



CEREBRA

Total I.T. Solutions

An ISO 9001 : 2008 Company

REF: CITL/BSE/057/2019-20

Monday, 12th August, 2019

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

Cerebra Integrated Technologies Limited

REGD. OFFICE :

S5, Off 3rd Cross, Peenya Industrial Area,
Peenya 1st Stage, Bengaluru - 560 058.

Tel : +91-80-22046969-99

Fax : +91-80-22046980

Web : www.cerebracomputers.com

E-mail : info@cerebracomputers.com

CIN : L85110KA1993PLC015091

Dear Sirs,

Sub: Outcome of the Board Meeting held on 12th August,2019

As already informed vide our letter dated 5th August, 2019, the Board of Directors of Cerebra Integrated Technologies Limited, Bangalore at its Meeting held on 12th August, 2019 which commenced at 11 A.M. and adjourned at 12 noon and commenced at 6 PM and concluded at 9.40 P.M., *inter alia* transacted the following business:

- Based on the recommendation of the Audit Committee, considered and approved the un-audited financial results for the 1st quarter ended 30th June, 2019 in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and copy of un-audited Standalone and Consolidated Financial Results of the Company for the 1st quarter ended 30th June, 2019 along with the Limited Review Report on Standalone and Consolidated Financials are enclosed herewith.
- 25th Annual General Meeting of the Shareholders, Book closure and related matters.
- Reduction of Share Capital.
- ESOP proposal.
- Appointed Mr. M V S Vasan (DIN- 01088868) as Independent Director of the Company w.e.f. 12th August, 2019. Brief profile of Mr. M V S Vasan is attached.

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

Thanking you

Yours Truly

For Cerebra Integrated Technologies Limited

Shridhar S Hegde
Whole Time Director
DIN: 01247342



CEREBRA INTEGRATED TECHNOLOGIES LIMITED
CIN: L85110KA1993PLC015091

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

Statement of Standalone Unaudited Financial Results for the First Quarter ended 30.06.2019

Rs. In Lakhs

Particulars	Quarter ended Unaudited			Year Ended (Audited)
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
INCOME :				
(a) Revenue from operations	1,194.69	5,022.89	8,239.62	26,105.37
(b) Other income	11.47	-100.97	524.72	582.34
Total income	1,206.16	4,921.91	8,764.34	26,687.71
Expenses				
(a) Cost of materials consumed	402.03	918.15	109.52	2,516.54
(b) Purchases of stock in trade	463.77	574.23	8,201.20	17,394.37
(c) Changes (Increase)/Decrease inventories of finished goods, work in progress and stock in trade.	-485.81	606.08	-972.36	577.27
(d) Excise Duty	-	-	-	-
(e) Employee benefit expenses	141.15	142.04	119.77	523.72
(f) Finance cost	76.08	140.51	6.48	259.99
(g) Depreciation and amortisation	6.67	6.76	6.69	26.98
(h) Other expenses	72.94	1,246.98	67.96	1,500.06
Total expenses	676.82	3,634.76	7,539.25	22,798.92
Profit before exceptional items and tax	529.34	1,287.15	1,225.09	3,888.79
Exceptional items	-	2,384.69	-	2,384.69
Profit Before Tax	529.34	-1,097.54	1,225.09	1,504.10
Current tax	154.14	593.89	367.53	1,503.01
Deferred tax expense	-	-104.75	-	-104.75
Total tax expense	154.14	489.15	367.53	1,398.26
Profit after tax for the year	375.20	-1,586.68	857.56	105.83
OTHER COMPREHENSIVE INCOME / (LOSS)				
(i) Items that will not be reclassified subsequently to the statement of profit and loss	0.76	1.96	-0.40	3.06
(ii) Income tax on the items that will not be reclassified subsequently to the statement of profit and loss	0.22	0.75	-	1.06
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)	0.54	1.21	-0.40	2.00
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	375.74	-1,585.48	857.16	107.83
Earnings per share (of Rs 10 each):				
Basic	0.31	-1.32	0.71	0.09
Diluted	0.31	-1.32	0.71	0.09

Notes

- The above unaudited financial results as reviewed by the Audit Committee were approved by the Board of Directors at its Meeting held on 12.08.2019.
- These financial results have been prepared in accordance with Indian Accounting Standard ("IND AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 and SEBI Circular dated 5th July, 2016.
- With regard to qualification of the Auditors for Inventory Record the Company is in the process of implementing suitable software to maintain the proper stock records.
- The Company did not execute any low margin hardware business during the quarter.
- 20 Cerebra Experience Centres Stores has been opened across the country through Franchise to sell all our Refurbished products.
- The Company Started executing EPR orders from July 2019
- Reduction of Capital of 9200000 Equity Shares of Rs. 10.00 Each allotted to 3 Singapore entities as per the award of the Hon'ble Arbitrator was approved.
- Figures have been regrouped or rearranged , wherever necessary.

For Cerebra Integrated Technologies Ltd.

Director

Shridhar S Hegde
Wholtime Director and CFO
DIN: 01247342

Place: Bangalore
Date: 12-08-2019

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

Particulars	Quarter ended			Year Ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
Segment Revenue				
a. Hardware including trading of refurbished computer accessories	142.20	2,589.64	8,239.62	21,970.16
b. Ewaste Powdering and Refining Division	1,052.49	2,433.25	-	4,135.21
Total	1,194.69	5,022.89	8,239.62	26,105.37
Less Inter segment revenue	-	-	-	-
Net sales/Income from Operations	1,194.69	5,022.89	8,239.62	26,105.37
Segment Results				
a. Hardware including trading of refurbished computer accessories	-98.85	212.29	1,231.57	2,677.08
b. Ewaste Powdering and Refining Division	704.26	1,215.38	-	1,471.70
Total	605.42	1,427.66	1,231.57	4,148.77
Less i. Interest	76.08	140.51	6.48	259.99
Add ii. Other Un-allocable Expenditure Net of Un-allocable income	-	-	-	-
Profit before Tax (before other comprehensive income)	529.34	1,287.15	1,225.09	3,888.79
Segment Assets				
a. Hardware including trading of refurbished computer accessories	35,059.58	35,049.95	35,094.21	35,049.95
b. Ewaste Powdering and Refining Division	5,437.03	5,036.27	-	5,036.27
Segment Liabilities				
a. Hardware including trading of refurbished computer accessories	17,188.80	17,010.94	12,171.52	17,010.94
b. Ewaste Powdering and Refining Division	502.08	645.27	-	645.27

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

For Cerebra Integrated Technologies Ltd.

Director

Shridhar S Hegde
 Wholtime Director and CFO
 DIN: 01247342

Place: Bangalore
 Date: 12-08-2019



CEREBRA INTEGRATED TECHNOLOGIES LIMITED
CIN: L85110KA1993PLC015091

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

Statement of Consolidated Unaudited Financial Results for the First Quarter ended 30.06.2019

Rs. In Lakhs

Particulars	Quarter ended Unaudited (Reviewed)			Year Ended (Audited)
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
INCOME :				
(a) Revenue from operations	4,026.19	7,810.87	11,656.61	38,523.33
(b) Other income	11.47	(121.97)	524.35	582.29
Total income	4,037.67	7,688.90	12,180.96	39,105.61
Expenses				
(a) Cost of materials consumed	402.03	918.15	109.52	2,516.54
(b) Purchases of stock in trade	2,902.88	3,048.21	10,975.60	27,932.80
(c) Changes (Increase)/Decrease inventories of finished goods, work in progress and stock in trade.	-495.02	604.04	(972.36)	575.23
(d) Excise Duty	-	-	-	-
(e) Employee benefit expenses	246.44	225.72	220.77	903.43
(f) Finance cost	96.98	179.38	45.61	375.82
(g) Depreciation and amortisation	7.32	12.42	8.34	37.66
(h) Other expenses	98.28	1,816.68	105.96	2,399.17
Total expenses	3,258.90	6,804.59	10,493.46	34,740.65
Profit before exceptional items and tax	778.76	884.30	1,687.50	4,364.96
Exceptional items	-	2,384.69	-	2,384.69
Profit Before Tax	778.76	(1,500.39)	1,687.50	1,980.27
Current tax	154.14	595.21	367.53	1,504.33
Deferred tax expense	-	(104.75)	-	(104.75)
Total tax expense	154.14	490.46	367.53	1,399.58
Profit after tax for the year	624.62	(1,990.85)	1,319.97	580.69
OTHER COMPREHENSIVE INCOME / (LOSS)				
(i) Items that will not be reclassified subsequently to the statement of profit and loss	0.76	1.96	0.07	3.06
(ii) Income tax on the items that will not be reclassified subsequently to the statement of profit and loss	0.22	0.75	-	1.06
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)	0.54	1.22	0.07	2.00
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	625.16	(1,989.64)	1,320.04	582.69
Profit attributable to				
a) Owners	590.86	(2,037.49)	1,273.85	440.09
b) Non-Controlling Interest	33.76	46.62	46.12	140.60
Other Comprehensive income Attributable to				
a) Owners	0.54	1.22	(0.07)	2.00
b) Non Controlling Interest	-	-	0.14	-
Total Comprehensive Income Attributable to				
a) Owners	591.40	(2,036.30)	1,273.78	442.09
b) Non Controlling Interest	33.76	46.62	46.26	140.60
Earnings per share (of Rs 10 each):				
Basic	0.49	(1.69)	1.06	0.36
Diluted	0.49	(1.69)	1.06	0.36

Notes

- The above unaudited financial results as reviewed by the Audit Committee were approved by the Board of Directors at its Meeting held on 12.08.2019.
- These financial results have been prepared in accordance with Indian Accounting Standard ("IND AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of SEBI(Listing Obligation and Disclosure Requirements) Regulations 2015 and SEBI Circular dated 5th July, 2016.
- With regard to qualification of the Auditors for Inventory Record the Company is in the process of implementing suitable software to maintain the proper stock records.
- The Company did not execute any low margin hardware business during the quarter.
- 20 Cerebra Experience Centers Stores has been opened across the country through Franchise to sell all our Refurbished products.
- The Company Started executing EPR orders from July 2019
- Reduction of Capital of 9200000 Equity Shares of Rs. 10.00 Each allotted to 3 Singapore entities as per the award of the Hon'ble Arbitrator was approved.
- Figures have been regrouped or rearranged , wherever necessary.

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

Particulars	Quarter ended			Year Ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
Segment Revenue				
a. Hardware including trading of refurbished computer accessories	2,973.70	5,377.62	11,644.97	34,362.03
b. Ewaste Powdering and Refining Division	1,052.49	2,433.25	-	4,135.21
c. IT Services	-	-	11.64	26.09
Total	4,026.19	7,810.87	11,656.61	38,523.33
Less Inter segment revenue	-	-	-	-
Net sales/Income from Operations	4,026.19	7,810.87	11,656.61	38,523.33
Segment Results				
a. Hardware including trading of refurbished computer accessories	172.10	549.65	1,733.72	3,973.59
b. Ewaste Powdering and Refining Division	704.26	1,215.38	-	1,471.70
c. IT Services	-0.62	-701.34	-0.61	-704.50
Total	875.74	1,063.69	1,733.11	4,740.79
Less i. Interest	96.98	179.37	45.61	375.82
Add ii. Other Un-allocable Expenditure Net of Un-allocable income	-	-	-	-
Profit before Tax (before other comprehensive income)	778.76	884.30	1,687.50	4,364.96
Segment Assets				
a. Hardware including trading of refurbished computer accessories	42,353.40	41,518.63	40,446.03	41,518.63
b. Ewaste Powdering and Refining Division	5,437.03	5,036.27	-	5,036.27
c. IT Services	5.89	3.90	721.83	3.90
Segment Liabilities				
a. Hardware including trading of refurbished computer accessories	19,054.20	18,646.22	13,237.16	18,646.22
b. Ewaste Powdering and Refining Division	502.08	645.27	-	645.27
c. IT Services	702.88	700.27	712.52	700.27

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

For Cerebra Integrated Technologies Ltd.


Director

Shridhar S Hegde
Wholtime Director and CFO
DIN: 01247342

Place: Bangalore
Date: 12-08-2019

ISHWAR & GOPAL

CHARTERED ACCOUNTANTS

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

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

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

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



Sri Vinayaka Building , 2nd Floor
No. 21/3, T.S.P.Road, Kalasipalyam
Bangalore - 560 002.
Telephone: 080 - 26701694, 26700009
Tele Fax: 080 - 26706317
E-Mail: gopal@gkcas.com
keshav@gkcas.com
bhaskar@gkcas.com
thilak@gkcas.com

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

Dear sir,

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

We have reviewed the accompanying statement of Unaudited Standalone Financial Results ("The Statement"), of Cerebra Integrated Technologies Limited ("the Company") for the quarter ended 30th June 2019 being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.

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

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

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



Qualified Opinion

- The Company has not maintained proper inventory records in its e- waste division. We have been informed that valuation of inventories of the said division as on 30th June 2019 is made based on the physical verification carried out by the management. Value of e-waste division inventories considered in the financial statement as at 30th June 2019 amounted to Rs 178.85 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any on the Ind AS standalone financial statements.

Emphasis of Matter

Without qualifying our report, we draw attention

- Loans and advances include Rs 863.52 Lakhs (Rs. 861.12 Lakhs 31.03.2019) paid as advance for purchase for immovable property outstanding for substantial period.
- Export trade receivable of Rs 1563.47 lakhs (Rs 1563.47 lakhs 31.03.2019) outstanding for substantial period.
- Trade receivables of e waste division amounting Rs. 4576.79 (Rs 3902.69 31.03.2019) Lakhs, the realization of which is dependent upon Company supplying the agreed balance quantity of e waste. We have been informed that the Company has already procured sufficient materials to fulfil the supply of committed quantity of e waste.
- Advances of Rs. 597.83 Lakhs (Rs. 595.25 Lakhs 31.03.2019) due from a subsidiary the net worth of which is fully eroded.
- Trade Receivables include Rs. 15061.16 Lakhs (Rs. 15,331.12 Lakhs 31.03.2019) outstanding for more than six months.
- No provision for allowance is made for the above receivables and advances by the management as they are confident of recovering these dues.

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



K V Gopalakrishnayya
Partner
FRN 001154S
M No 021748
Bangalore, dated 12th August 2019
UDIN: 19021748AAAAIN8761

ISHWAR & GOPAL
Chartered Accountants
Sri Vinayaka Building
21/3, T.S.P. Road, Kalasipalyam
BANGALORE-560 002

ISHWAR & GOPAL

CHARTERED ACCOUNTANTS

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

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

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

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



Sri Vinayaka Building , 2nd Floor
No. 21/3, T.S.P.Road, Kalasipalyam
Bangalore - 560 002.
Telephone: 080 - 26701694, 26700009
Tele Fax: 080 - 26706317
E-Mail: gopal@gkcas.com
keshav@gkcas.com
bhaskar@gkcas.com
thilak@gkcas.com

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

Dear sir,

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

We have reviewed the accompanying statement of Unaudited Consolidated Financial Results ("The Statement"), of Cerebra Integrated Technologies Limited ("the Company") and its subsidiaries (the company and its subsidiaries together referred as 'the group')(Refer Annexure 1 for the list of Subsidiaries included in the statement) for the quarter ended 30th June 2019 being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.

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

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

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



Qualified Opinion


- Holding Company has not maintained proper inventory records in its e- waste division. We have been informed that valuation of inventories of the said division as on 30th June 2019 is made based on the physical verification carried out by the management. Value of e waste division inventories considered in the financial statement as at 30th June 2019 amounted to Rs 178.85 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any, on the Ind AS consolidated financial statements.

Emphasis of Matter

Without qualifying our report, we draw attention

- Loans and advances of the holding company include Rs 863.52 Lakhs (Rs. 861.12 Lakhs 31.03.2019) paid as advance for purchase for immovable property outstanding for substantial period.
- Export trade receivable of the holding company amounting to Rs 1563.47 lakhs (Rs 1563.47 lakhs 31.03.2019) outstanding for substantial period.
- Trade receivables of e waste division amounting Rs. 4576.79 (Rs 3902.69 31.03.2019) Lakhs, the realization of which is dependent upon Company supplying the agreed balance quantity of e waste. We have been informed that the Company has already procured sufficient materials to fulfil the supply of committed quantity of e waste.
- Trade Receivables include Rs. 15061.16 Lakhs (Rs. 15,331.12 Lakhs 31.03.2019) outstanding for more than six months.
- No provision for allowance is made for the above receivables and advances by the management as they are confident of recovering these dues.

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


K V Gopalakrishnayya
Partner
FRN 001154S
M No 021748
Bangalore, dated 12th August 2019
UDIN: 19021748AAAAIO5910

ISHWAR & GOPAL
Chartered Accountants
Sri Vinayaka Building
21/3, T.S.P. Road, Kalasipalyam
BANGALORE-560 002

Annexure-01

List of Subsidiaries included in the statement

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



ANNEXURE I (Standalone)

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with 1st Quarter Unaudited Financial Results -Statement on Impact of Audit Qualifications for the 1st Quarter ended 30th June, 2019

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

I.	Sl. No.	Particulars	Unaudited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1194.69	1194.69
	2.	Total Expenditure	676.82	*
	3.	Net Profit/(Loss)	375.20	*
	4.	Earnings Per Share Rs.	0.31	*
	5.	Total Assets	40496.61	*
	6.	Total Liabilities	17690.87	17690.87
	7.	Net Worth	22805.75	*

* Variation if any is not ascertainable. However inventory valuation is made as per the physical verification carried out by the management.

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification: The Company has not maintained proper inventory records in its e-waste division. We have been informed that valuation of inventories of the said division as on 30th June 2019 is made based on the physical verification carried out by the management. Value of e-waste division inventories considered in the financial statement as at 30th June 2019 amounted to Rs 178.85 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any on the Ind AS standalone financial statements.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: Second Time Qualification

d. For Audit Qualification(s) where the impact is quantified by the auditor,
Not applicable as auditor has not quantified the impact.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Management is of the opinion that there may not be any material impact as the valuation is carried out based on the physical verification carried out by them

(ii) If management is unable to estimate the impact, reasons for the same: Owing to the nature and quantity of materials no quantification can be made: Due to the nature of inventory, i.e. e-waste, management is not able to quantify the exact impact on valuation



	without proper inventory records. Further, the Company is in the process of implementing the suitable software to maintain the inventory records.
	(iii) Auditors' Comments on (i) or (ii) above: No comments

Signatories:	
• CEO/Managing Director	<i>V. Pragasanthan</i>
• CFO	<i>List</i>
• Audit Committee Chairman	<i>S. Gopala Krishna</i>
• Statutory Auditor	<i>[Signature]</i>
Place: Bangalore	For ISHWAR & GOPAL CHARTERED ACCOUNTANTS
Date: 12 th August, 2019	K.V.GOPALAKRISHNAYYA PARTNER M. No. 21748



ANNEXURE I (Consolidated)

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with 1st Quarter Unaudited Financial Results -Statement on Impact of Audit Qualifications for the 1st Quarter ended 30th June , 2019

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

I.	Sl. No.	Particulars	Unaudited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	4026.19	4026.19
	2.	Total Expenditure	3258.90	*
	3.	Net Profit/(Loss)	624.62	*
	4.	Earnings Per Share Rs.	0.49	*
	5.	Total Assets	47796.32	*
	6.	Total Liabilities	20259.16	20259.16
	7.	Net Worth	27537.16	*

* Variation if any is not ascertainable. However inventory valuation is made as per the physical verification carried out by the management .

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification: The Holding Company has not maintained proper inventory records in its e- waste division. We have been informed that valuation of inventories of the said division as on 30th June 2019 is made based on the physical verification carried out by the management. Value of e-waste division inventories considered in the financial statement as at 30th June 2019 amounted to Rs 178.85 Lakhs. Owing to the nature of inventory and in the absence of sufficient audit evidence we are unable to ascertain the correctness of the valuation and ascertain its consequent impact, if any on the Ind AS standalone financial statements.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: Second Time Qualification

d. For Audit Qualification(s) where the impact is quantified by the auditor
Not applicable as auditor has not quantified the impact.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Management is of the opinion that there may not be any material impact as the valuation is carried out based on the physical verification carried out by them

(ii) If management is unable to estimate the impact, reasons for the same: Due to the nature of inventory ,ie e-waste, management is not able to quantify the exact impact on

<p>valuation without proper inventory records. Further, the Company is in the process of implementing the suitable software to maintain the inventory records.</p> <p>(iii) Auditors' Comments on (i) or (ii) above: No comments</p>
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Signatories:	
• CEO/Managing Director	<i>V. Ranganathan</i>
• CFO	<i>[Signature]</i>
• Audit Committee Chairman	<i>[Signature]</i>
• Statutory Auditor	<p>For ISHWAR & GOPAL CHARTERED ACCOUNTANTS</p>
Place: Bangalore	<p>K.V.GOPALAKRISHNAYYA PARTNER M. No. 21748</p>
Date: 12 th August, 2019	



BIO DATA - M.V.S.VASAN

NAME : VASAN M V S

DATE OF BIRTH : 19 April, 1964

FATHER'S NAME : Late Mr. VENKATACHAR M R

RESIDENTIAL ADDRESS : 'TANAMANAVASA'
NO. 188, 2nd Cross, R K Gardens,
New BEL Road, RMV II Stage
BANGALORE 560 054

QUALIFICATION : B.E (MECH) - PESCE, MANDYA

YEARS OF EXPERIENCE : 32 YEARS OF EXPERIENCE
Managing Director. Diamond Machinery Co Pvt Ltd, Bangalore.
Dealers in Modular Office Furniture.
Marketing Director, Talin Modular Office Furniture Systems Pvt Ltd
Trustee of Vasantharatna Foundation for Arts, an NGO engaged in
Empowerment of Martyr's families, established in 2007.

EXTRA CURRICULAR ACTIVITIES : READING, BIKING, SNOOKER, MUSIC

CONTACT NOS. : +919844108280
+918023607046 (R)

E-MAIL : vasan@talin.in
mandya.vasan@gmail.com

DIN NO : 01088868