishna K T

Practising Company Secretary

FCS 1788 CP No. 980

UDIN:F001788D000430865

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i)
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To
The Members
Cerebra Integrated Technologies Limited
S-5, Off 3rd Cross, Peenya Indl. Area
Peenya I Stage Bangalore -560058

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CEREBRA INTEGRATED TECHNOLOGIES LIMITED having CIN L85110KA1993PLC015091 and having registered office at S5, Off 3rd Cross, Peenya Indl. Area, Peenya I Stage Bangalore 560583 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

| Sl No. | Name of Director | DIN | Date of appointment in the Company |
|--------|--|----------|------------------------------------|
| 1. | Mr. Ranganathan Venkatraman | 01247305 | 01.01.2009 |
| 2. | Mr. Vishwamurthy Phalanetra | 01247336 | 18.07.1996 |
| 3. | Mr. Pazayanur Eswaran Krishnan | 01897686 | 02.12.1996 |
| 4. | Mr. Gopala Krishnan Seshadril | 01898255 | 24.09.1997 |
| 5. | Mr. Riyaz Suterwalla | 07866056 | 14.09.2017 |
| 6. | Mr. Mandya Venkatachar Seshadri Vasani | 01088868 | 12.08.2019 |
| 7. | Ms. Bhavna Philipose | 08741062 | 12.05.2020 |
| 8. | Ms. Parthasarathi Naik | 08707417 | 27.07.2020 |
| 9. | Mr. Amul Mahendra Shah | 08593808 | 13.11.2020 |

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date:30.05.2022

Vijayakrishna K T
Practising Company Secretary
FCS 1788 CP No. 980
UDIN:F001788D000430304

THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company - **The Company shall use to spend the CSR amount on educational purposes etc. and on the activities mentioned in Schedule VII of the Companies Act, 2013.**

2. Composition of CSR Committee

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of Meetings of CSR Committee held during the year | Number of Meetings of CSR Committee attended during the year |
|---------|----------------------|--------------------------------------|--|--|
| 1 | Mr. V Ranganathan | Chairman | 1 | 1 |
| 2. | Mr. S Gopalakrishnan | Member | 1 | 0 |
| 3. | Mr. P Vishwamurthy | Member | 1 | 1 |
| 4. | Mr. P E Krishnan | Member | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: https://cerebracomputers.com/pdf/Policies/Corporate_Social_Responsibility-Policy.pdf.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).- **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : **Not Applicable**

6. Average net profit of the Company as per Section 135 (5) - **Rs.10,35,10,667/-**

7. (a) Two percent of average net profit of the company as per section 135(5) - **Rs. 20,70,213/-**

(b) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years - **Nil**

(c) Amount required to be set off for the financial year, if any - **Nil**

(d) Total CSR obligation for the financial year (7a+7b- 7c) - **Rs. 20,70,213/-**

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|--|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| Nil | Nil | NA | NA | NA | NA |

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(c) Details of CSR amount spent against other than ongoing projects for the financial year: **Nil**

Annual Report 2021-2022

- (d) Amount spent in Administrative Overheads : **Nil**
 (e) Amount spent on Impact Assessment, if applicable : **Nil**
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **Nil**
 (g) Excess amount for set off, if any

| Sl. No. | Particulars | Amount (in Rs.) |
|---------|---|-----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 20,70,213 |
| (ii) | Total amount spent for the Financial Year | Nil |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---------|--------------------------|--|--|--|-----------------|------------------|--|
| | | | | Name of the Fund | Amount (in Rs). | Date of transfer | |
| 1 | 2018-19 | NA | 4,25,000 | NA | NA | NA | NA |
| 2 | 2019-20 | NA | 10,32,710 | NA | NA | NA | NA |
| 3 | 2020-21 | Nil | 1,00,000 | NA | NA | NA | NA |
| | TOTAL | | 15,57,710 | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.

(Asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s): **NA**
 (b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : **Not Applicable**
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135 (5): **The Company has not been able to identify a suitable project for the CSR spend. However, the Company will endeavour to spend the CSR amount in the current Financial Year.**

For and on behalf of Cerebra Integrated Technologies Limited

Date: 30th May, 2022
 Place: Bangalore

V Ranganathan
 Managing Director &
 Chairman of CSR Committee
 DIN: 01247305
 Address: Brindavan 90, 3rd Cross,
 Sri Venkateshwara Krupa
 Layout West of Chord Road,
 Bangalore-560 079

H S Venkatesh
 Chief Financial Officer
 Address: CF2, SVS
 Ananda Nilayam
 Yerranapalya Road,
 Ramamurthi Nagar
 Bangalore-560 016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) INDUSTRY STRUCTURE AND DEVELOPMENT:

Your Company continues to be the market leader in E-Waste Recycling & Refurbishment business. Completed all projects and due to last minute cancellation of important and volumetric tenders in March 2022, else it would have seen some more addition both to top and bottom line. Your Company is looking at garnering a much better position compared to its peers due to its diverse businesses. Considerable efforts have been put in to find new businesses and customers, with slightly strengthened and focused attention on cost optimization, will help the Company to recover quickly from the significant damage created by the pandemic.

b) OPPORTUNITIES AND THREATS:

OPPORTUNITIES:

- Single largest growth oriented business segment – E-Waste Recycling & Refurbishment
- Potential global partnerships for setup in India
- Work with customers on providing end to end services in both areas
- Create a brand in refurb IT products & platform for sale and distribution
- Association with big brands paving way to add other major brands who are not yet customers

THREATS:

- Huge liability of past – without support have to bring in huge amounts of funds into the company
- Sustaining enormous EBIDTA as promised to investors
- Large corporate houses getting into the e waste space
- Change of guard and thus exposure of past
- Laws becoming more stringent

c) SEGMENT WISE OR PRODUCT WISE PERFORMANCE

As on 31st March 2022, the Company has been engaged in E-Waste Recycling & Refurbishment Business and has been acquiring assets from large MNCs for faster turnaround of refurbished products and accessories predominantly. It has its major business coming in from E-Waste Recycling & Refurbishment business and the focus will be to increase the presence of processing centres in the current financial year and also adding other consumer electrical & electronic manufacturing companies to its foray. The internal reporting and performance of the Group is assessed by the Managing Director as E-Waste Recycling & Refurbishment segment. However, for the purpose of explaining the performance of the Company to investors, the management provides further break down at a product and service level.

d) OUTLOOK:

India generated 3.1 million tonnes of E- Waste in 2021 and only around 10% of this E-Waste is collected by formal sector. Your Company has seen more opportunities and also has been signing up with more partnerships and agreements with large IT and Corporate India Companies. In India, refurbish and reuse is gathering pace and is reflected in about 12 million units of refurbished PC sales annually. The refurbished category is growing at 4X on a YoY basis. Credit pressures this time around could possibly be higher than the previous year, given the prolonged stress till date and the likelihood of limited fiscal or policy support in the absence of force majeure conditions like last time.

e) RISKS AND CONCERNS:

While Opportunities are huge, compliance is a major concern, Laws are becoming more stringent and Companies expectations are in tune with these compliances. Quality resources are hard to find for a business which is dealing with Recycling & Refurbishment.

Your Company's risk management strategy encompasses in-depth identification, assessment and prioritization of risk followed by speedy mobilization of Quality resources to minimize, monitor and control the losses of unfortunate events.

f) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has an adequate system of internal controls which commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. All the transactions are authorized, recorded and reported correctly.

The Company's internal control systems are further supplemented by an extensive programme of internal audit by a firm of Chartered Accountants and periodic review by the Management. The Internal Control system is designed to ensure that all financial and other records are reliable for preparing Financial Statements and for maintaining accountability of assets.

g) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES & INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:

Employees continue to be the key for the continued success of any Organization. Industrial relations have been generally harmonious at the factory and offices. Sound human resource development policies of the Company ensure that each employee grows as an individual and contributes to the performance and growth of the Company. Regular in-house training programs to employees at all levels help to achieve this objective. While getting skilled manpower at some levels in the operations continues to be a challenge, employee turnover remained low during the year. The Company has satisfactory human resource department in place to address Human Resource challenges faced by the employees of the Company.

E-Waste Recycling Business:

Globally only 17.4% of Electronic Waste is documented to be collected and recycled properly thus realising 10 Billion \$ worth of raw materials which can be used in remanufacturing of new products. India generated 3.1 million tonnes of E- Waste in 2021 and only around 10% of this E – Waste is collected by formal sector. In India, refurbish and reuse is gathering pace and is reflected in about 12 million units of refurbished PC sales annually. The refurbished category is growing at 4X on a YoY basis.

Government of India for the first time in the budget speech has acknowledged Circular Economy and its benefits. The increase in affluence during the last century, especially in the industrialized countries, have generated a linear economy and a consumer society. This growth came at the expense of resources, the environment and human health. Recently, moves towards a circular economy have shown the potential of decoupling growth from resource use, maintaining affluence and taking the environment, resources and health of people into account. A circular economy aims to maintain to value of products, components and materials throughout their entire lifecycles. The longer a product can retain its functionality, for example through repair or reuse, the higher value and environmental savings are obtained in the system. After a product reaches the end of its functional life, the reuse of components or parts (remanufacture) is preferred over recycling of it.

Your company has already embraced the idea of Circular Economy. It has been successful in employing repair, remanufacture, remarket and recycle processes thus enabling the extension of end of life products. By extending the end of life of a single PC, we can delay a carbon footprint of 422.5 KGs by couple of years. Your company has refurbished over 40,000 PCs during last financial year.

Your company has completed the third facility at Narsapura and obtained 40,000 MT capacity authorisation from Karnataka State Pollution Control Board which is double the capacity of previous year.

Your company has partnered with large OEMs and world's largest data storage company to collect the used/end of life assets from bulk consumers. Your company has added four large OEMs as customers in the EPR business segment.

Recruitment:

The division has been recruiting continuously at all levels and new recruits inducted at both senior levels and managers;

The division is focussed on devising and executing people strategies –building the right talent with cost effective measures like references, job posts on professional sites etc. We take every effort to motivate the team across the organization and to retain our star employees. We ensure that all our policies and practices are in alignment to our business objectives.

EPR has field executives, collection centres at different parts of country and MIS team in factory and branch offices in Bangalore as well as at Noida. We have a robust procurement team focused on procurement of IT and EPR products at PAN India level. The workforce in Refurbishment & Recycling divisions at factory consists of qualified operators and supervisors. We have skilled sales professionals engaged in sales and leasing of IT assets to end customers like individual buyers, institutions, corporates etc.

We now have Zonal Managers, Regional Managers, Managers, who take care of collections and sales executives for procurement of EPR products and also sales of refurbished products pushing the channel sales through these executives.

Enterprise Solutions Division

Your Company continues to implement various IT based projects for the Government agencies, departments & institutions. We study the customers IT requirements, identifies pain points and accordingly designs and plans their IT Hardware and Software infrastructure which includes security, networking, servers, storage, endpoints, operating systems, application software and ensures successful implementation for optimal performance.

Police Department - Successfully executed supply, installation and commissioning of 1069 units of Lenovo laptops to 508 Police Stations across the state of Karnataka during the ongoing pandemic. Data center augmentation at KSRP Data Center was executed successfully. This included supply of high end rack servers, blade servers, 100TB SAN storage and switches, installation and configuration of hardware and software, implementation and data migration, documentation and training. These projects were for strengthening the department's capability to handle various issues in real time during the pandemic.

State Treasury Department - Successfully completed the supply, setup and installation of various equipment including Desktop computers, A3 Copiers, Switches, Printers, Software required for commissioning of 27 new offices in Karnataka. These are additional new offices commissioned to enable faster turnaround of relevant activities.





Enterprise Solutions Division

Your Company continues to implement various IT based projects for the government agencies, departments and institutions as in the past many years. Your company studies the customers infrastructure requirements, identifies pain points and accordingly designs and plans their It requirements which includes hardware and software comprising of client endpoints, servers, storage, networking, security, application software among others and ensures successful implementation for optimal performance.

Regional Transport Office, GoK – We have received work order for continuation of operations and maintenance of the Automated Driving Testing System and the same is work in progress. Additionally, received work order from KSRTC Hassan for setting up of infrastructure for automated periodic testing of driver skills. This is work in progress.

Karnataka State Road Transport Corporation – Successfully completed supply and installation of 500+ printers across various offices within Karnataka for internal use as well as for printing tickets. North West Karnataka Road Transport Corporation – Successfully completed supply and installation of 325 printers across all depots for internal and ticketing use. Bangalore International Airport Limited – Successfully providing maintenance services for the previously supplied P-gates.

Non-Government Segment – Successfully completed supply and installation of Laptops, Desktops, Workstations, Servers, Printers to few corporate, SMB and educational institutions.

CEREBRA MIDDLE EAST FZCO:

The pandemic has reduced the opportunities in the U.A.E. and your Company has been serving its existing customers in the service industry. CME's focus area for the financial year 2021-22 was in the service industry.

The Company has entered in to a Share Transfer Agreement dated 17th March 2022 with a potential purchase from a Company in Dubai for transfer of its entire holding of 86.5% in the subsidiary Company.

For and on behalf of Cerebra Integrated Technologies Limited

Date: 30th May, 2022

Place: Bangalore

V Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079

Vishwamurthy P
Whole Time Director
DIN: 01247336
Address: No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basaveshwaranagar
Bangalore-560 079

BUSINESS RESPONSIBILITY REPORT

[Regulation 34(2)(f)] of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **L85110KA1993PLC015091**
2. Name of the Company: **Cerebra Integrated Technologies Limited**
3. Registered address: **S5, Off 3rd Cross, Peenya Industrial Area, Peenya I Stage, Bangalore-560 058**
4. Website: www.cerebracomputers.com
5. E-mail id: investors@cerebracomputers.com
6. Financial Year reported: **2021-22**
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

| Sl. No. | NIC Code | Particulars |
|---------|----------|--|
| 1 | 46511/12 | Hardware including trading of Refurbished computer accessories |
| 2 | 38300 | E-waste Recycling |
| 3 | 26104 | Electronic Manufacturing Services |
| 4 | 62020 | Computer consultancy and computer facilities management activities |

8. List three key products/services that the Company manufactures/provides (as in Balance Sheet): **E-Waste Management and Trading of Computer Systems and Peripherals.**
9. Total number of locations where business activity is undertaken by the Company:
 - a. Number of International Locations (Provide details of major 5): **Nil**
 - b. Number of National Locations: **1 Plant and 1 Facility; Franchise model Stores across India**
10. Markets served by the Company – **Local, State, National and International**

SECTION B: FINANCIAL DETAILS OF THE COMPANY (as on 31st March, 2022)

1. Paid up Capital (INR): **Rs. 1,11,98,64,820/-**
2. Total Turnover (INR): **Rs. 2,31,07,68,000/-**
3. Total profit after taxes (INR): **Rs. 27,42,51,000/-**
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **0%**

During the financial year 2021-22, Rs. 20,70,213/- (Rupees Twenty Lakhs Seventy Thousand Two Hundred and Thirteen only) had to be spent towards Corporate Social Responsibility activities as specified in Schedule VII of the Companies Act, 2013.

However, the Company has not spent the CSR amount before the 31st March, 2022 and unspent amount is Rs. 20,70,213/- (Rupees Twenty Lakhs Seventy Thousand Two Hundred and Thirteen only).

The details of Expenditures on CSR activities are attached as Annexure V to this Report.

5. List of activities in which expenditure in 4 above has been incurred:
 - a. Educational Activities

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?: **Yes**
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s): **Yes. One**
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

The Company collaborates with all relevant stakeholders by sharing its Ethical Business Practices, Code of Conduct, Anti-Bribery Policy and Supplier Code of Conduct with its contract manufacturers, suppliers and other major third parties associated with the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
 - a. Details of the Directors/Directors responsible for implementation of the BR Policy/Policies:
 1. DIN Number: **01247305**
 2. Name: **Mr. V Ranganathan**
 3. Designation: **Managing Director**

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b. Details of the BR head:

| Sl. No. | Particulars | Details |
|---------|------------------|----------------------------|
| 1. | DIN Number | 01247305 |
| 2. | Name | Mr. V Ranganathan |
| 3. | Designation | Managing Director |
| 4. | Telephone Number | 1800-425-46969 |
| 5. | E-mail | ranga@cerebracomputers.com |

2. Principle-wise (as per NVGs) BR Policy/ Policies (Reply in Y/N) Principle:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine (9) areas of Business Responsibility as under:

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Product Lifecycle Sustainability [P2]

Principle 3: Employees Wellbeing [P3]

Principle 4: Stakeholder Engagement [P4]

Principle 5: Human Rights [P5]

Principle 6: Preservation of Environment [P6]

Principle 7: Responsible Advocacy [P7]

Principle 8: Inclusive Growth & Equitable Development [P8]

Principle 9: Customer Value [P9]

| Sl. No | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|--|--|----|----|----|----|----|----|----|----|
| 1 | Do you have a Policy/ Policies for | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the Policy being formulated in consultation with the relevant Stakeholders? | The Company has formulated the Policies and adopted the same in consultation with the relevant Stakeholders | | | | | | | | |
| 3 | Does the Policy confirm to any national/ international standards? If yes, specify? | Yes. The Policy/ Practice confirms to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs, Government of India, July 2011 and the Policies are compliant with the applicable laws as mapped against the principles mentioned in NVGs. | | | | | | | | |
| 4 | Has the Policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Yes. The Policies have been approved by the Board and signed by the Managing Director. | | | | | | | | |
| 5 | Does the Company have a specified committee of the Board /Director/ Official to oversee the implementation of the Policy? | Yes. The Company's officials/ respective departments are authorized to oversee the implementation of the Policies. | | | | | | | | |
| 6 | Indicate the link for the Policy to be viewed online? | https://cerebracomputers.com/pdf/Policies/Business-Responsibility-Policy.pdf | | | | | | | | |
| 7 | Has the Policy been formally communicated to all relevant Internal and External Stakeholders? | Yes. Internal Stakeholders are made aware of the Policies. External Stakeholders are communicated to the extent possible. | | | | | | | | |
| 8 | Does the Company have in-house structure to implement the Policy/ Policies. | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the Policy/ Policies to address Stakeholders' grievances related to the Policy/ Policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10 | Has the company carried out independent audit/ evaluation of the working of this Policy by an Internal or External Agency? | N | N | N | N | N | N | N | N | N |

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – **NOT APPLICABLE**.

| Sl. No | Questions | P | P | P | P | P | P | P | P | P |
|--------|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 5 | 6 | 7 | 8 |
| 1 | The company has not understood the Principles | | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

3. Governance related to BR

| | | |
|----|--|--|
| a) | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year | The Executive Directors of the Company periodically assess the BR Performance of the Company. |
| b) | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | The Company has published its first Business Responsibility Report for FY19-20. The same can be accessed on the website of the Company at www.cerebracomputers.com . The Company publishes the Business Responsibility Report on yearly basis. |

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle 1: Ethics, Transparency and Accountability

- Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
Yes. The Policy is applicable to the individuals working in the Company and its Subsidiaries.
- How many Stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
No such complaints received during the financial year. Hence not applicable.

Principle 2: Product Lifecycle Sustainability

- List up to 3 of your products whose design has incorporated social or environmental concerns, risks and/or opportunities. – **NA**
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
NA
- Does the Company have procedures in place for sustainable sourcing (including transportation)? – **NA**
- Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? – **Yes.**
a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
Yes. Working closely with the local and small vendors across all locations to encourage them.
- Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so: **Yes, the Company being in the business of E-waste recycling and refurbishment of IT Assets, we follow the principles of 3R i.e., Reduce, Reuse and Recycle.**

Principle 3: Employees Wellbeing

- Please indicate the Total number of employees. – **251 Employees as on 31st March, 2022**
- Please indicate the Total number of employees hired on temporary/contractual/casual basis: **Nil**
The Company hires contractual / casual labors, the Number of such casual / contractual labors varies from 10 and reaches to a

peak of 100 plus during the current year.

3. Please indicate the Number of permanent women employees – **54 women employees as on 31st March, 2022**
4. Please indicate the Number of permanent employees with disabilities – **Nil**
5. Do you have an employee association that is recognized by management – **No; The Company does not have union for the employees.**
6. What percentage of your permanent employees is Members of this recognized Employee Association? – **Not Applicable**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| SI. No. | Category | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
|---------|---|---|---|
| 1 | Child labour/forced labour/involuntary labour | NIL | Not Applicable |
| 2 | Sexual harassment | | |
| 3 | Discriminatory employment | | |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - a) Permanent Employees – **100%**
 - b) Permanent Women Employees – **100%**
 - c) Casual/Temporary/Contractual Employees – **Nil**
 - d) Employees with Disabilities - **Nil**

Principle 4: Stakeholder Engagement

1. Has the Company mapped its Internal and External Stakeholders? - **Yes**
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized Stakeholders:
All Stakeholders are equally significant and no one is considered as disadvantaged, vulnerable and marginalized.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized Stakeholders? If so, provide details thereof, in about 50 words or so. - **Not Applicable**

Principle 5: Human Rights

1. Does the Policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? – **No.**
2. How many Stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? – **NIL**

Principle 6: Preservation of Environment

1. Does the Policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others – **It extends to the Group and has to be adhered by all other stakeholders who do business with the Company.**
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. – **Not Applicable**
3. Does the Company identify and assess potential environmental risks? Y/N – **Not applicable**
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? – **No such mechanism. Hence not applicable.**
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. –
We are a recycling company and every effort is towards clean technology. We collect, dismantle, salvage and recycle all WEEE (Waste Electrical and Electronic Equipment) post EOL (end-of-life) to see that there is near zero landfill by segregating, plastics, ferrous& non-ferrous metals, other PGM metals, etc. The remaining is provided to TSDF facilities with whom we have agreements.
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported? –
Yes. The Emissions/Waste generated by the company is within the permissible limits.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. –
The Company has not received any show cause notice as at 31st March, 2022. Therefore, not applicable.

Principle 7: Responsible Advocacy

1. Is your Company a Member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with-**No.**
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) - **Not applicable.**

Principle 8: Inclusive Growth & Equitable Development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the Policy related to Principle 8? If yes details thereof.

Yes. The Company has Corporate Social Expenditure (CSR) Policy in line with the requirement of the Companies Act, 2013 (“Act”).

2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

No.

3. Have you done any impact assessment of your initiative?

The Company assess the impact of our CSR initiatives on regular basis.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Details of the CSR activities undertaken by the Company are provided as Annexure V to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Not applicable.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year? – **Nil**
2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes. The product information is displayed on the product label to the extent required by the applicable law.

3. Is there any case filed by any Stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?: **No**
4. Did your Company carry out any consumer survey/ consumer satisfaction trends? – **No.**

For and on behalf of Cerebra Integrated Technologies Limited

Date: 30th May, 2022

Place: Bangalore

**V Ranganathan
Managing Director
DIN: 01247305
Address: Brindavan 90, 3rd Cross,
Sri Venkateshwara Krupa Layout
West of Chord Road, Bangalore-560 079**

**Vishwamurthy P
Whole Time Director
DIN: 01247336
Address:No.: 22 A, 'VANASUMA'
3rd Stage, 4th Block,
Basaveshwaranagar
Bangalore-560 079**

Independent Auditor's Report

To the Members of M/s. Cerebra Integrated Technologies Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of M/s. Cerebra Integrated Technologies Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, the statement of Profit and Loss, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, Except for the effects of matters mentioned in the "Basis for Qualified Opinion" paragraph, these aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, changes in equity and its cash flows for the year ended on that date.

Basis of Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

- i. *The company has reported Rs.22.88 Crore as inventory held by the company as on 31.03.2022 which includes Rs.14.97 Crore being materials related to E Waste Division, for which we have not been provided with item wise details, movement of inventory during the year and basis for valuation. And, Due to the nature of inventory, we could not verify the quantity of the inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the quantity and value of inventory held by the E waste division as on 31.03.2022. In view of the above we are unable ascertain the correctness of the valuation of Inventory and ascertain its consequent impact, if any on the standalone Ind AS financial statements.*
- ii. *Loans (under Noncurrent assets) reported by the company includes Rs.5.94 Crore receivable from its subsidiary company and which is outstanding for more than 2 years. Also, the subsidiary company's auditors expressed concerns over the subsidiary company's ability to continue as going concern as the net worth of the company has been completely eroded. The company has not made any provision for expected loss of said advance and its investment in equity shares (book value of Rs.0.035 Crore) of the said subsidiary company. And hence, profit and Reserves reported in standalone Ind AS financial statements are over stated to the extent of Rs.5.97 Crore.*

Emphasis of Matter

We draw attention to the following matters in the standalone Ind AS financial statements wherein:

- The company has reported total receivables of Rs.189.09 crore (Ref Note No.13) out of which Rs.18.74 crore outstanding for more than 3 years, classified as undisputed trade receivables.
- The company has total Advances of Rs.85.28 Crore (Ref Note No.11) reported under "Other Non Current Assets" of the Standalone Balance Sheet which is due from overseas parties and are outstanding for more than 1 year, and which are subject to statutory compliances.

Our opinion on the standalone Ind AS financial Statement is not modified in respect of above matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|--|--|
| Trade receivables are recognised at their realisable value, which is the original invoiced amount less allowance for expected credit loss (if any). Valuation of trade receivables is a key audit matter in the audit due to the size of the trade receivable balance and the high level of management judgement used in determining the recover ability. | For trade receivables and the management's estimations for trade receivables recover ability, our key audit procedures included the following: <ul style="list-style-type: none"> • We obtained trade receivables balance confirmations for major parties; • We analysed the aging of trade receivables; and • We obtained a list of long outstanding receivables and assessed the recover ability of these through inquiry with management and by obtaining sufficient audit evidence to support the opinion. However, in few cases we are unable to obtain sufficient audit evidence and the same is reported in Empasis of Matter paragraph of this report |

Information Other than the standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon. Such other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action accordingly.

Responsibility of Management for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the specified under Section 133 of the Act.
- e. On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there are material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediary"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entity ("Funding Party"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities
 - (c) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (d) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013
3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

Place: Bangalore
Date: 30.05.2022

For **YCRJ & Associates**
Chartered Accountants,
FRN: 006927S
Yashavanth Khanderi
Partner
M.No: 029066
UDIN: 22029066AJXZOR5117

"Annexure A" to the Independent Auditors Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone Ind AS financial statements of the company for the year ended 31st March, 2022)

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we confirm that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.

- b. As per the information and explanation given us, all Property, Plant and Equipment, right-of-use assets and other Intangible assets have been physically verified by the management during the year. However, documents in support of physical verification has not been provided or our verification. Hence, we are unable to comment on the reasonability of physical verification and material discrepancies noticed if any.
- c. The title deeds of immovable properties are held in the name of the Company. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- d. As per the information and explanation given us the Company has not revalued any of its Property, Plant and Equipment (including right of-use assets).
- e. As per the information and explanation given us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.

- a. We have not been provided with the details of physical verification of inventory conducted by the company during the current financial year. Hence, we are unable to comment on the clause 3(ii)(a) of the order.
- b. The Company has been sanctioned with working capital limits in excess of ₹ 5 crore, in aggregate during the year, from banks on the basis of security of inventory and trade receivables quarterly returns or statements filed by the company with such banks are not in agreement with the books of account of the company, below are the details of the same :

INR in Crores

| Quarter Ended | Closing Stock as per Stock statement provided to Bank | Closing Stock as per Financials |
|---------------|---|---------------------------------|
| Jun 2021 | 6.05 | 21.85 |
| Sep 2021 | 8.57 | 9.83 |
| Dec 2021 | 10.65 | 23.89 |

- iii. According to the information and explanation given to us and based on our examination of records of the company, the Company has given interest free unsecured advances to parties covered in the register maintained under section 189 of the Companies Act, 2013. Which amounts to Rs.594 lakh as on 31.03.2022.
- a. According to the information and explanation given to us and based on audit procedures conducted by us, we are of the opinion that, the terms and conditions of the grant of such loans/advances are prima facie prejudicial to the interest of the company, as such loans/advances are interest free.
- b. We have been informed that, schedule of repayment is not fixed for these loans/advances, hence we are unable to comment on whether repayments or receipts are regular.
- c. As the schedule of repayment is not fixed for these loans/advances we are unable to comment on whether the amount is overdue and whether reasonable steps have been taken by the company.
- iv. As per the information provided and explanation given to us, there are no loans, investments, guarantees, and security under section 185 and 186 of the Companies Act 2013. Hence the provisions of clause 3(iv) of paragraph 3 of the Order are not applicable.
- 54
- v. As per the information provided and explanation given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable
- vi. We have been informed that maintenance of cost records under sub section (1) of section 148 of the companies Act 2013 and the rules made thereunder are not applicable relating to the operations of the company and hence the requirements of clause 3(vi) of the Order is not applicable.
- vii.
- a. As per the information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues including Goods and service tax, provident fund, income-tax, cess and other statutory dues to the appropriate authorities except for few delays. As explained to us, the company did not have any dues on account of employee's state insurance, duty of customs and duty of excise.

Annual Report 2021-2022

As per the information and explanations given to us, below are the details of undisputed amounts payable in respect of aforesaid dues were outstanding as on March 31, 2022 for a period of more than 6 months from the date they became payable.

| Statute | Nature of Due | Amount (Rs. In lakhs) | Period to which amount relates | Date of Payment Not Paid as on the |
|-------------------------|--|--------------------------|--------------------------------------|---------------------------------------|
| Income Tax Act 1961 | Income Tax | 9 | 2001-02 | Date of this Report |
| Income Tax Act 1961 | Income Tax | 1630.66 | 2018-19 | Date of this Report |
| Income Tax Act 1961 | Income Tax | 13.06 | 2017-18 | Date of this Report |
| Central Excise Act 1944 | Excise Duty | 28.09 | 2002-03 | Date of this Report |
| Goods and service Tax | Interest on reversal of GST input credit | 214.91 | 2018-19 | Date of this Report |

b. As per the information and explanations given to us, the following statutory dues have not been deposited on account of dispute:

| Statute | Nature of Due | Amount (Rs. In lakhs) | Period to which amount relates | Date of Payment Not Paid as on the |
|---------------------|---------------------------------------|--------------------------|--------------------------------------|---------------------------------------|
| Income Tax Act 1961 | Disallowance of Expenses | Rs.141.97 | FY 2017-18 | CIT (A),Bengaluru- 11 |
| Income Tax Act 1961 | Disallowance of Expenses | Rs.116.99 | FY 2018-19 | CIT (A),Bengaluru- 11 |
| Income Tax Act 1961 | Disallowance of Bad Debts Written off | Rs.987.39 | FY 2019-20 | CIT (A),Bengaluru- 11 |

viii. As per the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961). Hence, reporting under clause 3(viii) of the Order is not applicable.

ix.

- In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;
- Company is not declared wilful defaulter by any bank or financial institution or other lender;
- According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;
- According to the information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes;
- According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

vi. As per the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x) of the Order is not applicable.

xi.

- No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- As per the information and explanation given to us, the Company has not received any whistle blower complaints during the year.

- xii. The company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii. As per the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- a. Based on the draft internal audit report shared to us, we are of the opinion that, Company does not have an adequate internal audit system commensurate with the size and the nature of its business. And in our opinion scope, coverage and periodicity of the Internal Audit to be improved
 - b. We have relied on the draft Internal Audit report provided by the management and the same is considered in determining the nature, timing and extent of our audit procedures.
- xv. As per the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and also is not a core investment company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year and hence, reporting under clause 3(xvii) of the Order is not applicable.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and hence clause 3(xviii) is not applicable to the company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- a. As per the information and explanations given to us, the company has not complied with second proviso to sub-section (5) of Section 135 of the said Act.
 - b. As the company has not complied with the second proviso to sub-section (5) of Section 135 of the said Act, reporting under clause 3(xx)(b) of the Order is does not arise.

Place: Bangalore
Date: 30.05.2022

For **YCRJ & Associates**
Chartered Accountants,
FRN: 006927S

Yashavanth Khanderi
Partner
M.No: 029066
UDIN: 22029066AJXZOR5117

Page of "Annexure B" to the Independent Auditor's Report

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone financial statements of the company for the year ended 31st March, 2022)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s. Cerebra Integrated Technologies Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for

Annual Report 2021-2022

ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to information explanation provided to us and based on audit procedures conducted by us, the following material weakness has been identified as at March 31, 2022

The Company's internal financial control over placing purchase order, payment to vendor, processing of sales order, customer acceptance, credit evaluation is inadequate and not commensurate with the size of operation and nature of activity.

The Company's internal financial control over selection of vendors, payment to vendor in case of capital expenses is inadequate and not commensurate with the size of operation and nature of activity.

The Company's internal financial control over payment of advances for supplies, services and capital assets were not operating effectively, which could potentially result in impact on recognition of expenses.

The Company's internal financial control over recovery of trade receivables were not operating effectively, which could potentially result in credit losses.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim Standalone Ind AS financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, an adequate internal financial controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022, Standalone financial statements of the Company, and the material weakness do not affect our opinion on the Standalone financial statements of the Company.

For **YCRJ & Associates**

Chartered Accountants,

FRN: 006927S

Yashavanth Khanderi

Partner

M.No: 029066

UDIN:22029066AJXZOR5117

Place: Bangalore

Date:30.05.2022

Cerebra Integrated Technologies Limited

Standalone Balance Sheet for the year ended 31st March 2022

| | | INR in Lakhs | |
|---|---------|----------------------------------|----------------------------------|
| Particulars | Note No | For the year ended on 31/03/2022 | For the year ended on 31/03/2021 |
| Assets | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment | 3 | 959.05 | 957.67 |
| (b) Capital work-in-progress | 4 | 290.91 | 733.97 |
| (c) Other Intangible asset | 5 | 28.19 | 27.81 |
| (d) Financial Assets | | | |
| i) Investments | 6 | 26.89 | 359.44 |
| ii) Trade receivables | 7 | 6,056.75 | 6,056.75 |
| iii) Loans | 8 | 594.12 | 593.98 |
| iv) Other financial assets | 9 | 34.25 | 314.06 |
| (e) Deferred tax assets(Net) | 10 | 53.95 | 66.78 |
| (i) Other non current assets | 11 | 9,370.21 | 9,642.13 |
| Total Non-current asset | | 17,414.32 | 18,752.58 |
| (2) Current assets | | | |
| (a) Inventories | 12 | 2,287.75 | 2,544.69 |
| (b) Financial assets | | | |
| i) Trade receivables | 13 | 18,908.81 | 7,173.44 |
| ii) Cash and cash equivalents | 14 | 39.52 | 13.69 |
| iii) Bank balances other than (ii) above | 15 | 187.13 | 514.24 |
| iv) Loans | 16 | - | 387.52 |
| (c) Other current assets | 17 | 4,262.57 | 49.66 |
| Total Current assets | | 25,685.77 | 10,683.24 |
| Total assets | | 43,100.09 | 29,435.82 |
| Equity and liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 18 | 11,198.65 | 12,118.64 |
| (b) Other equity | 19 | 15,086.68 | 11,424.42 |
| Total Equity | | 26,285.33 | 23,543.06 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 20 | 3.31 | 8.77 |
| (b) Provisions | 21 | 56.10 | 38.82 |
| Total Non-current liabilities | | 59.41 | 47.59 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 22 | 3,242.40 | 1,161.93 |
| (ii) Trade payable | | | |
| a) Total outstanding dues of micro enterprise and small enterprise | 23 | 9.61 | 11.30 |
| b) Total outstanding dues of creditors other than micro enterprise and small enterprise | 23 | 8775.35 | 2014.90 |
| (iii) Other financial liabilities | 24 | 219.78 | 294.47 |
| (b) Other current liabilities | 25 | 1,111.22 | 619.65 |
| (C) Provisions | 26 | 6.15 | 42.21 |
| (d) Current tax liabilities (Net) | 27 | 3,290.84 | 1,700.70 |
| Total Current liabilities | | 16,755.35 | 5,845.17 |
| Total equity and liabilities | | 43,100.09 | 29,435.82 |

See accompanying notes to financial statements

1 to 46

As per our attached report of even date

For and on behalf of the Board

For Y C R J & Associates

Chartered Accountants

Yashvanth Khanderi

Partner

M. No: 029066

Firm Reg. No: 006927S

V Ranganathan

Managing Director

DIN : 01247305

P Vishwamurthy

Whole Time Director

DIN : 01247336

H S Venkatesh

Chief Financial Officer

Maitri Chatterjee

Company Secretary

M. No. : A57375

Place : Bengaluru

Dated: 30th May 2022

UDIN : 22029066AJXZOR5117

Cerebra Integrated Technologies Limited
Standalone Statement of Profit or loss for the Year Ended 31st March 2022

INR in Lakhs

| Particulars | Note No | For the Year ended 31.03.2022 | For the Year ended 31-03-2021 |
|---|---------|----------------------------------|----------------------------------|
| Income | | | |
| Revenue from operations | 28 | 23,107.67 | 6,390.19 |
| Other income | 29 | 479.73 | 14.74 |
| Total Income | | 23,587.40 | 6,404.93 |
| Expenses | | | |
| Cost of Material consumed | 30 | 17,190.50 | 3,934.64 |
| Employee benefits expense | 31 | 918.81 | 754.87 |
| Finance costs | 32 | 624.96 | 402.53 |
| Depreciation and amortisation expense | 3 & 5 | 42.82 | 37.56 |
| Other Expenses | 33 | 762.23 | 544.24 |
| Total Expenses | | 19,539.32 | 5,673.84 |
| Profit before exceptional items and tax | | 4,048.08 | 731.09 |
| Exceptional Item | | - | - |
| Profit before tax | | 4,048.08 | 731.09 |
| Income tax Expenses | | | |
| a) Current tax | | 1,292.77 | 272.26 |
| b) Prior Period Tax Expenses | | - | - |
| b) Deferred tax | | 12.83 | -4.07 |
| Total tax expenses | | 1,305.60 | 268.19 |
| Profit for the year | | 2,742.48 | 462.89 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | 34 | -0.22 | 0.03 |
| Income Tax relating to above | | - | 0.01 |
| Total other comprehensive Income | | 0.22 | 0.02 |
| Total Comprehensive Income | | 2,742.26 | 462.91 |
| Earnings per equity share of Rs 10/ each | | | |
| Basic | | 2.45 | 0.38 |
| Diluted | | 2.31 | 0.38 |

See accompanying notes to financial statements

1 to 46

As per our attached report of even date

For and on behalf of the Board

For Y C R J & Associates

Chartered Accountants

Yashvanth Khanderi
Partner
M. No: 029066
Firm Reg. No: 006927S

V Ranganathan
Managing Director
DIN : 01247305

P Vishwamurthy
Whole Time Director
DIN : 01247336

H S Venkatesh
Chief Financial Officer

Maitri Chatterjee
Company Secretary
M. No. : A57375

Place : Bengaluru
Dated: 30th May 2022
UDIN : 22029066AJXZOR5117

Cerebra Integrated Technologies Limited

Standalone Cash flow Statement for the Year Ended 31st March 2022

INR in Lakhs

| Particulars | 2021-22 | | 2020-21 | |
|--|------------|------------------|-----------|------------------|
| | | | | |
| A. Cashflow from operating activities | | | | |
| Net profit before tax | | 4,048.08 | | 730.64 |
| Adjustments for: | | | | |
| Depreciation(net) | 42.82 | | 37.56 | |
| Interest expenditure | 624.96 | | 402.98 | |
| Interest income | -12.08 | | -34.29 | |
| Excess provision/unclaimed credit withdrawn | - | | -1.34 | |
| Trade receivables written off | 0.76 | | - | |
| Provision for impairment in Investment / Loan in subsidiary | - | | - | |
| Income tax provision | - | | - | |
| Dividend Income | - | | -1.66 | |
| Adjustment for unrealised foreign exchange loss / gains | - | | - | |
| | 345.55 | 1002.01 | - | 403.24 |
| Operating profit/(Loss)before working capital changes | | 5050.09 | | 1,133.88 |
| Adjustments for changes in : | | | | |
| Decrease/(increase) in inventories | 256.94 | | -1,388.10 | |
| Decrease/(increase) in trade & other receivable | -14,595.48 | | 6,148.58 | |
| Decrease/(increase) in trade & other payables | 7,554.44 | | -6,205.69 | |
| | | -6,784.10 | | -1,445.21 |
| Cash generated from operations | | -1,734.01 | | -311.33 |
| Less: Income tax paid(net of refund) | | - | | 269.24 |
| Net cashflow from operating activities | | -1,734.01 | | -580.57 |
| B.Cashflow from investing activities | | | | |
| Interest income | 12.08 | | 34.29 | |
| Investment in Subsidiary | - | | 0.01 | |
| Investment in fixed deposits | - | | 3.00 | |
| Redemption /(Investment) in mutual funds(Net) | -1.02 | | -1.52 | |
| Purchase of fixed assets including capital WIP | -27.96 | | -766.34 | |
| Net cash flow from financing activities | | -16.90 | | -730.56 |
| C.Cashflow from Financing activities | | | | |
| Increase(decrease) in borrowings | 656.62 | | -4.64 | |
| Increase in Fixed Deposites | 327.11 | | - | |
| Amount received towards share capital, security premium and share warrants | - | | - | |
| Interest paid | -625.40 | | -402.96 | |
| Net cash flow from financing activities | | 358.33 | | -407.60 |
| Net increase/(Decrease)in Cash & Cash equivalents(A+B+C) | - | 1392.57 | | -1,718.73 |
| Cash &Cash equivalents | | | | |
| Opening balance | | -954.31 | | 764.42 |
| Closing balance | | -2,346.88 | | -954.31 |
| Net increase/Decrease in cash and cash equivalents | | -1,392.57 | | -1,718.73 |

See accompanying notes to Financial Statements

As per our attached report of even date

For Y C R J & Associates
Chartered AccountantsYashvanth Khanderi
Partner
M. No: 029066
Firm Reg. No: 006927SV Ranganathan
Managing Director
DIN : 01247305P Vishwamurthy
Whole Time Director
DIN : 01247336

For and on behalf of the Board

H S Venkatesh
Chief Financial OfficerMaitri Chatterjee
Company Secretary
M. No. : A57375Place : Bengaluru
Dated: 30th May 2022
UDIN : 22029066AJXZOR5117

Cerebra Integrated Technologies Limited

Standalone Statement of Changes In Equity

A) Equity Share Capital

INR In Lakhs

| Equity shares of INR 10 each issued, subscribed and fully paid | Number | INR in Lakhs |
|--|---------------------|------------------|
| On 1st April 2019 | 12,11,86,482 | 12,118.65 |
| Issue during the year | - | - |
| On 31st March 2020 | 12,11,86,482 | 12,118.65 |
| Issue during the year | - | - |
| Balance at March 31,2021 | 12,11,86,482 | 12,118.65 |
| Issue during the year | - | - |
| Forfeited during the year | 92,00,000 | 920.00 |
| Balance at March 31,2022 | 11,19,86,482 | 11,198.65 |

B) Other equity

(1) Current reporting period

INR In Lakhs

| | Capital Reserve | Securities Premium | Other Reserves General Reserve) | Statement of Profit & Loss | Revaluation Surplus | Other items of Other Comprehensive Income (specify nature) | Total |
|--|-----------------|--------------------|---------------------------------|----------------------------|---------------------|--|------------------|
| Balance at the beginning of the current reporting period | 677.79 | 9,736.37 | - | 1,010.64 | - | -0.38 | 11,424.42 |
| Total Comprehensive Income for the current year | - | - | - | 2,742.48 | - | -0.22 | 2,742.26 |
| Forfeiture of shares | 920.00 | - | - | - | - | - | 920.00 |
| Premium relating to forfeiture of shares | 690.00 | -690.00 | - | - | - | - | - |
| Balance at the end of the current reporting period | 2,287.79 | 9,046.37 | - | 3,753.12 | - | -0.60 | 15,086.68 |

(2) Previous reporting period

| | Capital Reserve | Securities Premium | Other Reserves General Reserve) | Statement of Profit & Loss | Revaluation Surplus | Other items of Other Comprehensive Income (specify nature) | Total |
|--|-----------------|--------------------|---------------------------------|----------------------------|---------------------|--|------------------|
| Balance at the beginning of the current reporting period | 677.79 | 9,736.37 | - | 548.20 | - | -0.40 | 10,961.96 |
| Total Comprehensive Income for the current year | - | - | - | 462.44 | - | 0.02 | 462.46 |
| Balance at the end of the current reporting period | 677.79 | 9,736.37 | - | 1,010.64 | - | -0.38 | 11,424.42 |

Yashvanth Khanderi
Partner
M. No: 029066
Firm Reg. No: 006927S

V Ranganathan
Managing Director
DIN : 01247305

P Vishwamurthy
Whole Time Director
DIN : 01247336

H S Venkatesh
Chief Financial Officer

Maitri Chatterjee
Company Secretary
M. No. : A57375

Place : Bengaluru
Dated: 30th May 2022
UDIN : 22029066AJXZOR5117

Note 1: Corporate Information

Cerebra Integrated Technologies Limited is a public limited Company, incorporated in India having its Registered Office at S-5, Off 3rd Cross, Peenya Industrial Area, Peenya 1st Stage Bangalore - 560 058. The Company is engaged in the business of e-waste recycling, refining and refurbishment, electronic manufacturing services and IT infrastructure management. The financial statements for the year ended 31st March, 2022 were approved by the Board of Directors and authorised for issue on 30th May, 2022.

Note 2: Basis of Preparation, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements.

A. Basis of preparation:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

B. Convention:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

C. Critical accounting estimates and judgements:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- i. **Useful lives of property, plant, equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant & equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change of depreciation expense in future periods.
- ii. **Impairment testing:** Property, plant, equipment & Intangible assets that are subject to amortisation/depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- iii. **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- iv. **Income Tax:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.
- v. **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- vi. **Fair value measurement of financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

D. Significant Accounting Policies

1. Revenue Recognition:

(i) Income from operations:

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts. Revenue from rendering of the service is recognised provided pervasive evidence of an arrangement exists, rates are fixed or are determinable and collect ability is reasonably certain

(ii) Interest income:

Interest income is accrued on a time proportion basis using the effective interest rate method.

(iii) Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

2. Employee Benefits.

(i) Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner.

(ii) Gratuity Fund

The Employee Payment of Gratuity Act, provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as in the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

(iii) Compensated Absences

Liability for compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation.

(iv) Short Term Obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services.

3. Property, Plant and Equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. All property, plant and equipment are initially recorded at cost. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Cost initially recognised includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The asset's useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant & equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant & equipment is determined as the difference between the sales proceeds & the carrying amount of the asset & is recognized in the Statement of Profit & Loss.

Capital work in progress represents projects under which the property, plant & equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

4. Intangible Assets:

Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible Assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, & are recognized in the Statement of Profit and Loss when the asset is derecognized.

5. Impairment of assets:

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

6. Foreign Currency Translation:

(i) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

7. Assets taken on lease:

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company and the agreement is for a period of less than twelve months is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

8. Inventories:

Inventories are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost in e - waste division is allocated to service income and sale of products generated from processing in proportion to estimated revenue. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Also refer Note 10

9. Income Taxes and Deferred Taxes:

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

10. Provisions and contingent liabilities:

Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Company created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where reliable estimate of the obligation cannot be made.

11. Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

12. Statement of Cash Flows:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

13. Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the delusive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

14. Exceptional items:

The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, exchange gain/ loss on long term borrowings / assets and changes in fair value of derivative contracts.

15. Financial Instruments:

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Classification:

Cash and Cash Equivalents — Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with an original maturity of three months or less from the date of acquisition, highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Debt Instruments - The Company classifies its debt instruments (a) as subsequently measured at amortised cost or (b) fair value through Other Comprehensive Income or (c) fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest.

Movements in the carrying value are taken through Other Comprehensive income, except for the' recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

16. Accounting of Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Recent accounting pronouncements:

On 24th July 2020, the Ministry of Corporate Affairs (MCA) has notified amendments to Accounting Standards 1, 8, 10, 37, 103, 107, 109 and 116 by way of Companies (Indian Accounting Standards) Amendment Rules, 2020 which is applicable with effect from 1st April, 2020.

These amendments have been made keeping in view the current business environment caused by the pandemic. COVID-19 has not only affected the health of people across the globe it has also caused severe disturbances in the global economic environment which has consequential impact on financial statements and reporting.

The Company is currently evaluating the impact on account of the above amendment and is of the opinion that it may not have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Cerebra Integrated Technologies Limited
Notes to accounts for the year ended March 31, 2022

3 Property, Plant & Equipment (PPE)

All amounts are in INR, unless otherwise stated

| Particulars | Gross block | | | | | |
|------------------------------|-------------------------------------|---------------------------|--|---|--------------------------|--------------------------------------|
| | Opening balance as at April 1, 2021 | Additions during the year | Acquisitions through business combinations | Revaluation (if the change is more than 10% of net carrying value) (Refer Note below) | Disposals/ Adjust -ments | Closing balance as at March 31, 2022 |
| Own assets | | | | | | |
| (a) Land | 513.90 | - | - | - | - | 513.90 |
| (b) Building | 345.39 | 17.21 | - | - | - | 362.60 |
| (C) Plant and equipment | 93.54 | 4.97 | - | - | - | 98.51 |
| (d) Furniture and fixtures | 17.07 | 6.83 | - | - | - | 23.90 |
| (e) Vehicles | 33.91 | - | - | - | - | 33.91 |
| (f) Office equipment | 17.52 | 3.71 | - | - | - | 21.23 |
| (g) Computers | 10.85 | 5.96 | - | - | - | 16.81 |
| (h) Electrical Installations | 44.86 | - | - | - | - | 44.86 |
| (I) Leasehold improvements | - | - | - | - | - | - |
| Total | 1077.04 | 38.68 | - | - | - | 1115.72 |

Note: To disclose whether the revaluation is based on the valuation by a registered valuer as defined under Rule 2 of the Companies (registered valuers and valuation) Rules, 2017

| | | | | | | |
|--------------------|--------|---------|---|-------|---------|--------|
| CAPITAL WIP | 733.97 | 2681.83 | - | 16.62 | 3108.27 | 290.91 |
|--------------------|--------|---------|---|-------|---------|--------|

| | Accumulated depreciation | | | | | Net block | |
|------------------------------|-------------------------------------|---------------------|-------------------------|---------------------------------|--------------------------------------|----------------------|----------------------|
| | Opening balance as at April 1, 2021 | Charge for the year | Deletions / Adjustments | Impairment (losses) / reversals | Closing balance as at March 31, 2022 | as at March 31, 2022 | as at March 31, 2021 |
| (a) Land | - | - | - | - | 0.00 | 513.90 | 513.90 |
| (b) Building | 36.60 | 10.59 | - | - | 47.19 | 315.41 | 308.79 |
| (C) Plant and equipment | 22.70 | 8.56 | - | - | 31.26 | 7.25 | 70.84 |
| (d) Furniture and fixtures | 3.66 | 2.66 | - | - | 6.32 | 7.58 | 13.41 |
| (e) Vehicles | 18.94 | 5.39 | - | - | 24.33 | 9.58 | 14.97 |
| (f) Office equipment | 11.06 | 3.43 | - | - | 14.49 | 6.74 | 6.46 |
| (g) Computers | 8.71 | 2.18 | - | - | 10.89 | 5.92 | 2.14 |
| (h) Electrical Installations | 17.70 | 4.49 | - | - | 22.19 | 22.67 | 27.16 |
| (I) Leasehold improvements | - | - | - | - | - | - | - |
| Total | 119.37 | 37.30 | - | - | 156.67 | 959.05 | 957.67 |

| | | | | | | |
|---|---|---|---|---|--------|--------|
| - | - | - | - | - | 290.91 | 733.97 |
|---|---|---|---|---|--------|--------|

Annual Report 2021-2022

4A CWIP Ageing Schedule

As at march 31, 2022

| Capital Work-in-progress | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|--------------|----------|-------------------|---------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in progress | 236.60 | 54.31 | - | - | 290.91 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 236.60 | 54.31 | - | - | 290.91 |

As at march 31, 2021

| Capital Work-in-progress | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|----------|----------|-------------------|---------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in progress | 724.89 | - | - | 9.06 | 733.95 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 724.89 | - | - | 9.06 | 733.95 |

4B Details of Capital Work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

As at March 31, 2022

| CWIP | To be completed in | | | | Total |
|--------------|--------------------|----------|----------|-------------------|----------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects 1 | - | - | - | - | - |
| Projects 2 | - | - | - | - | - |
| Total | - | - | - | - | - |

As at March 31, 2021

| CWIP | To be completed in | | | | Total |
|--------------|--------------------|----------|----------|-------------------|----------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects 1 | - | - | - | - | - |
| Projects 2 | - | - | - | - | - |
| Total | - | - | - | - | - |

5 Other Intangible Assets

| Particulars | Gross block | | | | | |
|-------------------------------------|-------------------------------------|---------------------------|--|---|--------------------------|--------------------------------------|
| | Opening balance as at April 1, 2021 | Additions during the year | Acquisitions through business combinations | Revaluation (if the change is more than 10% of net carrying value) (Refer Note below) | Disposals/ Adjust -ments | Closing balance as at March 31, 2022 |
| (a) Brands / Trademarks | - | - | - | - | - | - |
| (b) Computer Software | 34.62 | 5.90 | - | - | - | - |
| (c) Mastheads and Publishing Titles | - | - | - | - | - | - |
| (d) Mining Rights | - | - | - | - | - | - |
| (e) Copyrights and Patents | - | - | - | - | - | - |

| | | | | | | |
|---|---------------|-------------|-------------|-------------|-------------|--------------|
| (f) Other Intellectual Property Rights, Services and Operating Rights | - | - | - | - | - | - |
| (g) Recipes, Formualae, Models, Designs and Prototypes | - | - | - | - | - | - |
| (h) Licenses and Franchise | - | - | - | - | - | - |
| (l) Others | - | - | - | - | - | - |
| Total | 134.62 | 5.90 | 0.00 | 0.00 | 0.00 | 40.52 |

| | Accumulated depreciation | | | | | Net block | |
|---|-------------------------------------|---------------------|-------------------------|---------------------------------|--------------------------------------|----------------------|----------------------|
| | Opening balance as at April 1, 2021 | Charge for the year | Deletions / Adjustments | Impairment (losses) / reversals | Closing balance as at March 31, 2022 | as at March 31, 2022 | as at March 31, 2021 |
| (a) Brands / Trademarks | - | - | - | - | - | - | - |
| (b) Computer Software | 6.81 | 5.52 | - | - | 12.33 | 28.19 | 27.81 |
| (C) Mastheads and Publishing Titles | - | - | - | - | - | - | - |
| (d) Mining Rights | - | - | - | - | - | - | - |
| (e) Copyrights and Patents | - | - | - | - | - | - | - |
| (f) Other Intellectual Property Rights, Services and Operating Rights | - | - | - | - | - | - | - |
| (g) Recipes, Formualae, Models, Designs and Prototypes | - | - | - | - | - | - | - |
| (h) Licenses and Franchise | - | - | - | - | - | - | - |
| (l) Others | - | - | - | - | - | - | - |
| Total | 6.81 | 5.52 | - | - | 12.33 | 28.19 | 27.81 |

Note - Where sums have been written-off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets, every balance sheet subsequent to date of such write-off, or addition shall show the reduced or increased figures as applicable and shall by way of a note also show the amount of the reduction or increase as applicable together with the date thereof for the first five years subsequent to the date of such reduction or increase.

Note: To disclose whether the revaluation is based on the valuation by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017

Cerebra Integrated Technologies Limited

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

INR in Lakhs

| Note No. | Particulars | As at 31st March 2022 | As at 31st March 2021 |
|-----------|---|--------------------------|--------------------------|
| 6 | Investment | | |
| | Unquoted Equity Shares | | |
| i) | Investment in Subsidiaries | | |
| a) | Cerebra LPO India Limited | 3.50 | 3.50 |
| b) | Cerebra Middle East FZCO | - | 333.56 |
| | Total | 3.50 | 337.06 |
| | Quoted Mutual Funds | | |
| | HDFC Short Term Opportunities Fund- (units are 1,15,986 (31.03.2021 units are 1,11,350.59)) | 11.85 | 11.33 |
| | CICI Prudential Mutual Fund (units are 1,00,610 (31.03.2021 units are 96,899.16)) | 10.17 | 9.73 |
| | Nippon India Prime Debt Fund (units are 8,064 (31.03.2020 units are 7,700.55))* | 1.37 | 1.31 |
| | Total | 23.39 | 22.37 |
| | Total | 26.89 | 359.44 |
| | Aggregate value of Quoted Investments | 23.39 | 22.37 |
| | Market value of Quoted Investments | 23.39 | 22.37 |
| | Aggregate value of Unquoted Investments at face value | 3.50 | 337.06 |
| | * Previously known as Reliance India Prime Debt Fund | | |
| 7. | Trade Receivables- Non Current | | |
| | Trade Receivables considered good- secured | | |
| | Trade Receivables considered good- unsecured | 6,056.75 | 6,056.75 |
| | Trade Receivables unsecured- considered doubtful | - | - |
| | Trade Receivables which have significant increase in credit risk | - | - |
| | Trade Receivables - Credit Impaired | - | - |
| | Sub Total | 6,056.75 | 6,056.75 |
| | Less: Allowance for Doubtful Trade Receivables | - | - |
| | Total | 6,056.75 | 6,056.75 |

Trade receivables of Rs. 6,056.76 lakhs are relating to retention money of the parties which are unsecured and as per company it is receivable in long run.

2021-22

| SI No. | Particulars | Not due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
|--------|--|---------|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
| (a) | Undisputed Trade Receivables- considered good | - | - | - | - | - | 6,056.75 | 6,056.75 |
| (c) | Undisputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (d) | Undisputed Trade Receivables-credit impaired | - | - | - | - | - | - | - |
| (e) | Disputed Trade Receivables- considered good | - | - | - | - | - | - | - |
| (g) | Disputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (h) | Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | 6,056.75 | 6,056.75 |

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

2020-21

| SI No. | Particulars | Not due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
|--------|--|---------|--------------------|-------------------|-----------|-----------------|-------------------|-----------------|
| (a) | Undisputed Trade Receivables-considered good | - | - | - | - | 6,056.75 | - | 6,056.75 |
| (c) | Undisputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (d) | Undisputed Trade Receivables-credit impaired | - | - | - | - | - | - | - |
| (e) | Disputed Trade Receivables-considered good | - | - | - | - | - | - | - |
| (g) | Disputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (h) | Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| | Total | - | - | - | - | 6,056.75 | - | 6,056.75 |

INR in Lakhs

| Note No. | Particulars | As at 31 st March 2022 | As at 31 st March 2021 |
|-----------|---|-----------------------------------|-----------------------------------|
| 8 | Loans | | |
| | Loans to Related party- Subsidiary | 594.12 | 593.98 |
| | Other Loans | - | - |
| | Less: Provision for Impairment | - | - |
| | Net Advances to subsidiary | 594.12 | 593.98 |
| | Total | 594.12 | 593.98 |
| | Break-up: | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | - | - |
| | Credit Impaired | 594.12 | 593.98 |
| | Total | 594.12 | 593.98 |
| | Less: Allowance for Doubtful Loans | | - |
| | Total Loans and Advances | 594.12 | 593.98 |
| 9 | Other Financial Assets | | |
| | Security Deposits | 15.85 | 30.09 |
| | EMD | 15.49 | 276.90 |
| | Interest accrued but not due on deposits | 2.91 | 7.07 |
| | Total | 34.25 | 314.06 |
| 10 | Deferred Assets (Net) | | |
| | On account of fixed assets | - | - |
| | On account of temporary disallowances under Income Tax | 53.95 | 66.78 |
| | Total | 53.95 | 66.78 |
| 11 | Other Non Current Assets | | |
| | Capital advances | | |
| | - to subsidiary | - | 8,028.20 |
| | - to others * | 840.43 | 1,354.40 |
| | Advances other than capital advances - to others (Refer note no.36.2) | 8,528.12 | - |
| | Others | 1.65 | 259.53 |
| | Total | 9,370.21 | 9,642.13 |

* Capital Advances to others represent advances given to parties for the purchase of property in Chennai.

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

INR in Lakhs

| Note No. | Particulars | As at 31 st March 2022 | As at 31 st March 2021 |
|--------------------------------------|--|-----------------------------------|-----------------------------------|
| 12 Inventories | | | |
| | Raw materials | - | - |
| | Work-in-progress | - | 1,336.24 |
| | Stock in trade | 2,287.75 | 1,208.45 |
| | Total | 2,287.75 | 2,544.69 |
| 13 Trade Receivables: Current | | | |
| | Trade Receivables considered good - Secured | - | - |
| | Trade Receivables considered good -Unsecured | 18,908.87 | 7,173.44 |
| | Trade Receivables which have significant increase in credit risk | - | - |
| | Trade Receivables - Credit Impaired | - | - |
| | Sub Total | 18,908.87 | 7,173.44 |
| | Less: Allowance for Doubtful Trade Receivables | - | - |
| | Total | 18,908.87 | 7,173.44 |

2021-22

| SI No. | Particulars | Not due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
|--------|--|----------|--------------------|-------------------|-----------------|---------------|-------------------|------------------|
| (a) | Undisputed Trade Receivables-considered good | - | 10,041.92 | 4,235.57 | 2,436.86 | 319.86 | 1,874.66 | 18,908.87 |
| (c) | Undisputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (d) | Undisputed Trade Receivables-credit impaired | - | - | - | - | - | - | - |
| (e) | Disputed Trade Receivables-considered good | - | - | - | - | - | - | - |
| (g) | Disputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (h) | Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| | Total | - | 10,041.92 | 4,235.57 | 2,436.86 | 319.86 | 1,874.66 | 18,908.87 |

2020-21

| SI No. | Particulars | Not due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
|--------|--|----------|--------------------|-------------------|---------------|---------------|-------------------|-----------------|
| (a) | Undisputed Trade Receivables-considered good | - | 4,528.00 | 169.26 | 376.10 | 611.54 | 1,488.53 | 7,173.44 |
| (c) | Undisputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (d) | Undisputed Trade Receivables-credit impaired | - | - | - | - | - | - | - |
| (e) | Disputed Trade Receivables-considered good | - | - | - | - | - | - | - |
| (g) | Disputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (h) | Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| | Total | - | 4,528.00 | 169.26 | 376.10 | 611.54 | 1,488.53 | 7,173.44 |

| | | INR in Lakhs | |
|------------|--|--------------------------|--------------------------|
| Note No. | Particulars | As at 31st March 2022 | As at 31st March 2021 |
| 14 | Cash and Cash Equivalents | | |
| | A) Balances with Banks | | |
| | i) In Current account with scheduled bank | 29.22 | 10.29 |
| | ii) In Foreign currency with foreign bank | - | - |
| | B) Cash in hand | | |
| | i) In Indian rupee | 8.28 | 1.37 |
| | ii) In Foreign currency | 2.02 | 2.03 |
| | Total | 39.52 | 13.69 |
| 15 | Bank balances (other than Note 14 above) | | |
| | In deposits with scheduled bank (with maturity of more than three month)* | 187.13 | 514.24 |
| | Total | 187.13 | 514.24 |
| | * Deposits with the banks are pledged to a bank as a security against guarantee issued by them on behalf of the Company. | | |
| 16 | Loans | | |
| | Loans to subsidiaries | - | 387.52 |
| | Total | - | 387.52 |
| | Break-up: | | |
| | Loans considered good - Secured | - | - |
| | Loans considered good - Unsecured | - | 387.52 |
| | Loans which have significant increase in credit risk | - | - |
| | Loans - credit impaired | - | - |
| | Total | - | 387.52 |
| | Less: Allowance for Doubtful Loans | - | - |
| | Total | - | 387.52 |
| 17 | Other current assets | | |
| | Prepaid expenses | 8.32 | 8.42 |
| | Unbilled Revenue | 4.18 | 15.37 |
| | Advance to suppliers | 2,688.81 | - |
| | Advance to employees | - | 1.35 |
| | Receivable-Sale of Dubai subsidiary | 1,500.00 | - |
| | Balance with statutory/ government authorities | 61.26 | 24.51 |
| | Total | 4,262.57 | 49.66 |
| 18. | Other Equity (Please Refer Page No. 77) | | |
| 19 | Particulars | 2021-22 | 2020-21 |
| | i) Capital reserve | | |
| | Balance as per last financial statement | 677.79 | 677.79 |
| | Add: Forfeiture of shares | 920.00 | |
| | Add: Security premium relating to Forfeiture of shares | 690.00 | - |
| | Balance as on balance sheet date | 2,287.79 | 677.79 |
| | ii) Security premium | | |
| | Balance as per last financial Statement | 9,736.37 | 9,736.37 |
| | Less:- Premium relating to Forfeiture of shares | 690.00 | - |
| | Balance as on balance sheet date | 9,046.37 | 9,736.37 |

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| | | |
|---|------------------|------------------|
| iii) Surplus | | |
| Balance as per last financial Statement | 1,010.64 | 548.20 |
| Add:- Profit for the year | 2,742.48 | 462.44 |
| Balance as on balance sheet date | 3,753.12 | 1,010.64 |
| iv) Other Comprehensive Income | | |
| Balance as per last financial Statement | -0.38 | -0.40 |
| Add:- For the year | -0.22 | 0.02 |
| Balance as on balance sheet date | -0.60 | -0.38 |
| v) Application money received towards share warrents* | - | |
| Total | 15,086.68 | 11,424.42 |

*During the Financial year 2017-18 the company had issued 53 Lakhs share warrants to the promoters of the company at Rs. 40 Per share. The company has received Rs. 10 (25%) against the same on 28th April 2017. Such warrants had to be convertible into one equity share at any time within a period of 18 Months from the date of allotment of such warrents. Balance 75% (i.e.Rs.30) had to be paid before the date of subscription to equity shares. On expiry of the said period of 18 months only 8 lakh share warra nts had been converted in to equity shares by payment of Rs. 30 per share and the balance amount of Rs. 450 lakhs received has been forfeited and the same has been treated as capital reserve.

Capital Reserve: Capital reserve represents share and share warrants forfeited. Capital Reserve is utilised in accordance with the provisions of the Act. During the year, the Company has received the approval for reduction of Share capital of 92,00,000 shares Rs. 10 each. Accordingly, Rs. 9,20,00,000 has been reduced from Share Capital and included in Capital Reserve.

Security Premium: Securities Premium is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

Retained Earnings/Surplus: Surplus is created out of the profits generated. The same can be utilised in accordance with the provisions of the Act to distribute among the shareholders by way of dividend or by way of issue of bonus shares etc after setting off accumulated loss.

| | | |
|---|-------------|---------------|
| 20 Borrowings (Non Current) | | |
| Term Loans from Banks - secured (secured by hypothecation of vehicle) | 8.68 | 202.70 |
| Total long term borrowings | 8.68 | 202.70 |
| Less: Instalments of term loan payable within a year considered as other current liability (Refer note No.22) | 5.37 | 193.93 |
| Total | 3.31 | 8.77 |

Schedule of repayment of loan is as under

| Year | Amount in Lakhs |
|---------|-----------------|
| 2022-23 | 5.37 |
| 2023-24 | 1.69 |
| 2024-25 | 1.62 |

| | | |
|--|-----------------|-----------------|
| 21 Provisions (Non Current) | | |
| Provision for | | |
| - Gratuity (Refer note 44) | 37.89 | 29.69 |
| - Leave Benefits(Refer note 44) | 18.21 | 9.13 |
| Total | 56.10 | 38.82 |
| 22 Borrowings# | | |
| Cash Credit/Overdraft from Canara Bank (Erstwhile Syndicate Bank)* | 2,386.40 | 968.00 |
| Term loan Instalments payable in next one year# | 5.37 | 193.93 |
| Inter Corporate Deposits | 575.64 | - |
| Loan from Directors | 275.00 | - |
| Total | 3,242.40 | 1,161.93 |

*The Factory building having a carrying value of Rs 223.51 Lakhs (31.03.2021 Rs. 223.51Lakhs) has been mortgaged to Canara Bank (Erstwhile Syndicate Bank) as a security against working capital limits sanctioned by them as on the date of the balance sheet. The current assets of the company including Raw Material, WIP, Finished goods are also hypothicated against cash credit limit of Rs 300 Lakhs and Adhoc Limit of Rs 500 Lakhs. The Adhoc Limit of Rs 500 Lakhs is also secured by way of personal guarantee of two executive directors of the Company.

Current maturities of long term debts has been regrouped under from Other Current Liabilities to borrowings

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

| | | |
|--|-----------------|-----------------|
| 23 Trade Payables | | |
| Total outstanding dues of micro enterprise and small enterprise | 9.61 | 11.30 |
| Total outstanding dues of creditors other than micro enterprise and small enterprise | 8,775.34 | 2,014.90 |
| Total | 8,784.95 | 2,026.20 |

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties had been identified on the basis of information available with the company in this regard.

| Particulars | Not due | Outstanding for the following periods from the due date of payment | | | | Total |
|-----------------------|-------------|--|---------------|---------------|-------------------|----------------|
| | | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| MSME | - | 9.61 | - | - | - | 9.61 |
| Others | - | 7152.11 | 390.80 | 601.78 | 630.66 | 8775.35 |
| Disputed Dues MSME | - | - | - | - | - | - |
| Disputed Dues- others | - | - | - | - | - | - |
| Total | 0.00 | 7161.72 | 390.80 | 601.78 | 630.66 | 8784.96 |

| Particulars | Not due | Outstanding for the following periods from the due date of payment | | | | Total |
|-----------------------|----------|--|---------------|---------------|-------------------|----------------|
| | | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| MSME | - | 11.29 | - | - | - | 11.29 |
| Others | - | 528.92 | 760.70 | 167.93 | 557.30 | 2014.85 |
| Disputed Dues- MSME | - | - | - | - | - | - |
| Disputed Dues- others | - | - | - | - | - | - |
| Total | - | 540.21 | 760.70 | 167.93 | 557.30 | 2026.14 |

| Disclosure under required under MSME Act, 2006. | | INR in Lakhs | |
|--|--|--------------|-----------|
| Particulars | | 31-Mar-22 | 31-Mar-21 |
| The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year; | | | |
| Principal amount | | 9.61 | 11.30 |
| Interest due thereon | | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | | Nil | Nil |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | | Nil | Nil |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | | - | - |

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Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

| | | |
|---|------------------|-----------------|
| 24 Other Financial Liabilities | | |
| Liabilities for expenses | 153.07 | 218.48 |
| Deposits received | 66.71 | 75.99 |
| Total | 219.78 | 294.47 |
| 25 Other Current Liabilities | | |
| Advances from customers | 127.94 | 328.69 |
| Other liabilities | 275.75 | 99.98 |
| Statutory liabilities | 707.54 | 190.98 |
| Total | 1,111.22 | 619.65 |
| 26 Provisions Current) | | |
| Provision for | | |
| - Gratuity (Refer note 43) | 29.59 | 25.14 |
| - Leave Benefits(Refer note 43) | 2.97 | 1.36 |
| - Warranty | 64.72 | - |
| - Bonus Payable | 8.88 | 15.71 |
| Total | 106.15 | 42.21 |
| 27 Current Tax Liabilities | | |
| Provision for tax | 3,290.84 | 1,700.70 |
| Total | 3,290.84 | 1,700.70 |
| 28 Revenue from operations | | |
| Sale of products | 22,661.28 | 4,978.69 |
| Income from Services- E-waste processing | 337.49 | 1,231.92 |
| Income from Services- Others | 108.90 | 179.58 |
| Revenue from operations (Gross) | 23,107.67 | 6,390.19 |
| 29 Other income | | |
| Interest income | 12.08 | 34.29 |
| Excess provision / (unclaimed credit) withdrawn | - | 1.34 |
| Dividend income | 1.11 | 1.66 |
| Net gain on foreign currency transaction | 345.55 | -30.17 |
| Other Income | 120.98 | 7.61 |
| Total | 479.73 | 14.74 |
| 30 Cost of materials consumed | | |
| Opening stock | 2,544.69 | 1,156.59 |
| Add: Purchase during the year | 16,933.56 | 5,322.74 |
| Less:- Closing stock | 2,287.75 | 2,544.69 |
| Total | 17,190.50 | 3,934.64 |
| 31 Employee Benefit Expenses | | |
| Salaries and wages | 736.04 | 580.06 |
| Contracted Labour | 102.39 | 101.66 |
| Contribution to provident & other funds | 80.38 | 36.78 |
| Staff Welfare expenses | - | 36.38 |
| Total | 918.81 | 754.87 |
| # Labour charges has been regrouped under Employee Benefit expenses as contracted labour charges instead under other expenses. | | |
| 32 Financial Costs | | |
| Interest on term Loan | 18.02 | 1.86 |
| Interest on Working Capital | 139.50 | 133.03 |
| Interest on statutory dues | 49.95 | 23.01 |
| Other Interest | 407.90 | 240.33 |
| Bank Charges | 9.59 | 4.30 |
| Total | 624.96 | 402.53 |

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

18 Other Equity

INR in Lakhs

| | Particulars | as at March 31, 2022 | | as at March 31, 2021 | |
|-----|---|----------------------|----------------|----------------------|----------------|
| | | No. of shares | Amount Rs. | No. of shares | Amount Rs. |
| (a) | Authorised share capital | | | | |
| | Equity Shares of Rs.10 each | 15,30,00,000 | 1,53,00,00,000 | 12,80,00,000 | 1,28,00,00,000 |
| (b) | Issued, subscribed and paid up share capital | | | | |
| | Equity Shares of Rs.10 each | | | | |
| | Issued | 12,12,06,782 | 1,21,20,67,820 | 12,12,06,782 | 1,21,20,67,820 |
| | Subscribed and Paid up | 11,19,86,482 | 1,11,98,64,820 | 12,11,86,482 | 1,21,18,64,820 |

The Company had forfeited 20300 Equity Shares of Rs. 10/- each paid up Rs. 5/- per share (Board Meeting Dated 29.01.2002)

During the year, the Company has received the approval for reduction of Share capital of 92,00,000 shares Rs. 10 each. Accordingly, Rs. 9,20,00,000 has been reduced from Share Capital

| (c) | Reconciliation of number of equity shares outstanding at the | No. of shares | Amount Rs. | No. of shares | Amount Rs. |
|-----|--|---------------|----------------|---------------|----------------|
| 1 | Opening balance | 12,11,86,482 | 1,21,18,64,820 | 12,11,86,482 | 1,21,18,64,820 |
| 2 | Add: Fresh Issue during the year | - | - | - | - |
| 3 | Add: Bonus shares issued during the year | - | - | - | - |
| 4 | Add: Rights issue made during the year | - | - | - | - |
| 5 | Add: Shares issued on conversion of Compulsorily Convertible Preference Shares | - | - | - | - |
| 6 | Less: Shares bought back during the year | - | - | - | - |
| 7 | Less: Shares forfeited during the year | - | - | - | - |
| 8 | Less: Shares reduced during the year | 92,00,000 | 9,20,00,000 | - | - |
| 9 | Add / Less: Others (pls specify) | - | - | - | - |
| 10 | Closing balance | 11,19,86,482 | 1,11,98,64,820 | 12,11,86,482 | 1,21,18,64,820 |

(d) Particulars of shareholders holding more than 5% shares of a class of shares:

| | Name of the Shareholder | No. of shares | % holding | No. of shares | % holding |
|-----|---|---------------|-------------|---------------|-----------|
| 1 | Hermes Global Fund | 1,19,00,000 | 10.63% | 1,19,00,000 | 9.82% |
| (e) | Forfeited shares (amount originally paid-up). | 92,00,000 | 9,20,00,000 | - | |

(f) Shares held by promoters at the end of the year (Refer Note no.1 below)

| | | | | | |
|-----|---|-----------------------------|--------------------------|-----------------------------|--------------------------|
| 1 | Change in Promoters holding during the year (%) | | -2.05% | | |
| 2 | Details of Promoters shareholding | as at March 31, 2022 | | as at March 31, 2021 | |
| | Promoters Name | No.of Shares | % of Total Shares | No.of Shares | % of Total Shares |
| i | Mr. SHRIDHAR SHANKAR HEGDE | 2,00,153 | 0.17% | 26,88,307 | 2.22% |
| ii | Mr. P VISHWAMURTHY | 9,98,130 | 0.82% | 9,98,130 | 0.82% |
| iii | Mr. VENKATRAMAN RANGANATHAN | 38,96,080 | 3.21% | 38,96,080 | 3.21% |
| iv | Mr. P BHARATH | 10,10,702 | 0.83% | 10,10,702 | 0.83% |
| v | Mr. PREETHI BHARATH | 10,000 | .01% | 10,000 | 0.01% |
| | Total | 61,15,065 | 5.05% | 86,03,219 | 7.10% |

Note no.1:

- Promoter as defined in the Companies Act, 2013
- Details shall be given for each class of shares separately
- % change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

Note No.2:

Share application money pending allotment shall be classified into equity or liability in accordance with relevant Indian Accounting Standards. Share application money to the extent not refundable shall be shown under the head Equity and share application money to the extent refundable shall be separately shown under 'Other financial liabilities'

Note no.3:

Preference shares including premium received on issue, shall be classified and presented as 'Equity' or 'Liability' in accordance with the requirements of the relevant Indian Accounting Standards. Accordingly, the disclosure and presentation requirements in that regard applicable to the relevant class of equity or liability shall be applicable mutatis mutandis to the preference shares. For instance, plain vanilla redeemable preference shares shall be classified and presented under 'non-current liabilities' as 'borrowings' and the disclosure requirements in this regard applicable to such borrowings shall be applicable mutatis mutandis to redeemable preference shares.

Note no.4

Compound financial instruments such as convertible debentures, where split into equity and liability components, as per the requirements of the relevant Indian Accounting Standards, shall be classified and presented under the relevant heads in 'Equity' and 'Liabilities'

| Note No. | Particulars | INR in Lakhs | |
|-----------|--|------------------------|------------------------|
| | | Year Ending 31-03-2022 | Year Ending 31-03-2021 |
| 33 | Other Expenses | | |
| | Power and Fuel | 1.61 | 20.60 |
| | Rent | 94.70 | 99.58 |
| | Repairs to Machinery | 27.49 | 16.83 |
| | Packing and forwarding | 5.53 | - |
| | Repairs to Others | 6.39 | 1.06 |
| | Insurance | 7.00 | 8.22 |
| | Rates & Taxes, excluding taxes on income | 93.68 | 11.85 |
| | Legal & Professional Charges* | 209.72 | 115.33 |
| | Freight & Forwarding | - | 1.50 |
| | Travelling and Conveyance | 32.56 | 18.00 |
| | Communication expenses | 39.98 | 2.82 |
| | Bad Advance written off | 0.76 | - |
| | Advertisement & Business promotion | 29.08 | 6.76 |
| | Printing & Stationery | 6.54 | 4.84 |
| | CSR Expenses | - | 1.00 |
| | Provision for Warranty | - | - |
| | Miscellaneous Expenses | 207.18 | 235.85 |
| | Total | 762.23 | 544.24 |

Labour charges has been regrouped under Employee Benefit expenses as contracted labour charges instead under other expenses.

| * Legal and Professional Charges includes Statutory Auditor's Remuneration:- | Year ending 31.03.2022 | Year ending 31.03.2021 |
|--|------------------------|------------------------|
| Particulars | | |
| Audit fees | 12.00 | 8.00 |
| Tax Audit fees | 2.00 | 2.00 |
| Total | 14.00 | 10.00 |
| 34 Other Comprehensive Income | | |
| Remeasured Unrealised actuarial gain/loss | -0.22 | 0.03 |
| Total | -0.22 | 0.03 |

Note No. 35 Contingent Liabilities (to the extent not provided for) *

| | | |
|---|--------|----------|
| Bank guarantees and letters of credit open and outstanding | 283.25 | 323.40 |
| Pending capital commitments (Net of Advances) | - | 3,234.89 |
| Penalty payable if any for delay in filing returns and payment of dues under Income Tax Act and Goods and Service Tax Act are not ascertainable and will be accounted on determination of the same. | | |

Note No. 36.1 The Company has received the final approval from NCLT for reduction of Capital on account of cancellation of shares issued to Cimellia and capital has been reduced and transferred the amount to Capital Reserve during the year along with the premium on forfeited shares.

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

Note No. 36.2 During the year the Company has sold its investment in the Dubai subsidiary and necessary share transfer agreement has been executed. The Company had few advances given to its erstwhile subsidiary and amount receivable from them have been classified under loans and necessary agreement has been entered with the Purchaser of shares for refund of advance amount. The advance amount includes the advance amount paid by the Company to vendors in Dubai on behalf of their erstwhile subsidiary.

Note No. 36.3 During the previous year company have accounted machinery work-in progress (CWIP). However, in the current financial year due to technical issues and short shipment the company has been forced to reject the consignment and respective CWIP has been reversed.

Note No. 37 Operating Lease The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

INR in Lakhs

| Particulars | 31-03-2022 | 31-03-2021 |
|---|------------|------------|
| Not Less than one year | 47.22 | 100.86 |
| Later than one year but not later than five years | - | 2.36 |
| Later than five years | - | - |

Expenses recognised in the Statement of Profit and Loss:

INR in Lakhs

| Particulars | 31-03-2022 | 31-03-2021 |
|------------------|--------------|--------------|
| Fixed Rentals | 94.70 | 99.58 |
| Contingent rents | - | - |
| Total | 94.70 | 99.58 |

INDAS115 is not applicable as all the agreements are for a period less than a year.

Note No 38

a. Income Tax Expenses

INR in Lakhs

| Particulars | Year ending 31st March, 2022 | Year ending 31st March, 2021 |
|--|------------------------------|------------------------------|
| Current tax | | |
| Current tax on taxable income for the year | 1,292.77 | 272.27 |
| Total current tax expense | 1,292.77 | 272.27 |
| Deferred tax | | |
| Deferred Tax charge/(credit) | -12.83 | -4.07 |
| MAT credit (taken)/utilized | - | - |
| Total deferred income tax expense/(benefit) | -12.83 | -4.07 |
| Total income tax expenses /)Credit | 1,279.93 | 268.20 |

b. The movement in deferred tax assets and liabilities

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|----------------------------|---|----------------------------|---|
| | Deferred tax/(liabilities) | Credit/(charge) in statement of Profit and Loss | Deferred tax/(liabilities) | Credit/(charge) in statement of Profit and Loss |
| Depreciation | - | 29.73 | - | 7.28 |
| Expenses allowed in the year of payment | 83.68 | | 66.78 | -3.22 |
| Sub total | 83.68 | 29.74 | 66.78 | 4.07 |
| Total | - | 53.94 | - | 66.78 |

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

Note no 39

a) Financial instruments by category:

As at March 31, 2022

| | | | | INR in Lakhs |
|---|--------------|----------|------------------|----------------------|
| Particulars | FVTPL | FVOCI | Amortised Cost | Total Carrying Value |
| Financial Assets | | | | |
| Measured at fair value | | | | |
| Investments* | 23.39 | - | - | 23.39 |
| Not measured at fair value | | | | |
| Investments in Subsidiary | - | - | 3.50 | 3.50 |
| Loans# | - | - | 594.12 | 594.12 |
| Trade Receivable | - | - | 24,965.58 | 24,965.58 |
| Cash and Cash Equivalents | - | - | 39.52 | 39.52 |
| Bank Balances other than those included above | - | - | 187.13 | 187.13 |
| Other Financial Assets | - | - | 34.25 | 34.25 |
| Total | 23.39 | - | 25,824.09 | 25,847.48 |
| Financial Liabilities | | | | |
| Measured at Fair Value | - | - | - | - |
| Not Measured at Fair value | | | | |
| Borrowings | - | - | 3,245.71 | 3,245.71 |
| Trade Payable | - | - | 8,784.48 | 8,784.48 |
| Other Financial Liabilities | - | - | 219.78 | 219.78 |
| Total | - | - | 12,249.97 | 12,249.97 |

Footnote:

#The Company has given Loan on interest free to its subsidiary, but the same has not been recorded at fair value.

As at March 31, 2021

| | | | | INR in Lakhs |
|---|--------------|----------|------------------|----------------------|
| Particulars | FVTPL | FVOCI | Amortised Cost | Total Carrying Value |
| Financial Assets | | | | |
| Measured at fair value | | | | |
| Investments* | 22.37 | - | - | 22.37 |
| Not measured at fair value | | | | |
| Investments in Subsidiary | - | - | 337.06 | 337.06 |
| Loans# | - | - | 981.50 | 981.50 |
| Trade Receivable | - | - | 13,230.19 | 13,230.19 |
| Cash and Cash Equivalents | - | - | 13.69 | 13.69 |
| Bank Balances other than those included above | - | - | 514.24 | 514.24 |
| Other Financial Assets | - | - | 7.07 | 7.07 |
| Total | 22.37 | - | 15,083.75 | 15,106.12 |
| Financial Liabilities | | | | |
| Measured at Fair Value | - | - | - | - |
| Not Measured at Fair value | | | | |
| Borrowings | - | - | 1,170.70 | 488.81 |
| Trade Payable | - | - | 2,026.20 | 8,710.41 |
| Other Financial Liabilities | - | - | 294.47 | 295.68 |
| Total | - | - | 3,491.37 | 9,494.90 |

Footnote:

*The above excludes investments in subsidiaries of Rs. 337.06 Lakhs

#The Company has given Loan on interest free to its subsidiary, but the same has not been recorded at fair value.

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

b) Fair Value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis, it also includes the financial instruments which are measured at amortised cost for which fair values are disclosed.

As at March 31, 2022

INR in Lakhs

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|---------|---------|--------------|
| Financial assets: | | | | |
| Measured at fair value | | | | |
| Investments in Mutual Funds | 23.39 | | | 23.39 |
| Not measured at fair value (Refer footnotes) | | | | |
| Total | 23.39 | - | - | 23.39 |
| Financial Liabilities | | | | |
| Measured at fair value | | | | - |
| Not measured at fair value (Refer footnotes) | | | | - |
| Total | - | - | - | - |

As at March 31, 2021

INR in Lakhs

| Particulars | Level1 | Level 2 | Level 3 | Total |
|---|--------------|---------|---------|--------------|
| Financial assets: | | | | |
| Measured at fair value | | | | |
| Investments in Mutual Funds | 22.37 | | | 22.37 |
| Not measured at fair value (Refer footnotes) | | | | |
| Total | 22.37 | - | - | 22.37 |
| Financial Liabilities | | | | |
| Measured at fair value | | | | - |
| Not measured at fair value (Refer footnotes) | | | | - |
| Total | - | - | - | - |

Footnotes

The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value

c) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

a) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

b) Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/ debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

c) Level 3: If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

d) Inter level transfers: There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

e) Valuation technique used to determine fair value

i) the use of quoted market prices for the equity instruments and Mutual Funds

ii) the fair value of the unlisted shares are determined based on the income approach or the comparable market approach.

f) Reconciliations of level 3 fair values

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

| Particulars | INR in Lakhs | |
|------------------------------|-------------------|--|
| | Assets | |
| | Equity Instrument | |
| Balance as on April 1, 2021 | - | |
| Changes:- | | |
| Nil | - | |
| Balance as on March 31, 2022 | - | |

Note No. 40 Financial Risk Management

Risk management framework

The company's activities expose it to market risk including currency risk, interest rate risk, liquidity risk and credit risk.

The company's risk management is carried out by finance department as per the policies approved by the Board of Directors. The board provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of short term/long term surplus funds.

A) Market Risk

i) Foreign Currency Risk

Foreign currency risk arises from commercial transactions, assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

The exposure of the Company to foreign currency risk is not significant. However, this is closely monitored by the management to decide on the requirement of hedging. The position of foreign currency exposure to the Company is given below expressed in INR as under :

| Currency | INR in Lakhs | |
|------------------------------|--------------|----------|
| | Receivables | Payables |
| As on March 31, 2022 | | |
| Exposure in US Dollars (USD) | 10029.77 | - |
| As on March 31, 2021 | | |
| Exposure in US Dollars (USD) | 9,299.01 | - |

ii) Interest Rate Risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period depends on the mix of fixed rate and floating rate of the borrowings and the expected movement of market interest rate. The status of borrowings in terms of fixed rate and floating rate are as follows:

| Details of Borrowings outstanding | INR in Lakhs | |
|-----------------------------------|-----------------|-----------------|
| | 31-03-2022 | 31-03-2021 |
| Variable Rate Borrowings | 3,239.09 | 968.00 |
| Fixed Rate Borrowings | 3.31 | 202.70 |
| Interest Free Borrowings | - | - |
| Total Borrowings | 3,242.40 | 1,170.70 |

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

| Details of Variable rate borrowings | INR in Lakhs | | |
|---|-----------------------------|---------------------|-----------------|
| | Weighted Avg. Interest Rate | Outstanding Balance | % of Total Loan |
| 31-Mar-22 | | | |
| Cash Credit from Canara Bank(earstwhile Syndicate Bank) | 11.70% | 2,386.40 | 73.60% |
| 31-Mar-21 | | | |
| Cash Credit from Canara Bank (earstwhile Syndicate Bank) | 11.70% | 968.00 | 82.69% |

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

Interest Rate Sensitivity

A change of 50 bps in interest rate would have the following impact on profit before tax

| Particulars | 2021-22 | 2020-21 |
|---|---------|---------|
| 50 bps increase would decrease the profit before tax by | 83.86 | 35.70 |
| 50 bps decrease would increase the profit before tax by | -83.86 | -35.70 |

iii) Price Risk

The company's exposure to securities price risk arises from investments held by the company in units of mutual fund classified in the balance sheet at fair value through profit and loss. However, company does not have a practice of investing in market equity securities with a view to earn fair value changes gain. Company has invested in units of mutual funds when short term surplus fund exists with prior approval of the Board. Considering the size of the investment the price/market risk is not significant.

B) Credit Risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the company. Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the company does not allow any credit period and therefore, is not exposed to any credit risk. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 60 days

INR in Lakhs

| Details of outstanding trade receivables | Upto 6 Months | More than 6 Months but less than three Years | More than Three Years |
|--|---------------|--|-----------------------|
| As on 31-03-2022 | 10,041.92 | 6,892.30 | 8,031.40 |
| As on 31-03-2021 | 3,456.87 | 8,284.79 | 1,488.53 |

C) Liquidity Risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

i) **Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows**

INR in Lakhs

| Floating Rate | 31-03-2022 | 31-03-2021 |
|------------------------------|------------|------------|
| Cash Credit from Canara Bank | 2,386.40 | 332.00 |

ii) Maturities of financial liabilities

The table below analyses the company's all financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

As on March 31, 2022

INR in Lakhs

| Financial Liabilities | Not Later than 1 year | Between 1 and 5 years | Later than 5 Years |
|----------------------------------|-----------------------|-----------------------|--------------------|
| i) Borrowings | 3,242.40 | 3.31 | - |
| ii) Trade Payable | 8,775.35 | - | - |
| iii) Other Financial Liabilities | 219.78 | - | - |

As on March 31, 2021

INR in Lakhs

| Financial Liabilities | Not Later than 1 year | Between 1 and 5 years | Later than 5 Years |
|----------------------------------|-----------------------|-----------------------|--------------------|
| i) Borrowings | 968.00 | 3.38 | - |
| ii) Trade Payable | 2,026.17 | - | - |
| iii) Other Financial Liabilities | 294.47 | - | - |

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

Note Number 41 : Capital Management

Capital management objectives of the Company is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The company's strategy is to maintain a gearing ratio within 20%. The gearing ratios were as follows:

| Particulars | 31-03-2022 | 31-03-2021 |
|--------------------|------------|------------|
| Debt | 3,245.71 | 1,170.70 |
| Equity | 26,285.33 | 23,543.06 |
| Net Debt to Equity | 12.35% | 4.97% |

Note No 42 : Related Party Disclosure

a) Related Parties

| Name | Nature |
|--------------------------------------|---|
| Cerebra LPO India Limited | Subsidiary |
| Cerebra Middle East FZCO | Subsidiary till 17.03.2021 |
| Kranion Technologies Private Limited | Entity in which KMP or/and his relatives are able to exercise significant influence |

b) Key Management Personal

| Name | Designation |
|--------------------|---|
| V. Ranganathan | Managing Director |
| P. Vishwamurthy | Whole Time Director |
| MVS Vasan | Director |
| P. E. Krishnan | Director |
| Preethi Javali | Director (till 28-05-2021) |
| S Gopalkrishnan | Director |
| Riyaz Suterwalla | Director |
| Parthasarathi Naik | Director |
| Bhavana Philipose | Director |
| Amul Mahendra Shah | Director |
| Barath P | Relative of a Director |
| Kishan S Rao | Chief Financial Officer (till 20-11-2021) |
| Maitri Chatterjee | Company Secretary |
| H S Venkatesh | Chief Financial Officer (from 01-01-2022) |

C) Transaction with Related Parties

| Particulars | Transaction | INR in Lakhs | |
|------------------|---------------|------------------------|------------------------|
| | | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
| V. Ranganathan | Remuneration | 16.35 | 15.06 |
| | Loan Received | 275.98 | 12.00 |
| | Loan repaid | 0.98 | 13.27 |
| P. Vishwamurthy | Remuneration | 16.35 | 15.06 |
| | Loan Received | - | 3.00 |
| | Loan repaid | - | 6.00 |
| Shirdhar S Hegde | Remuneration | - | 5.65 |
| | Loan given | - | 30.94 |
| | Loan repaid | - | 42.07 |
| Bharath P | Remuneration | 16.35 | 15.06 |
| | Loan given | - | 4.46 |
| | Loan repaid | - | 4.46 |

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

| | | | |
|---------------------------|----------------------|--------|--------|
| Cerebra Middle East FZCO | Investment made | - | 405.49 |
| | Loan repaid | 351.61 | 116.83 |
| | Loan Repaid(Net) | 351.61 | 111.37 |
| Cerebra LPO India Limited | Capital advance Paid | 0.14 | 0.13 |
| | Loan Repaid(Net) | - | 0.12 |
| MVS Vasan | Sitting Fees | 0.90 | 0.90 |
| P. E. Krishnan | Sitting Fees | 1.05 | 1.20 S |
| Gopalkrishnan | Sitting Fees | 1.15 | 0.95 |
| | Loan given | 4.00 | - |
| | Loan repaid | 4.00 | - |
| Riyaz Suterwalla | Sitting Fees | - | 0.45 |
| Parthasarathi Naik | Sitting Fees | 0.90 | 0.45 |
| Bhavana Philipose | Sitting Fees | 0.90 | 0.45 |
| Amul Mahendra Shah | Sitting Fees | - | - |
| Kishan S Rao | Remuneration | 12.78 | 4.84 |
| Maitri Chatterjee | Remuneration | 4.42 | 0.85 |
| H S Venkatesh | Remuneration | 6.00 | - |

d) Balance with Related Parties

INR in Lakhs

| Particulars | 31-03-2022 | 31-03-2021 |
|----------------------------------|------------|------------|
| Cerebra LPO India Limited | | |
| a) Investment | 3.50 | 3.50 |
| b) Balance Receivable | 594.12 | 593.98 |
| Cerebra Middle East FZCO | | |
| a) Investment | - | 333.56 |
| b) Balance Receivable | - | 387.52 |
| c) Capital Advance | - | 6,962.26 |
| Payable to Directors | | |
| V. Ranganathan | 2.54 | 4.32 |
| P. Vishwamurthy | 3.76 | 3.34 |
| Riyaz Suterwalla | 0.53 | 0.53 |
| Kishan S Rao | - | 1.39 |
| Maitri Chatterjee | 0.33 | 0.33 |
| H S Venkatesh | 1.81 | - |
| Payable to Bharath P | 5.41 | 4.12 |

Note No 43:- Employee Benefits Gratuity

Changes in present value of obligation

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|---|---------------------------|---------------------------|
| Present Value of Funded Obligation | - | - |
| Fair Value of plan asset | - | - |
| Net Fund Obligation | - | - |
| Present Value of unfunded defined benefit obligation | 67.48 | 54.84 |
| Amounts not recognised due to asset limit | - | - |
| Net defined liability/(asset) recognised in balance sheet | 67.48 | 54.84 |
| Net defined liability/(asset) Bifurcated as follows | - | - |
| Current Liability | 29.60 | 25.15 |
| Non-current Liability | 37.89 | 29.69 |

ii) Expenses to be recognised in Statement of profit or loss account

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|---|---------------------------|---------------------------|
| Current Service Cost | 10.26 | 12.77 |
| Past Service Cost | - | - |
| Administration Expenses | - | - |
| Interest on net defined benefit liability/(Asset) | 2.70 | 3.43 |
| (Gain)/Losses on settlement | - | - |
| Total expenses to be charged to profit or loss account | 12.96 | 16.20 |

Standalone Notes Forming Part of Financial Statements for as at 31st March 2022

iii) Amount recorded in Other Comprehensive Income

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|---|---------------------------|---------------------------|
| Opening amount recognized in OCI outside profit and loss account | -23.42 | 0.03 |
| Remeasurements during the period due to | | |
| Changes in financial assumptions | -2.07 | - |
| Changes in demographic assumptions | - | - |
| Experience adjustments | 1.76 | -23.45 |
| Actual return on plan assets less interest on plan assets | - | - |
| Adjustment to recognize the effect of asset ceiling | - | - |
| Closing amount recognized in OCI outside profit and loss account | -23.73 | -23.42 |

iv) Movement in Benefit Obligation

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|--|---------------------------|---------------------------|
| Opening of defined benefit obligation | 54.83 | 62.67 |
| Current service cost | 10.26 | 12.77 |
| Past service cost | - | - |
| Interest on defined benefit obligation | 2.70 | 3.43 |
| Remeasurements due to: | | |
| Actuarial loss / (gain) arising from change in financial assumptions | -2.07 | - |
| Actuarial loss / (gain) arising from change in demographic assumptions | - | - |
| Actuarial loss / (gain) arising on account of experience changes | 1.76 | -23.45 |
| Benefits paid | | -0.59 |
| Liabilities assumed / (settled)* | - | - |
| Liabilities extinguished on settlements | - | - |
| Closing of defined benefit obligation | 67.48 | 54.83 |

v) Key Assumptions

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|--------------------------------|--|--|
| Discount Rate(p.a.) | 6.4% | 6.40% |
| Salary Escalation Rate(p.a.) | 7.0% | 7.00% |
| Demographic Assumptions | | |
| Retirement Age | 58 | 58 |
| Mortality Table | Indian Assured Lives Mortality Table(2012-14) | Indian Assured Lives Mortality Table(2012-14) |
| Leaving service rates | | |
| Age | | |
| 21-30 | 15% | 15% |
| 31-44 | 10% | 10% |
| 35-44 | 5% | 5% |
| 45-50 | 3% | 3% |
| 51-54 | 2% | 2% |
| 55-57 | 1% | 1% |

Standalone Notes Forming Part of Financial Statements for as at 31st March 2021

Note No 44 : Earnings Per Share

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|---|---------------------------|---------------------------|
| A) Basic Earnings Per Share | | |
| Profit after tax | 2,742.26 | 462.91 |
| Weighted number of equity shares considered for calculation of basic earnings per share | 11,19,86,482 | 12,11,86,482 |
| Earnings Per share- Basic | 2.45 | 0.38 |
| B) Diluted Earnings per share | | |
| Profit after tax | 2,742.26 | 462.91 |
| Adjustments | - | - |
| Diluted Earnings | 2,742.26 | 462.91 |
| Weighted number of equity shares considered for calculation of diluted earnings per share | 11,85,85,971 | 12,11,96,632 |
| Earnings Per share- Diluted | 2.33 | 0.38 |

Note No 45: Figures in bracket relates to previous year.

Note 46 - Ratios

Financial Ratios:

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

| Particulars | Numerator | Denominator | 31st March 2022 | 31st March 2021 | Variance |
|-----------------------------------|--|------------------------------|-----------------|-----------------|----------|
| Liquidity Ratio | | | | | |
| Current Ratio | Current assets | Current liabilities | 1.53 | 1.83 | -16.12% |
| Solvency Ratio | | | | | |
| Debt – Equity Ratio | Total Debt | Shareholder's Equity | 0.29 | 0.10 | 200.02% |
| Debt Service Coverage Ratio | Earnings available for debt service(1) | Total Debt | 1.05 | 0.77 | 36.22% |
| Profitability Ratio | | | | | |
| Return on Equity (ROE) | Net Profits after taxes | Average Shareholder's Equity | 0.11 | 0.01 | 733.72% |
| Net profit Ratio | Net Profit | Revenue | 0.12 | 0.07 | 63.84% |
| Return on capital employed (ROCE) | Earning before interest and taxes | Capital Employed(2) | 157.68 | 134.91 | 16.88% |
| Return on Investment(ROI) | | | | | |
| Utilization Ratio | | | | | |
| Trade Receivables Turnover Ratio | Revenue | Average Trade Receivable | 1.21 | 0.39 | 212.83% |
| Trade Payables Turnover Ratio | Credit Purchases | Average Trade Payables | 3.13 | 0.99 | 217.27% |
| Net Capital Turnover Ratio | Revenue | Working Capital | 2.59 | 1.32 | 95.90% |

(1) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(2) Average Shareholders fund

Independent Auditor's Report

To

The Members of Cerebra Integrated Technologies Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Cerebra Integrated Technologies Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of a subsidiaries as were audited by the other auditors, Except for the effects of matters mentioned in the "Basis for Qualified Opinion" paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

- *The holding company has reported Rs.22.88 Crore as inventory held by the holding company as on 31.03.2022 which includes Rs.14.97 Crore being materials related to E Waste Division, for which we have not been provided with item wise details, movement of inventory during the year and basis for valuation. And, Due to the nature of inventory, we could not verify the quantity of the inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the quantity and value of inventory held by the E waste division as on 31.03.2022. In view of the above we are unable to ascertain the correctness of the valuation of Inventory and ascertain its consequent impact, if any on the consolidated Ind AS financial statements*

Emphasis of Matter

We draw attention to the following matters in the consolidated Ind AS financial statements wherein:

- The holding company has reported total receivables of Rs.189.09 crore out of which Rs.18.74 crore outstanding for more than 3 years, classified as undisputed trade receivables.
- The holding company has total Advances of Rs.85.28 Crore reported under "Other Non Current Assets" of the Consolidated Balance Sheet, which is due from overseas parties and are outstanding for more than 1 year, and which are subject to statutory compliances.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters

We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|--|--|
| <p>The Group's Trade receivables are recognised at their realisable value, which is the original invoiced amount less allowance for expected credit loss (if any).</p> <p>Valuation of trade receivables is a key audit matter in the audit due to the size of the trade receivable balance and the high level of management judgement used in determining the recoverability.</p> | <p>For trade receivables and the management's estimations for trade receivables recoverability, our key audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained trade receivables balance confirmations for major parties; • We analysed the aging of trade receivables; and • We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management and by obtaining sufficient audit evidence to support the opinion. However, in few cases we are unable to obtain sufficient audit evidence and the same is reported in Emphasis of Matter paragraph of this report |

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the consolidated financial statements and our Auditors' Report thereon) which we obtained prior to the date of this Auditor's Report and the remaining section of the Annual Report, which are expected to be made available to us after that date. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid. In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements / financial information of a subsidiary (incorporated in India), whose financial statements/financial information reflect total assets of Rs. 0.69 lakh (before consolidation adjustment) as at 31 March 2022, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.03 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income/loss) of Rs 1.06 lakh for the year ended 31 March 2022. Our opinion in so far as it relates to the balances and affairs of such subsidiary is based on the report of other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

B. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements/financial information of a subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

C. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of a subsidiaries, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group.
- ii. We have been informed that, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company its subsidiary companies incorporated in India during the year ended 31 March 2022.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, (whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material misstatement.
- v) The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
- D. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For YCRJ & Associates
Chartered Accountants,
Firm Registration No. 006927S**

**Place: Bangalore
Date: May 30, 2022**

**Yashvanth Khanderi
Partner
Membership No. 029066
UDIN:22029066AJXZQB4447**

Annexure A to the Independent Auditor's Report - March 31, 2022

xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the auditors of subsidiary company in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statement

Annexure B to the Independent Auditors' report on the consolidated financial statements of Cerebra Integrated Technologies Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Cerebra Integrated Technologies Limited (hereinafter referred to as "the Holding Company") and its Subsidiary incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with reference to consolidated financial statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate..

Qualified Opinion

According to information explanation provided to us and based on audit procedures conducted by us, the following material weakness has been identified as at March 31, 2022

- *The Holding Company's internal financial control over placing purchase order, payment to vendor, processing of sales order, customer acceptance, credit evaluation is inadequate and not commensurate with the size of operation and nature of activity.*
- *The Holding Company's internal financial control over selection of vendors, payment to vendor in case of capital expenses is inadequate and not commensurate with the size of operation and nature of activity.*
- *The Holding Company's internal financial control over payment of advances for supplies, services and capital assets were not operating effectively, which could potentially result in impact on recognition of expenses.*
- *The Holding Company's internal financial control over recovery of trade receivables were not operating effectively, which could potentially result in credit losses.*

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim Consolidated Ind AS financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company, its subsidiary has, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022, Consolidated financial statements of the Company, and the material weakness do not affect our opinion on the Consolidated financial statements of the Company

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls with reference to Financial Statements in so far as it relates to subsidiary, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

Place: Bangalore
Date: May30, 2022

For YCRJ & Associates
Chartered Accountants,
Firm Registration No. 006927S

Yashvanth Khanderi
Partner
Membership No. 029066
UDIN:22029066AJXZQB4447

Cerebra Integrated Technologies Limited

Consolidated Balance Sheet for the year ended 31st March 2022

INR in Lakhs

| Particulars | Note No | For the year ended on 31/03/2022 | For the year ended on 31/03/2021 |
|---|---------|-------------------------------------|-------------------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment | 3 | 959.05 | 959.57 |
| (b) Capital work-in-progress | 4 | 290.91 | 7,303.15 |
| (c) Other Intangible asset | 5 | 28.19 | 27.81 |
| (d) Financial Assets | | | |
| i) Investments | 6 | 23.39 | 22.37 |
| ii) Trade receivables | 7 | 6,056.75 | 6,056.75 |
| iii) Loans | 8 | - | 252.23 |
| iv) Other financial assets | 9 | 34.28 | 314.12 |
| (e) Deferred tax assets(Net) | 10 | 53.96 | 66.79 |
| (f) Other non current assets | 11 | 9,370.21 | 2,427.63 |
| Total Non-current asset | | 16,816.73 | 17,430.42 |
| (2) Current assets | | | |
| (a) Inventories | 12 | 2,287.75 | 2,590.70 |
| (b) Financial assets | | | |
| i) Trade receivables | 13 | 18,908.81 | 17,034.74 |
| ii) Cash and cash equivalents | 14 | 39.75 | 102.97 |
| iii) Bank balances other than (ii) above | 15 | 187.13 | 524.87 |
| (c) Other current assets | 16 | 4,263.00 | 707.14 |
| Total Current assets | | 25,686.44 | 20,960.41 |
| Total assets | | 42,503.17 | 38,390.84 |
| Equity and liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 17 | 11,198.65 | 12,118.64 |
| (b) Other equity | 18 | 14,590.46 | 17,118.18 |
| (c) Non -controlling interest | | -211.17 | 604.18 |
| Total Equity | | 25,577.94 | 29,841.00 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 3.31 | 21.48 |
| (b) Provisions | 20 | 56.10 | 38.82 |
| Total Non-current liabilities | | 59.41 | 60.30 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 3,242.40 | 1,793.59 |
| (ii) Trade payable | | | |
| a) Total outstanding dues of micro enterprise and small enterprise | 22 | 9.61 | 11.30 |
| b) Total outstanding dues of creditors other than micro enterprise and small enterprise | 22 | 8775.35 | 3536.76 |
| (iii) Other financial liabilities | 23 | 229.33 | 475.53 |
| (b) Other current liabilities | 24 | 1,209.82 | 927.11 |
| (c) Provisions | | 108.49 | 44.54 |
| (d) Current tax liabilities (Net) | 26 | 3,290.84 | 1,700.70 |
| Total Current liabilities | | 16,865.83 | 8,489.54 |
| Total equity and liabilities | | 42,503.17 | 38,390.84 |

See accompanying notes to financial statements
As per our attached report of even date

1 to 46
For and on behalf of the Board

For Y C R J & Associates
Chartered Accountants

Yashvanth Khanderi
Partner
M. No: 029066
Firm Reg. No: 006927S

V Ranganathan
Managing Director
DIN : 01247305

P Vishwamurthy
Whole Time Director
DIN : 01247336

H S Venkatesh
Chief Financial Officer

Maitri Chatterjee
Company Secretary
M. No. : A57375

Place : Bengaluru
Dated: 30th May 2022
UDIN : 22029066AJXZQB4447

Cerebra Integrated Technologies Limited
Consolidated Statement of Profit or loss for the Year Ended 31st March 2022

INR in Lakhs

| Particulars | Note No | For the Year ended 31-03-2021 | For the Year ended 31-03-2020 |
|---|---------|----------------------------------|----------------------------------|
| Income | | | |
| Revenue from operations | 27 | 23,107.67 | 6,993.55 |
| Other income | 28 | 479.73 | 14.74 |
| Total Income | | 23,587.40 | 7,008.29 |
| Expenses | | | |
| Cost of Material consumed | 29 | 17,190.50 | 4,457.67 |
| Employee benefits expense | 30 | 918.81 | 916.01 |
| Finance costs | 31 | 624.97 | 442.59 |
| Depreciation and amortisation expense | 3 & 5 | 42.82 | 43.03 |
| Other Expenses | 32 | 763.29 | 757.36 |
| Total Expenses | | 19,540.38 | 6,616.66 |
| Profit before exceptional items and tax | | 4,047.02 | 391.63 |
| Exceptional Item | | - | - |
| Profit before tax | | 4,047.02 | 391.63 |
| Income tax Expenses | | | |
| a) Current tax | | 1,292.77 | 272.26 |
| b) Prior Period Tax Expenses | | - | - |
| b) Deferred tax | | 12.83 | -4.07 |
| Total tax expenses | | 1,305.60 | 268.19 |
| Profit for the year | | 2,741.42 | 123.43 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | 33 | -0.22 | 0.03 |
| Income Tax relating to above | | - | 0.01 |
| Total other comprehensive Income | | -0.22 | 0.02 |
| Total Comprehensive Income | | 2,741.20 | 123.45 |
| Profit for the year attributable to | | | |
| a) Shareholders of the company | | 2,741.52 | 169.30 |
| b) Non- Controlling Interest | | -0.32 | -46.01 |
| Other comprehensive income Attributable to | | | |
| a) Shareholders of the company | | 0.00 | 0.02 |
| b) Non- Controlling Interest | | 0.00 | 0.00 |
| Total comprehensive income Attributable to | | | |
| a) Shareholders of the company | | 2,741.52 | 169.32 |
| b) Non- Controlling Interest | | -0.32 | -46.01 |
| Earnings per equity share of Rs 10/ each | | | |
| Basic | | 2.45 | 0.10 |
| Diluted | | 2.31 | 0.10 |

See accompanying notes to Financial Statements

1 to 46

As per our attached report of even date

For and on behalf of the Board

For Y C R J & Associates
Chartered Accountants

Yashvanth Khanderi
Partner
M. No: 029066
Firm Reg. No: 006927S

V Ranganathan
Managing Director
DIN : 01247305

P Vishwamurthy
Whole Time Director
DIN : 01247336

H S Venkatesh
Chief Financial Officer

Maitri Chatterjee
Company Secretary
M. No. : A57375

Place : Bengaluru
Dated: 30th May 2022
UDIN : 22029066AJXZQB4447

Cerebra Integrated Technologies Limited

Consolidated Cash flow Statement for the Year Ended 31st March 2022

INR in Lakhs

| Particulars | 2021-22 | | 2020-21 | |
|--|------------|------------------|-----------|------------------|
| A. Cashflow from operating activities | | | | |
| Net profit before tax | | 4,047.02 | | 391.63 |
| Adjustments for: | | | | |
| Depreciation(net) | 42.82 | | 43.03 | |
| Interest expenditure | 624.97 | | 442.59 | |
| Interest income | -12.08 | | -34.29 | |
| Excess provision/unclaimed credit withdrawn | - | | -1.34 | |
| Trade receivables written off | 0.76 | | - | |
| Adjustments to retained earnings | - | | -21.02 | |
| Income tax provision | - | | - | |
| Dividend Income | -1.11 | | -1.66 | |
| Adjustment for unrealised foreign Exchange loss/gains | 345.55 | | - | |
| | - | 1,000.90 | - | 427.31 |
| Operating profit/(Loss)before working capital changes | | 5,047.92 | | 818.93 |
| Adjustments for changes in : | | | | |
| Decrease/(increase) in inventories | 256.94 | | -1,378.24 | |
| Decrease/(increase) in trade & other recivables | -14,595.97 | | 4,153.65 | |
| Decrease/(increase) in trade & other payables | 7,555.52 | | -3,870.16 | |
| | | -6,783.50 | | -1,094.75 |
| Cash generated from operations | | -1,735.58 | | -275.82 |
| Less: Income tax paid(net of refund) | | - | | 268.30 |
| Net cashflow from operating activities | | -1,735.58 | | -544.12 |
| B.Cashflow from investing activities | | | | |
| Interest income | 12.08 | | 34.29 | |
| Investment in Subsidiary | - | | - | |
| Investment in fixed deposits | - | | - | |
| Dividend Income | 1.11 | | 1.66 | |
| Redemption /(Investment) in mutual funds(Net) | -1.02 | | - | |
| Purchase of fixed assets including capital WIP | -27.96 | | -592.24 | |
| Net cash flow from investing activities | | -15.78 | | -556.28 |
| C. Cashflow from Financing activities | | | | |
| Increase(decrease) in borrowings | 656.62 | | -196.27 | |
| Increase in Fixed Deposits | 327.11 | | - | |
| Amount received towards share capital, security premium and share warrants | - | | - | |
| Interest paid | -624.97 | | -442.59 | |
| Net cash flow from financing activities | | 358.76 | | -638.86 |
| Cash in currency fluctuation | | | | -348.64 |
| Net increase/(Decrease)in Cash & Cash equivalents (A+B+C) | | -1,392.60 | | -2,087.90 |
| Cash &Cash equivalents | | | | |
| Opening balance | | -954.04 | | 830.70 |
| Closing balance | | -2,346.64 | | -1,257.20 |
| Net increase/Decrease in cash and cash equivalents | | -1,392.60 | | -2,087.90 |

See accompanying notes to Financial Statements

As per our attached report of even date

For and on behalf of the Board

For Y C R J & Associates

Chartered Accountants

Yashvanth Khanderi

Partner

M. No: 029066

Firm Reg. No: 006927S

V Ranganathan

Managing Director

DIN : 01247305

P Vishwamurthy

Whole Time Director

DIN : 01247336

H S Venkatesh

Chief Financial Officer

Maitri Chatterjee

Company Secretary

M. No. : A57375

Place : Bengaluru

Dated: 30th May 2022

UDIN : 22029066AJXZQB4447

Cerebra Integrated Technologies Limited

Notes to accounts for the year ended March 31, 2022

3 Property, Plant & Equipment (PPE)

All amounts are in INR, unless otherwise stated

| Particulars | Gross block | | | | | Accumulated depreciation | | | | | Net block | | |
|------------------------------|-------------------------------------|---------------------------|--|---|-------------------------|--------------------------------------|-------------------------------------|---------------------|-------------------------|---------------------------------|--------------------------------------|----------------------|----------------------|
| | Opening balance as at April 1, 2021 | Additions during the year | Acquisitions through business combinations | Revaluation (if the change is more than 10% of net carrying value) (Refer Note below) | Disposals / Adjustments | Closing balance as at March 31, 2022 | Opening balance as at April 1, 2021 | Charge for the year | Deletions / Adjustments | Impairment (losses) / reversals | Closing balance as at March 31, 2022 | as at March 31, 2022 | as at March 31, 2021 |
| Own assets | | | | | | | | | | | | | |
| (a) Land | 513.90 | - | - | - | - | 513.90 | - | - | - | 0.00 | 513.90 | 513.90 | |
| (b) Building | 345.39 | 17.21 | - | - | - | 362.60 | 36.60 | 10.59 | - | 47.19 | 315.41 | 308.80 | |
| (c) Plant and equipment | 93.54 | 4.97 | - | - | - | 98.51 | 22.70 | 8.56 | - | 31.26 | 67.25 | 70.83 | |
| (d) Furniture and fixtures | 17.07 | 6.83 | - | - | - | 23.90 | 3.66 | 2.66 | - | 6.32 | 17.58 | 14.36 | |
| (e) Vehicles | 33.91 | - | - | - | - | 33.91 | 18.94 | 5.39 | - | 24.33 | 9.58 | 14.97 | |
| (f) Office equipment | 17.52 | 3.71 | - | - | - | 21.23 | 11.06 | 3.43 | - | 14.49 | 6.74 | 7.37 | |
| (g) Computers | 10.85 | 5.96 | - | - | - | 16.81 | 8.71 | 2.18 | - | 10.89 | 5.92 | 2.18 | |
| (h) Electrical Installations | 44.86 | - | - | - | - | 44.86 | 17.70 | 4.49 | - | 22.19 | 22.67 | 27.16 | |
| (l) Leasehold improvements | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | 1077.04 | 38.68 | - | - | - | 1115.72 | 119.37 | 37.30 | - | 156.67 | 959.05 | 959.57 | |

Note : To disclose whether the revaluation is based on the valuation by a Registered valuer as defined under Rule 2 of the Company (Registered valuers and valuation) Rules, 2017

4 Capital work-in-progress

All amounts are in INR, unless otherwise stated

| Particulars | Gross block | | | | | Accumulated depreciation | | | | | Net block | | |
|--------------------|-------------------------------------|---------------------------|--|-----------------------------|-------------|--------------------------------------|-------------------------------------|---------------------|-------------------------|---------------------------------|--------------------------------------|----------------------|----------------------|
| | Opening balance as at April 1, 2021 | Additions during the year | Acquisitions through business combinations | Capitalised during the year | Adjustments | Closing balance as at March 31, 2022 | Opening balance as at April 1, 2021 | Charge for the year | Deletions / Adjustments | Impairment (losses) / reversals | Closing balance as at March 31, 2022 | as at March 31, 2022 | as at March 31, 2021 |
| Capital WIP | 733.97 | 2681.83 | - | 16.62 | 3108.27 | 290.91 | - | - | - | - | - | 290.91 | 7,303.15 |

Annual Report 2020-2021

4A CWIP Ageing Schedule

as at March 31, 2022

| Capital Work-in-progress | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|--------------|----------|-------------------|---------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in progress | 236.60 | 54.31 | - | - | 290.91 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 236.60 | 54.31 | - | - | 290.91 |

as at March 31, 2022

| Capital Work-in-progress | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|----------|----------|-------------------|---------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in progress | 724.89 | - | - | 9.06 | 733.95 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 724.89 | - | - | 9.06 | 733.95 |

4B Details of Capital Work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

as at March 31, 2022

| Capital Work-in-progress | Amount in CWIP for a period of | | | | Total |
|--------------------------|--------------------------------|----------|----------|-------------------|----------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects 1 | - | - | - | - | - |
| Projects 2 | - | - | - | - | - |
| Total | - | - | - | - | - |

as at March 31, 2021

| Capital Work-in-progress | Amount in CWIP for a period of | | | | Total |
|--------------------------|--------------------------------|----------|----------|-------------------|----------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects 1 | - | - | - | - | - |
| Projects 2 | - | - | - | - | - |
| Total | - | - | - | - | - |

5 Other Intangible Assets

All amounts are in INR, unless otherwise stated

| Particulars | Gross block | | | | | Accumulated depreciation | | | | | Net block | | |
|---|-------------------------------------|---------------------------|--|---|-------------------------|--------------------------------------|-------------------------------------|---------------------|-------------------------|---------------------------------|--------------------------------------|----------------------|----------------------|
| | Opening balance as at April 1, 2021 | Additions during the year | Acquisitions through business combinations | Revaluation (if the change is more than 10% of net carrying value) (Refer Note below) | Disposals / Adjustments | Closing balance as at March 31, 2022 | Opening balance as at April 1, 2021 | Charge for the year | Deletions / Adjustments | Impairment (losses) / reversals | Closing balance as at March 31, 2022 | as at March 31, 2022 | as at March 31, 2021 |
| Intangible Assets | | | | | | | | | | | | | |
| (a) Brands / Trademarks | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (b) Computer Software | 34.62 | 5.90 | - | - | - | 40.52 | 6.81 | 5.52 | - | 12.33 | 28.19 | 27.81 | |
| (c) Mastheads and Publishing Titles | - | - | - | - | - | - | - | - | - | - | - | - | |
| (d) Mining Rights | - | - | - | - | - | - | - | - | - | - | - | - | |
| (e) Copyrights and Patents | - | - | - | - | - | - | - | - | - | - | - | - | |
| (f) Other Intellectual Property Rights, Services and Operating Rights | - | - | - | - | - | - | - | - | - | - | - | - | |
| (g) Recipes, Formulae, Models, Designs and Prototypes | - | - | - | - | - | - | - | - | - | - | - | - | |
| (h) Licenses and Franchise | - | - | - | - | - | - | - | - | - | - | - | - | |
| (i) Others | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | 34.62 | 5.90 | 0.00 | 0.00 | 0.00 | 40.52 | 6.81 | 5.52 | - | 12.33 | 28.19 | 27.81 | |

Note - Where sums have been written-off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets, every balance sheet subsequent to date of such write-off, or addition shall show the reduced or increased figures as applicable and shall by way of a note also show the amount of the reduction or increase as applicable together with the date thereof for the first five years subsequent to the date of such reduction or increase.

Note: To disclose whether the revaluation is based on the valuation by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017

Cerebra Integrated Technologies Limited

Consolidated Notes Forming Part of Financial Statements for as at 31st March 2022

INR in Lakhs

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| 6 Investment | | |
| Quoted Mutual Funds | | |
| HDFC Short Term Opportunities Fund- (units are 1,15,986 (31.03.2021 units are 1,11,350.59)) | 11.85 | 11.33 |
| ICICI Prudential Mutual Fund (units are 1,00,610 (31.03.2021 units are 96,899.16)) | 10.17 | 9.73 |
| Nippon India Prime Debt Fund (units are 8,064 (31.03.2020 units are 7,700.55))* | 1.37 | 1.31 |
| A Total | 23.39 | 22.37 |
| Total | 23.39 | 22.37 |
| Aggregate value of Quoted Investments | 23.39 | 22.37 |
| Market value of Quoted Investments | 23.39 | 22.37 |
| Aggregate value of Unquoted Investments at face value Previously known as Reliance India Prime Debt Fund | - | - * |
| 7 Trade Receivables- Non Current | | |
| Trade Receivables considered good- secured | - | - |
| Trade Receivables considered good- unsecured | 6,056.75 | 6,056.75 |
| Trade Receivables unsecured- considered doubtful | - | - |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables - Credit Impaired | - | - |
| Sub Total | 6,056.75 | 6,056.75 |
| Less: Allowance for Doubtful Trade Receivables | - | - |
| Total | 6,056.75 | 6,056.75 |

Trade receivables of Rs. 6,056.76 lakhs are relating to retention money of the parties which are unsecured and as per company it is receivable in log run.

FY 2021-22

| Sl No. | Particulars | Not due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
|--------|---|---------|-----------------------|----------------------|--------------|--------------|-------------------------|-----------------|
| (a) | Undisputed Trade Receivables- considered good | - | - | - | - | - | 6,056.75 | 6,056.75 |
| (C) | Undisputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (d) | Undisputed Trade Receivables -credit impaired | - | - | - | - | - | - | - |
| (e) | Disputed Trade Receivables- considered good | - | - | - | - | - | - | - |
| (g) | Disputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (h) | Disputed Trade Receivables -credit impaired | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | 6,056.75 | 6,056.75 |

FY 2020-21

| SI No. | Particulars | Not due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
|--------|--|---------|--------------------|-------------------|-----------|-----------------|-------------------|-----------------|
| (a) | Undisputed Trade Receivables- considered good | - | - | - | - | 6,056.75 | - | 6,056.75 |
| (c) | Undisputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (d) | Undisputed Trade Receivables -credit impaired | - | - | - | - | - | - | - |
| (e) | Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (g) | Disputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (h) | Disputed Trade Receivables -credit impaired | - | - | - | - | - | - | - |
| | Total | - | - | - | - | 6,056.75 | - | 6,056.75 |

| | | | |
|---|-----------------|-----------------|--|
| 8 Loans | | | |
| Loans to Related party- Subsidiary | 594.12 | 252.23 | |
| Other Loans | - | - | |
| Less: Provision for Impairment | - | - | |
| Net Advances to subsidiary | 594.12 | 252.23 | |
| Total | 594.12 | 252.23 | |
| Break-up: | | | |
| Secured, considered good | - | - | |
| Unsecured, considered good | - | - | |
| Credit Impaired | 594.12 | 252.23 | |
| Total | 594.12 | 252.23 | |
| Less: Allowance for Doubtful Loans | - | - | |
| Total Loans and Advances | 594.12 | 252.23 | |
| 9 Other Financial Assets | | | |
| Security Deposits | 15.88 | 30.12 | |
| EMD | 15.49 | 276.90 | |
| Interest accrued but not due on deposits | 2.91 | 7.10 | |
| Total | 34.28 | 314.12 | |
| 10 Deferred Assets (Net) | | | |
| On account of fixed assets | - | - | |
| On account of temporary disallowances under Income Tax | 53.96 | 66.79 | |
| Total | 53.96 | 66.79 | |
| 11 Other Non Current Assets | | | |
| Capital advances | | | |
| - to subsidiary | - | 1,065.94 | |
| - to others * | 840.43 | 1,354.40 | |
| Advances other than capital advances to others (Refer note no.36.2) | 8,528.12 | - | |
| Others | 1.65 | 7.29 | |
| Total | 9,370.21 | 2,427.63 | |

* Capital Advances to others represent advances given to parties for the purchase of property in Chennai.

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| | | |
|--|------------------|------------------|
| 12 Inventories | | |
| Raw materials | - | 46.01 |
| Work-in-progress | - | 1,336.24 |
| Stock in trade | 2,287.75 | 1,208.45 |
| Total | 2,287.75 | 2,590.70 |
| 13 Trade Receivables: Current | | |
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good -Unsecured | 18,908.87 | 17,034.74 |
| Trade Receivables which have significant increase in credit risk | - | 712.22 |
| Trade Receivables - Credit Impaired | - | - |
| Sub Total | 18,908.87 | 17,746.96 |
| Less: Allowance for Doubtful Trade Receivables | - | 712.22 |
| Total | 18,908.87 | 17,034.74 |

FY 2021-22

| SI No. | Particulars | Not due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
|--------|--|----------|--------------------|-------------------|-----------------|---------------|-------------------|------------------|
| (a) | Undisputed Trade Receivables-considered good | - | 10,041.92 | 4,235.57 | 2,436.86 | 219.87 | 1,974.66 | 18,908.88 |
| (c) | Undisputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (d) | Undisputed Trade Receivables -credit impaired | - | - | - | - | - | - | - |
| (e) | Disputed Trade Receivables-considered good | - | - | - | - | - | - | - |
| (g) | Disputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (h) | Disputed Trade Receivables -credit impaired | - | - | - | - | - | - | - |
| | Total | - | 10,041.92 | 4,235.57 | 2,436.86 | 219.87 | 1,974.66 | 18,908.88 |

FY 2020-21

| SI No. | Particulars | Not due | Less than 6 months | 6 months - 1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
|--------|--|----------|--------------------|-------------------|---------------|---------------|-------------------|-----------------|
| (a) | Undisputed Trade Receivables-considered good | - | 4,528.00 | 169.26 | 376.10 | 611.55 | 1,488.53 | 7,173.45 |
| (c) | Undisputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (d) | Undisputed Trade Receivable -credit impaired | - | - | - | - | - | - | - |
| (e) | Disputed Trade Receivables-considered good | - | - | - | - | - | - | - |
| (g) | Disputed Trade Receivables which have significant trade risk | - | - | - | - | - | - | - |
| (h) | Disputed Trade Receivables -credit impaired | - | - | - | - | - | - | - |
| | Total | - | 4,528.00 | 169.26 | 376.10 | 611.55 | 1,488.53 | 7,173.45 |

| | | |
|---|---------------|---------------|
| 14 Cash and Cash Equivalents | | |
| A) Balances with Banks | | |
| i) In Current account with scheduled bank | 29.41 | 99.52 |
| ii) In Foreign currency with foreign bank | - | - |
| B) Cash in hand | | |
| i) In Indian rupee | 8.33 | 3.45 |
| ii) In Foreign currency | 2.02 | - |
| Total | 39.75 | 102.97 |
| 15 Bank balances (other than Note 14 above) | | |
| In deposits with scheduled bank (with maturity of more than three month)* | 187.13 | 524.87 |
| Total | 187.13 | 524.87 |

* Deposits with the banks are pledged to a bank as a security against guarantee issued by them on behalf of the Company.

| | | |
|--|-----------------|---------------|
| 16 Other current assets | | |
| Prepaid expenses | 8.32 | 11.81 |
| Unbilled Revenue | 4.18 | 15.37 |
| Advance to suppliers | 2,688.81 | 644.22 |
| Advance to employees | - | 1.35 |
| Receivable-Sale of Dubai subsidiary | 1,500.00 | - |
| Balance with statutory/ government authorities | 61.69 | 34.38 |
| Total | 4,263.00 | 707.14 |

17 Other Equity

INR in Lakhs

| Particulars | as at March 31, 2022 | | as at March 31, 2021 | |
|---|----------------------|----------------|----------------------|----------------|
| | No. of shares | Amount Rs. | No. of shares | Amount Rs. |
| (a) Authorised share capital | | | | |
| Equity Shares of Rs.10 each | 15,30,00,000 | 1,53,00,00,000 | 12,80,00,000 | 1,28,00,00,000 |
| (b) Issued, subscribed and paid up share capital | | | | |
| Equity Shares of Rs.10 each | | | | |
| Issued | 12,12,06,782 | 1,21,20,67,820 | 12,12,06,782 | 1,21,20,67,820 |
| Subscribed and Paid up | 11,19,86,482 | 1,11,98,64,820 | 12,11,86,482 | 1,21,18,64,820 |

The Company had forfeited 20,300 equity shares of Rs.10/- each paid up Rs.5/- per share (Board Meeting Dated 29.01.2002)

During the year, the Company has received the approval for reduction of Share capital of 92,00,000 shares Rs. 10 each. Accordingly, Rs. 9,20,00,000 has been reduced from Share Capital

| (c) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year | No. of shares | Amount Rs. | No. of shares | Amount Rs. |
|---|---------------------|-----------------------|---------------------|-----------------------|
| 1 Opening balance | 12,11,86,482 | 1,21,18,64,820 | 12,11,86,482 | 1,21,18,64,820 |
| 2 Add: Fresh Issue during the year | - | - | - | - |
| 3 Add: Bonus shares issued during the year | - | - | - | - |
| 4 Add: Rights issue made during the year | - | - | - | - |
| 5 Add: Shares issued on conversion of Compulsorily Convertible Preference Shares | - | - | - | - |
| 6 Less: Shares bought back during the year | - | - | - | - |
| 7 Less: Shares forfeited during the year | - | - | - | - |
| 8 Less: Shares reduced during the year | 92,00,000 | 9,20,00,000 | - | - |
| 9 Add / Less: Others (pls specify) | - | - | - | - |
| 10 Closing balance | 11,19,86,482 | 1,11,98,64,820 | 12,11,86,482 | 1,21,18,64,820 |
| (d) Particulars of shareholders holding more than 5% shares of a class of shares: | | | | |
| Name of the Shareholder | No. of shares | % holding | No. of shares | % holding |
| 1 Hermes Global Fund | 1,19,00,000 | 10.63% | 1,19,00,000 | 9.82% |

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e) Shares held by promoters at the end of the year (Refer Note no.1 below)

| | | | | | |
|---|---|-----------------------------|-------------------------|-----------------------------|--------------------------|
| 1 | Change in Promoters holding during the year (%) | -2.05% | | | |
| 2 | Details of Promoters shareholding | as at March 31, 2022 | | as at March 31, 2021 | |
| | Promoters Name | No.of Shares | %of Total Shares | No.of Shares | % of Total Shares |
| | i Mr. SHRIDHAR SHANKAR HEGDE | 2,00,153 | 0.17% | 26,88,307 | 2.22% |
| | ii Mr. P VISHWAMURTHY | 9,98,130 | 0.82% | 9,98,130 | 0.82% |
| | iii Mr. VENKATRAMAN RANGANATHAN | 38,96,080 | 3.21% | 38,96,080 | 3.21% |
| | iv Mr. P BHARATH | 10,10,702 | 0.83% | 10,10,702 | 0.83% |
| | v Mr. PREETHI BHARATH | 10,000 | 0.01% | 10,000 | 0.01% |
| | Total | 61,15,065 | 5.05% | 86,03,219 | 7.10% |

Note no.1:

- Promoter as defined in the Companies Act, 2013
- Details shall be given for each class of shares separately
- % change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue

Note No.2:

Share application money pending allotment shall be classified into equity or liability in accordance with relevant Indian Accounting Standards. Share application money to the extent not refundable shall be shown under the head Equity and share application money to the extent refundable shall be separately shown under 'Other financial liabilities'.

Note no.3:

Preference shares including premium received on issue, shall be classified and presented as 'Equity' or 'Liability' in accordance with the requirements of the relevant Indian Accounting Standards. Accordingly, the disclosure and presentation requirements in that regard applicable to the relevant class of equity or liability shall be applicable mutatis mutandis to the preference shares. For instance, plain vanilla redeemable preference shares shall be classified and presented under 'non-current liabilities' as 'borrowings' and the disclosure requirements in this regard applicable to such borrowings shall be applicable mutatis mutandis to redeemable preference shares.

Note no.4:

Compound financial instruments such as convertible debentures, where split into equity and liability components, as per the requirements of the relevant Indian Accounting Standards, shall be classified and presented under the relevant heads in 'Equity' and 'Liabilities'

A) Equity Share Capital

| Equity shares of INR 10 each issued, subscribed and fully paid | Number | INR in Lakhs |
|--|---------------------|------------------|
| On 1st April 2019 | 12,11,86,482 | 12,118.65 |
| Issue during the year | - | - |
| On 31st March 2020 | 12,11,86,482 | 12,118.65 |
| Issue during the year | - | - |
| Balance at March 31,2021 | 12,11,86,482 | 12,118.65 |
| Issue during the year | - | - |
| Forfeited during the year | 92,00,000 | 920.00 |
| Balance at March 31,2022 | 11,19,86,482 | 11,198.65 |

B) Other Equity

(1) Current Reporting Period

| Particulars | Capital reserve | Securities premium | Other Reserves (General Reserve) | Statement of Profit & Loss | Revaluation Surplus | Other items of Other Comprehensive Income (specify nature) | Other Comprehensive Income (Changes in Translation reserve) | Total |
|---|-----------------|--------------------|----------------------------------|----------------------------|---------------------|--|---|------------------|
| Balance at the beginning of the current reporting period | 179.65 | 9,736.37 | - | 1,010.65 | - | 2.49 | - | 10,929.15 |
| Total Comprehensive Income for the current year | - | - | - | 2,741.52 | - | -0.22 | - | 2,741.30 |
| Forfeiture of shares | 920.00 | - | - | - | - | - | - | 920.00 |
| Premium relating to forfeiture of shares | 690.00 | -690.00 | - | - | - | - | - | - |
| Balance at the end of the current reporting period | 1,789.65 | 9,046.37 | - | 3,752.17 | - | 2.27 | - | 14,590.46 |

(2) Previous Reporting Period

| Particulars | Capital reserve | Securities premium | Other Reserves (General Reserve) | Statement of Profit & Loss | Revaluation Surplus | Other items of Other Comprehensive Income (specify nature) | Other Comprehensive Income (Changes in Translation reserve) | Total |
|---|-----------------|--------------------|----------------------------------|----------------------------|---------------------|--|---|------------------|
| Balance at the beginning of the current reporting period | 676.77 | 9,736.37 | - | 4,783.65 | - | 2.47 | 2,118.25 | 17,317.51 |
| Total Comprehensive Income for the current year | - | - | - | 148.28 | - | 0.02 | -348.64 | -200.34 |
| Balance at the end of the current reporting period | 676.77 | 9,736.37 | - | 4,931.93 | - | 2.49 | 1,769.61 | 17,117.16 |

Note : 18 (Please Refer page No. 116)

| | | |
|---|-------------|--------------|
| 19 Borrowings (Non Current) | | |
| Term Loans from Banks - secured (secured by hypothecation of vehicle) | 8.68 | 215.41 |
| Total long term borrowings | 8.68 | 215.41 |
| Less: Instalments of term loan payable within a year considered as other current liability (Refer note No.22) | 5.37 | 193.93 |
| Total | 3.31 | 21.48 |

Schedule of repayment of loan is as under

| Year | Amount in Lakhs | Year | Amount in Lakhs |
|---------|-----------------|---------|-----------------|
| 2022-23 | 5.37 | 2024-25 | 1.62 |
| 2023-24 | 1.69 | | |

| | | |
|------------------------------------|--------------|--------------|
| 20 Provisions (Non Current) | | |
| Provision for | | |
| - Gratuity (Refer note 44) | 37.89 | 29.69 |
| - Leave Benefits(Refer note 44) | 18.21 | 9.13 |
| Total | 56.10 | 38.82 |

| | | |
|--|-----------------|-----------------|
| 21 Borrowings# | | |
| Cash Credit/Overdraft from Canara Bank (Erstwhile Syndicate Bank)* | 2,386.40 | 1,360.17 |
| Term loan Instalments payable in next one year# | 5.37 | 193.93 |
| Inter Corporate Deposits | 575.64 | - |
| Loan from Directors | 275.00 | 239.49 |
| Total | 3,242.40 | 1,793.59 |

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*The Factory buliding having a carrying value of Rs 223.51 Lakhs (31.03.2021 Rs. 223.51Lakhs) has been mortgaged to Canara Bank (Erstwhile Syndicate Bank) as a security against working capital limits sanctioned by them as on the date of the balance sheet. The current assets of the comapny including Raw Material, WIP, Finished goods are also hypothicated against cash credit limit of Rs 300 Lakhs and Adhoc Limit of Rs 500 Lakhs. The Adhoc Limit of Rs 500 Lakhs is also secured by way of personal guarantee off three wholetime directors of the company.

Current maturities of long term debts has been regrouped under from Other Current Liabilities to borrowings

| 22 Trade Payables | | |
|--|-----------------|-----------------|
| Total outstanding dues of micro enterprise and small enterprise | 9.61 | 11.30 |
| Total outstanding dues of creditors other than micro enterprise and small enterprise | 8,775.34 | 3,536.76 |
| Total | 8,784.95 | 3,548.06 |

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties had been identified on the basis of information available with the company in this regard.

| Particulars | Not due | Outstanding for the following periods from the due date of payment | | | | Total |
|-----------------------|-------------|--|---------------|---------------|-------------------|----------------|
| | | Less than 6 months | 1-2 Years | 2-3 years | More than 3 years | |
| MSME | - | 9.61 | - | - | - | 9.61 |
| Others | - | 7152.11 | 390.80 | 601.78 | 630.66 | 8775.35 |
| Disputed Dues- MSME | - | - | - | - | - | - |
| Disputed Dues- others | - | - | - | - | - | - |
| Total | 0.00 | 7161.72 | 390.80 | 601.78 | 630.66 | 8784.96 |

| Particulars | Not due | Outstanding for the following periods from the due date of payment | | | | Total |
|-----------------------|----------|--|-----------------|---------------|-------------------|----------------|
| | | Less than 6 months | 1-2 Years | 2-3 years | More than 3 years | |
| MSME | - | 11.29 | - | - | - | 11.30 |
| Others | - | 774.08 | 1166.21 | 896.71 | 688.67 | 3525.67 |
| Disputed Dues- MSME | - | - | - | - | - | - |
| Disputed Dues- others | - | - | - | - | - | - |
| Total | - | 785.37 | 1,166.21 | 896.71 | 688.67 | 3536.97 |

| Disclosure under required under MSME Act, 2006. Particulars | INR in Lakhs | |
|---|--------------|-----------|
| | 31-Mar-22 | 31-Mar-21 |
| The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year; | | |
| Principal amount | 9.61 | 11.30 |
| Interest due thereon | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | Nil | Nil |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | Nil | Nil |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the | Nil | Nil |

| | | |
|--|------------------|-----------------|
| purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | | |
| 23 Other Financial Liabilities | | |
| Liabilities for expenses | 162.61 | 399.54 |
| Deposits received | 66.71 | 75.99 |
| Total | 229.33 | 475.53 |
| 24 Other Current Liabilities | | |
| Advances from customers | 127.94 | 537.55 |
| Other liabilities | 275.75 | 99.98 |
| Statutory liabilities | 806.13 | 289.58 |
| Total | 1,209.82 | 927.11 |
| 25 Provisions Current) | | |
| Provision for | | |
| - Gratuity (Refer note 43) | 29.59 | 25.14 |
| - Leave Benefits(Refer note 43) | 2.97 | 1.36 |
| - Warranty | 64.72 | - |
| - Bonus Payable | 11.21 | 18.04 |
| Total | 108.49 | 44.54 |
| 26 Current Tax Liabilities | | |
| Provision for tax | 3,290.84 | 1,700.70 |
| Total | 3,290.84 | 1,700.70 |
| 27 Revenue from operations | | |
| Sale of products | 22,661.28 | 5,582.05 |
| Income from Services- E-waste processing | 337.49 | 1,231.92 |
| Income from Services- Others | 108.90 | 179.58 |
| Revenue from operations (Gross) | 23,107.67 | 6,993.55 |
| 28 Other income | | |
| Interest income | 12.08 | 34.29 |
| Excess provision / (unclaimed credit) withdrawn | - | 1.34 |
| Dividend income | 1.11 | 1.66 |
| Net gain on foreign currency transaction | 345.55 | -30.17 |
| Other Income | 120.98 | 7.61 |
| Total | 479.73 | 14.74 |
| 29 Cost of materials consumed | | |
| Opening stock | 2,544.69 | 1,156.59 |
| Add: Purchase during the year | 16,933.56 | 5,845.77 |
| Less:- Closing stock | 2,287.75 | 2,544.69 |
| Total | 17,190.50 | 4,457.67 |
| 30 Employee Benefit Expenses | | |
| Salaries and wages | 736.04 | 741.20 |
| Contracted Labour | 102.39 | 101.66 |
| Contribution to provident & other funds | 80.38 | 36.78 |
| Staff Welfare expenses | - | 36.38 |
| Total | 918.81 | 916.01 |
| # Labour charges has been regrouped under Employee Benefit expenses as contracted labour charges instead under other expenses. | | |
| 31 Financial Costs | | |
| Interest on term Loan | 18.02 | 1.86 |
| Interest on Working Capital | 139.5 | 133.03 |
| Interest on statutory dues | 49.95 | 23.01 |
| Other Interest | 407.90 | 240.34 |
| Bank Charges | 9.60 | 4.91 |
| Total | 624.97 | 403.15 |

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| | | |
|--|---------------|---------------|
| 32 Other Expenses | | |
| Power and Fuel | 1.61 | 20.60 |
| Rent | 94.70 | 120.21 |
| Repairs to Machinery | 27.49 | 16.83 |
| Packing and forwarding | 5.53 | - |
| Repairs to Others | 6.39 | 1.06 |
| Insurance | 7.00 | 9.05 |
| Rates & Taxes, excluding taxes on income | 93.71 | 18.19 |
| Legal & Professional Charges* | 210.63 | 249.47 |
| Freight & Forwarding | - | 1.50 |
| Travelling and Conveyance | 32.56 | 34.07 |
| Communication expenses | 40.10 | 9.32 |
| Bad Advance written off | 0.76 | - |
| Advertisement & Business promotion | 29.08 | 18.39 |
| Printing & Stationery | 6.54 | 16.24 |
| CSR Expenses | - | 1.00 |
| Provision for Warranty | - | - |
| Miscellaneous Expenses | 207.18 | 241.43 |
| Total | 763.29 | 757.36 |

Labour charges has been regrouped under Employee Benefit expenses as contracted labour charges instead under other expenses.

| | | |
|--|---------------------------|---------------------------|
| * Legal and Professional Charges includes Statutory Auditor's Remuneration:- | Year ending 31.03.2022 | Year ending 31.03.2021 |
| Particulars | | |
| Audit fees | 12.00 | 8.00 |
| Tax Audit fees | 2.00 | 2.00 |
| Total | 14.00 | 10.00 |
| 33 Other Comprehensive Income | | |
| Remeasured Unrealised actuarial gain/loss | -0.22 | 0.03 |
| Total | -0.22 | 0.03 |

| | | |
|--|---------------------|-------------------|
| Note No. 34 Contingent Liabilities (to the extent not provided for) * | INR in Lakhs | |
| Particulars | 31-03-2022 | 31-03-2021 |
| Bank guarantees and letters of credit open and outstanding | 283.25 | 323.40 |
| Pending capital commitments (Net of Advances) | - | 3,234.89 |

Penalty payable if any for delay in filing returns and payment of dues under Income Tax Act and Goods and Service Tax Act are not ascertainable and will be accounted on determination of the same.

Note No. 35.1

The Company has received the final approval from NCLT for reduction of Capital on account of cancellation of shares issued to Cimellia and capital has been reduced and transferred the amount to Capital Reserve during the year along with the premium on forfeited shares.

Note No. 35.2

During the year the Company has sold its investment in the Dubai subsidiary and necessary share transfer agreement has been executed. The Company had few advances given to its erstwhile subsidiary and amount receivable from them have been classified under loans and necessary agreement has been entered with the Purchaser of shares for refund of advance amount. The advance amount includes the advance amount paid by the Company to vendors in Dubai on behalf of their erstwhile subsidiary.

Note No. 35.3

During the previous year company have accounted machinery work-in progress (CWIP). However, in the current financial year due to technical issues and short shipment the company has been forced to reject the consignment and respective CWIP has been reversed.

Note No. 36**Operating Lease**

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

INR in Lakhs

| Particulars | 31-03-2022 | 31-03-2021 |
|---|------------|------------|
| Not Less than one year | 47.22 | 100.86 |
| Later than one year but not later than five years | - | 2.36 |
| Later than five years | - | - |

Expenses recognised in the Statement of Profit and Loss:

| Particulars | 31-03-2022 | 31-03-2021 |
|------------------|--------------|--------------|
| Fixed Rentals | 94.70 | 99.58 |
| Contingent rents | - | - |
| Total | 94.70 | 99.58 |

INDAS115 is not applicable as all the agreements are for a period less than a year.

Note No 37**a. Income Tax Expenses**

INR in Lakhs

| Particulars | Year ending 31st March,2022 | Year ending 31st March,2021 |
|--|--------------------------------|--------------------------------|
| Current tax | | |
| Current tax on taxable income for the year | 1,292.77 | 272.27 |
| Total current tax expense | 1,292.77 | 272.27 |
| Deferred tax | | |
| Deferred Tax charge/(credit) | -12.83 | -4.07 |
| MAT credit (taken)/utilized | - | - |
| Total deferred income tax expense/(benefit) | -12.83 | -4.07 |
| Total income tax expenses /)Credit | 1,279.93 | 268.20 |

b. The movement in deferred tax assets and liabilities

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|---|----------------------------|--|------------------------------|--|
| | Deferred tax/(liabilities) | Credit)/(charge) in statement of Profit and Loss | Deferred tax / (liabilities) | Credit)/(charge) in statement of Profit and Loss |
| Depreciation | - | 29.73 | - | 7.28 |
| Expenses allowed in the year of payment | 83.68 | | 66.78 | -3.22 |
| Total | 83.68 | 29.74 | 66.78 | 4.07 |

Note no 38**a) Financial instruments by category:**

As at March 31, 2022

INR in Lakhs

| Particulars | FVTPL | FVOCI | Amortised Cost | Total Carrying Value |
|--|-------|-------|----------------|----------------------|
| Financial Assets Measured at fair value | | | | |
| Investments* | 23.39 | - | - | 23.39 |
| Not measured at fair value | | | | |
| Loans# | - | - | - | - |
| Trade Receivable | - | - | 24,965.56 | 24,965.56 |

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| | | | | |
|---|--------------|----------|------------------|------------------|
| Cash and Cash Equivalents | - | - | 39.75 | 39.75 |
| Bank Balances other than those included above | - | - | 187.13 | 187.13 |
| Other Financial Assets | - | - | 34.28 | 34.28 |
| Total | 23.39 | - | 25,226.72 | 25,250.11 |
| Financial Liabilities | | | | |
| Measured at Fair Value | - | - | - | - |
| Not Measured at Fair value | | | | |
| Borrowings | - | - | 3,245.71 | 3,245.71 |
| Trade Payable | - | - | 8,784.96 | 8,784.96 |
| Other Financial Liabilities | - | - | 229.33 | 229.33 |
| Total | - | - | 12,259.99 | 12,259.99 |

Footnote:

#The Company has given Loan on interest free to its subsidiary, but the same has not been recorded at fair value.

As at March 31, 2021

INR in Lakhs

| Particulars | FVTPL | FVOCI | Amortised Cost | Total Carrying Value |
|---|--------------|----------|------------------|----------------------|
| Financial Assets | | | | |
| Measured at fair value | | | | |
| Investments* | 22.37 | - | - | 22.37 |
| Not measured at fair value | | | | |
| Investments in Subsidiary | - | - | - | - |
| Loans# | - | - | 559.25 | 559.25 |
| Trade Receivable | - | - | 23,091.49 | 23,091.49 |
| Cash and Cash Equivalents | - | - | 102.97 | 102.97 |
| Bank Balances other than those included above | - | - | 524.87 | 524.87 |
| Other Financial Assets | - | - | 7.10 | 7.10 |
| Total | 22.37 | - | 24,285.68 | 24,308.05 |
| Financial Liabilities | | | | |
| Measured at Fair Value | - | - | - | - |
| Not Measured at Fair value | | | | |
| Borrowings | - | - | 1,621.14 | 1,621.14 |
| Trade Payable | - | - | 3,548.05 | 3,548.05 |
| Other Financial Liabilities | - | - | 475.53 | 475.53 |
| Total | - | - | 5,644.72 | 5,644.72 |

Footnote:

*The above excludes investments in subsidiaries of Rs. 337.06 Lakhs

#The Company has given Loan on interest free to its subsidiary, but the same has not been recorded at fair value.

b) Fair Value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis, it also includes the financial instruments which are measured at amortised cost for which fair values are disclosed.

As at March 31, 2022

INR in Lakhs

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|---------|---------|--------------|
| Financial assets: | | | | |
| Measured at fair value | | | | |
| Investments in Mutual Funds | 23.39 | | | 23.39 |
| Not measured at fair value (Refer footnotes) | | | | |
| Total | 23.39 | - | - | 23.39 |
| Financial Liabilities | | | | |
| Measured at fair value | | | | - |
| Not measured at fair value (Refer footnotes) | | | | - |
| Total | - | - | - | - |

As at March 31, 2021

INR in Lakhs

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|---------|---------|--------------|
| Measured at fair value | | | | |
| Investments in Mutual Funds | 22.37 | | | 22.37 |
| Not measured at fair value (Refer footnotes) | | | | |
| Total | 22.37 | - | - | 22.37 |
| Financial Liabilities | | | | |
| Measured at fair value | | | | - |
| Not measured at fair value (Refer footnotes) | | | | - |
| Total | - | - | - | - |

Footnotes

The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

c) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

a) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

b) Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/ debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

c) Level 3: If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

d) Inter level transfers: There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

e) Valuation technique used to determine fair value.

i) the use of quoted market prices for the equity instruments and Mutual Funds.

ii) the fair value of the unlisted shares are determined based on the income approach or the comparable market approach.

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f) Reconciliations of level 3 fair values.

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

| Particulars | INR in Lakhs | |
|------------------------------|--------------|-------------------|
| | Assets | Equity Instrument |
| Balance as on April 1, 2021 | - | - |
| Changes:- | | |
| Nil | - | - |
| Balance as on March 31, 2022 | - | - |

Note No. 39

Financial Risk Management

Risk management framework

The company's activities expose it to market risk including currency risk, interest rate risk, liquidity risk and credit risk.

The company's risk management is carried out by finance department as per the policies approved by the Board of Directors. The board provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of shortterm/longterm surplus funds.

A) Market Risk

i) Foreign Currency Risk

Foreign currency risk arises from commercial transactions, assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

The exposure of the Company to foreign currency risk is not significant. However, this is closely monitored by the management to decide on the requirement of hedging. The position of foreign currency exposure to the Company is given below expressed in INR as under :

| Currency | INR in Lakhs | |
|------------------------------|--------------|----------|
| | Receivables | Payables |
| As on March 31, 2022 | | |
| Exposure in US Dollars (USD) | 10029.77 | - |
| Exposure in US Dirhams (AED) | - | - |
| As on March 31, 2021 | | |
| Exposure in US Dollars (USD) | 9,299.01 | - |
| Exposure in US Dirhams (AED) | 9,861.30 | 1,521.88 |

ii) Interest Rate Risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period depends on the mix of fixed rate and floating rate of the borrowings and the expected movement of market interest rate. The status of borrowings in terms of fixed rate and floating rate are as follows:

| Details of Borrowings outstanding | INR in Lakhs | |
|-----------------------------------|-----------------|-----------------|
| | 31-03-2022 | 31-03-2021 |
| Variable Rate Borrowings | 3,239.09 | 968.00 |
| Fixed Rate Borrowings | 3.31 | 202.70 |
| Interest Free Borrowings | - | - |
| Total Borrowings | 3,242.40 | 1,170.70 |

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

| Details of Variable rate borrowings | INR in Lakhs | | |
|---|-----------------------------|---------------------|-----------------|
| | Weighted Avg. Interest Rate | Outstanding Balance | % of Total Loan |
| 31-Mar-22 | | | |
| Cash Credit from Canara Bank(earstwhile Syndicate Bank) | 11.70% | 2,386.40 | 73.60% |
| 31-Mar-21 | | | |
| Cash Credit from Canara Bank (earstwhile Syndicate Bank) | 11.70% | 968.00 | 82.69% |

Interest Rate Sensitivity

A change of 50 bps in interest rate would have the following impact on profit before tax

| Particulars | 2021-22 | 2020-21 |
|---|---------|---------|
| 50 bps increase would decrease the profit before tax by | 83.86 | 35.70 |
| 50 bps decrease would increase the profit before tax by | -83.86 | -35.70 |

iii) Price Risk

The company's exposure to securities price risk arises from investments held by the company in units of mutual fund classified in the balance sheet at fair value through profit and loss. However, company does not have a practice of investing in market equity securities with a view to earn fair value changes gain. Company has invested in units of mutual funds when short term surplus fund exists with prior approval of the Board. Considering the size of the investment the price/market risk is not significant.

B) Credit Risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the company. Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the company does not allow any credit period and therefore, is not exposed to any credit risk. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 60 days past due.

INR in Lakhs

| Details of outstanding trade receivables | Upto 6 Months | More than 6 Months but less than three Years | More than Three Years |
|--|---------------|--|-----------------------|
| As on 31-03-2022 | 10,041.92 | 6,892.30 | 8,031.40 |
| As on 31-03-2021 | 3,935.78 | 11,724.00 | 7,432.00 |

C) Liquidity Risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows

INR in Lakhs

| Floating Rate | 31-03-2022 | 31-03-2021 |
|---------------------------------|------------|------------|
| Cash Credit from Syndicate Bank | 2,386.40 | 332.00 |

ii) Maturities of financial liabilities

The table below analyses the company's all financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

As on March 31, 2022

INR in Lakhs

| Financial Liabilities | Not Later than 1 year | Between 1 and 5 years | Later than 5 Years |
|----------------------------------|-----------------------|-----------------------|--------------------|
| i) Borrowings | 3,242.40 | 3.31 | - |
| ii) Trade Payable | 8,775.35 | - | - |
| iii) Other Financial Liabilities | 229.33 | - | - |

INR in Lakhs

| Financial Liabilities | Not Later than 1 year | Between 1 and 5 years | Later than 5 Years |
|----------------------------------|-----------------------|-----------------------|--------------------|
| i) Borrowings | 1,599.66 | 3.38 | - |
| ii) Trade Payable | 3,548.05 | - | - |
| iii) Other Financial Liabilities | 475.53 | - | - |

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Note Number 40 : Capital Management

Capital management objectives of the Company is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The company's strategy is to maintain a gearing ratio within 20%. The gearing ratios were as follows:

| Particulars | 31-03-2022 | 31-03-2021 |
|--------------------|------------|------------|
| Debt | 3,245.71 | 1,621.14 |
| Equity | 25,789.11 | 29,236.82 |
| Net Debt to Equity | 12.59% | 5.54% |

Note No 41 : Related Party Disclosure

a) Related Parties

| Name | Nature |
|--------------------------------------|---|
| Kranion Technologies Private Limited | Entity in which KMP or/and his relatives are able to exercise significant influence |

b) Key Management Personal

| Name | Designation |
|--------------------|---|
| V. Ranganathan | Managing Director |
| P. Vishwamurthy | Whole Time Director |
| MVS Vasan | Director |
| P. E. Krishnan | Director |
| Preethi Javali | Director (till 28-05-2021) |
| S Gopalkrishnan | Director |
| Riyaz Suterwalla | Director |
| Parthasarathi Naik | Director |
| Bhavana Philipose | Director |
| Amul Mahendra Shah | Director |
| Barath P | Relative of a Director |
| Kishan S Rao | Chief Financial Officer (till 20-11-2021) |
| Maitri Chatterjee | Company Secretary |
| H S Venkatesh | Chief Financial Officer (from 01-01-2022) |

c) Transaction with Related Parties

| Particulars | Transaction | INR in Lakhs | |
|------------------|----------------------|---------------------------|---------------------------|
| | | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
| V. Ranganathan | Remuneration | 16.35 | 15.06 |
| | Loan Received | 275.98 | 12.00 |
| | Loan repaid | 0.98 | 13.27 |
| P. Vishwamurthy | Remuneration | 16.35 | 15.06 |
| | Loan Received | - | 3.00 |
| | Loan repaid | - | 6.00 |
| Shridhar S Hegde | Remuneration | - | 5.65 |
| | Loan Received | - | 30.94 |
| | Loan repaid | - | 42.07 |
| Bharath P | remuneration | 16.35 | 15.06 |
| | Capital advance Paid | - | 4.46 |
| | Loan Repaid(Net) | - | 4.46 |
| MVS Vasan | Sitting Fees | 0.90 | 0.90 |
| P. E. Krishnan | Sitting Fees | 1.05 | 1.20 |

| | | | |
|--------------------|--------------|-------|------|
| S Gopalkrishnan | Sitting Fees | 1.15 | 0.95 |
| Riyaz Suterwalla | Sitting Fees | - | 0.45 |
| Parthasarathi Naik | Sitting Fees | 0.90 | 0.45 |
| Bhavana Philipose | Sitting Fees | 0.90 | 0.45 |
| Amul Mahendra Shah | Sitting Fees | - | - |
| Kishan S Rao | Remuneration | 12.78 | 4.84 |
| Maitri Chatterjee | Remuneration | 4.42 | 0.85 |
| H S Venkatesh | Remuneration | 6.00 | - |

d) Balance with Related Parties

INR in Lakhs

| Particulars | 31-03-2022 | 31-03-2021 |
|----------------------|------------|------------|
| Payable to Directors | | |
| V. Ranganathan | 2.54 | 4.32 |
| P. Vishwamurthy | 3.76 | 3.34 |
| Riyaz Suterwalla | 0.53 | 0.53 |
| Kishan S Rao | - | 1.39 |
| Maitri Chatterjee | 0.33 | 0.33 |
| H S Venkatesh | 1.81 | - |
| Payable to Bharath P | 5.41 | 4.12 |

Note No 42:- Employee Benefits**Gratuity****i) Changes in present value of obligation**

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|---|---------------------------|---------------------------|
| Present Value of Funded Obligation | - | - |
| Fair Value of plan asset | - | - |
| Net Fund Obligation | - | - |
| Present Value of unfunded defined benefit obligation | 67.48 | 54.84 |
| Amounts not recognised due to asset limit | - | - |
| Net defined liability/(asset) recognised in balance sheet | 67.48 | 54.84 |
| Net defined liability/(asset) Bifurcated as follows | - | - |
| Current Liability | 29.60 | 25.15 |
| Non-current Liability | 37.89 | 29.69 |

ii) Expenses to be recognised in Statement of profit or loss account

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|---|---------------------------|---------------------------|
| Current Service Cost | 10.26 | 12.77 |
| Past Service Cost | - | - |
| Administration Expenses | - | - |
| Interest on net defined benefit liability/(Asset) | 2.70 | 3.43 |
| (Gain)/Losses on settlement | - | - |
| Total expenses to be charged to profit or loss account | 12.96 | 16.20 |

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iii) Amount recorded in Other Comprehensive Income

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|---|---------------------------|---------------------------|
| Opening amount recognized in OCI outside profit and loss account | -23.42 | 0.03 |
| Remeasurements during the period due to | | |
| Changes in financial assumptions | -2.07 | - |
| Changes in demographic assumptions | - | - |
| Experience adjustments | 1.76 | -23.45 |
| Actual return on plan assets less interest on plan assets | - | - |
| Adjustment to recognize the effect of asset ceiling | - | - |
| Closing amount recognized in OCI outside profit and loss account | -23.73 | -23.42 |

iv) Movement in Benefit Obligation

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|--|---------------------------|---------------------------|
| Opening of defined benefit obligation | 54.83 | 62.67 |
| Current service cost | 10.26 | 12.77 |
| Past service cost | - | - |
| Interest on defined benefit obligation | 2.70 | 3.43 |
| Remeasurements due to: | | |
| Actuarial loss / (gain) arising from change in financial assumptions | -2.07 | - |
| Actuarial loss / (gain) arising from change in demographic assumptions | - | - |
| Actuarial loss / (gain) arising on account of experience changes | 1.76 | -23.45 |
| Benefits paid | - | -0.59 |
| Liabilities assumed / (settled)* | - | - |
| Liabilities extinguished on settlements | - | - |
| Closing of defined benefit obligation | 67.48 | 54.83 |

v) Key Assumptions

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|------------------------------|--|--|
| Discount Rate(p.a.) | 6.4% | 6.40% |
| Salary Escalation Rate(p.a.) | 7.0% | 7.00% |
| Demographic Assumptions | | |
| Retirement Age | 58 | 58 |
| Mortality Table | Indian Assured Lives Mortality Table(2012-14) | Indian Assured Lives Mortality Table(2012-14) |
| Leaving service rates | | |
| Age | | |
| 21-30 | 15% | 15% |
| 31-44 | 10% | 10% |
| 35-44 | 5% | 5% |
| 45-50 | 3% | 3% |
| 51-54 | 2% | 2% |
| 55-57 | 1% | 1% |

Note No 43 : Earnings Per Share

| Particulars | Year ended 31-Mar-2022 | Year ended 31-Mar-2021 |
|---|---------------------------|---------------------------|
| A) Basic Earnings Per Share | | |
| Profit after tax | 2,741.20 | 123.29 |
| Weighted number of equity shares considered for calculation of basic earnings per share | 11,19,86,482 | 12,11,86,482 |
| Earnings Per share- Basic | 2.45 | 0.10 |
| B) Diluted Earnings per share | | |
| Profit after tax | 2,741.20 | 123.29 |
| Adjustments | - | - |
| Diluted Earnings | 2,741.20 | 123.29 |
| Weighted number of equity shares considered for calculation of diluted earnings per share | 11,85,85,971 | 12,11,96,632 |
| Earnings Per share- Diluted | 2.33 | 0.10 |

Note No 44: Figures in bracket relates to previous year.

Note 46 - Ratios**Financial Ratios:**

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

| Particulars | Numerator | Denominator | 31st March 2022 | 31st March 2021 | Variance |
|-----------------------------------|--|------------------------------|-----------------|-----------------|----------|
| Liquidity Ratio | | | | | |
| Current Ratio | Current assets | Current liabilities | 1.52 | 2.47 | -38.31% |
| Solvency Ratio | | | | | |
| Debt – Equity Ratio | Total Debt | Shareholder's Equity | 0.29 | 0.15 | 93.51% |
| Debt Service Coverage Ratio | Earnings available for debt service(1) | Total Debt | 1.05 | 0.34 | 213.03% |
| Profitability Ratio | | | | | |
| Return on Equity (ROE) | Net Profits after taxes | Average Shareholder's Equity | 0.10 | 0.00 | 3497.62% |
| Net profit Ratio | Net Profit | Revenue | 0.12 | 0.02 | 572.18% |
| Return on capital employed (ROCE) | Earning before interest and taxes | Capital Employed(2) | 157.67 | 134.90 | 16.88% |
| Return on Investment(ROI) | | | | | |
| Utilization Ratio | | | | | |
| Trade Receivables Turnover Ratio | Revenue | Average Trade Receivable | 0.96 | 0.26 | 265.53% |
| Trade Payables Turnover Ratio | Credit Purchases | Average Trade Payables | 2.75 | 0.82 | 234.16% |
| Net Capital Turnover Ratio | Revenue | Working Capital | 2.62 | 0.56 | 367.15% |

(1) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(2) Average Shareholders fund

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| 18 | Particulars | 2021-22 | 2020-21 |
|--|--|------------------|------------------|
| Other Equity | | | |
| i) Capital reserve | | | |
| | Balance as per last financial statement | 179.65 | 677.79 |
| | Add: Forfeiture of shares | 920.00 | - |
| | Add: Security premium relating to Forfeiture of shares | 690.00 | - |
| | Balance as on balance sheet date | 1,789.65 | 677.79 |
| ii) Security premium | | | |
| | Balance as per last financial Statement | 9,736.37 | 9,736.37 |
| | Less:- Premium relating to Forfeiture of shares | 690.00 | - |
| | Balance as on balance sheet date | 9,046.37 | 9,736.37 |
| iii) Surplus | | | |
| | Balance as per last financial Statement | 1,010.65 | 4,762.63 |
| | Add:- Profit for the year | 2,741.52 | 169.30 |
| | Balance as on balance sheet date | 3,752.17 | 4,931.93 |
| iv) Other Comprehensive Income | | | |
| | Balance as per last financial Statement | 2.49 | 2.47 |
| | Add:- For the year | -0.22 | 0.02 |
| | Balance as on balance sheet date | 2.27 | 2.49 |
| v) Application money received towards share warrants* | | | |
| | | - | - |
| vi) Other Comprehensive Income (Changes in Translation reserve) | | | |
| | Balance as per last financial Statement | - | 2,118.24 |
| | Add:- For the year | - | -348.64 |
| | Balance as on balance sheet date | - | 1,769.60 |
| Total | | 14,590.46 | 17,118.18 |

*During the Financial year 2017-18 the company had issued 53 Lakhs share warrants to the promoters of the company at Rs. 40 Per share. The company has received Rs. 10 (25%) against the same on 28th April 2017. Such warrants had to be convertible into one equity share at any time within a period of 18 Months from the date of allotment of such warrants. Balance 75% (i.e.Rs.30) had to be paid before the date of subscription to equity shares. On expiry of the said period of 18 months only 8 lakh share warrants had been converted in to equity shares by payment of Rs. 30 per share and the balance amount of Rs. 450 lakhs received has been forfeited and the same has been treated as capital reserve.

Capital Reserve: Capital reserve represents share and share warrants forfeited. Capital Reserve is utilised in accordance with the provisions of the Act. During the year, the Company has received the approval for reduction of Share capital of 92,00,000 shares Rs. 10 each. Accordingly, Rs. 9,20,00,000 has been reduced from Share Capital and included in Capital Reserve

Security Premium: Securities Premium is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

Retained Earnings/Surplus: Surplus is created out of the profits generated. The same can be utilised in accordance with the provisions of the Act to distribute among the shareholders by way of dividend or by way of issue of bonus shares etc after setting off accumulated loss.

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ISO 9001:2015 (Quality Management System)
ISO 14001:2015 (Environmental Management System) and
ISO 18001:2007 (Occupational Health and Safety Management System - OHSAS)**





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