

**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

REF: CITL/BSE/068/2019-20  
Saturday, 28 September 2019

Department of Corporate Services (Listing)  
BSE Limited,  
Phiorze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

Dear Sir/Madam

Sub: **Copy of Annual Report**

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the adopted copy of Annual Report of 25<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2019 at #S-5, off 3<sup>rd</sup> Cross, I Stage, Peenya Industrial Area, Bangalore-560 058 as per the Companies Act, 2013.

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  
For CEREBRA INTEGRATED TECHNOLOGIES LTD.,

  
Shridhar S. Hegde **Director**  
Whole Time Director  
DIN: 01247342



**CEREBRA**<sup>®</sup>

Total I.T. Solutions

An ISO 9001 : 2015 Company



## CEREBRA INTEGRATED TECHNOLOGIES LIMITED

25TH ANNUAL REPORT  
2018 - 19



MARCHING TOWARDS THE GREEN GROWTH

## **BOARD OF DIRECTORS**

<b>V. Ranganathan</b>	-	Managing Director
<b>Shridhar S. Hegde</b>	-	Whole-Time Director
<b>P. Vishwamurthy</b>	-	Whole-Time Director
<b>Preethi Javali</b>	-	Non-Executive Director
<b>T.S. Suresh Kumar</b>	-	Independent Director (upto 27 <sup>th</sup> May, 2019)
<b>P.E. Krishnan</b>	-	Independent Director
<b>S. Gopalakrishnan</b>	-	Independent Director
<b>Riyaz Suterwalla</b>	-	Non-Executive and Non Independent Director

## **Company Secretary and Compliance Officer**

Nutan Soudagar

## **REGISTERED OFFICE AND FACTORY**

#S-5, off 3<sup>rd</sup> Cross, 1<sup>st</sup> Stage,  
Peenya Industrial Area,  
Bangalore - 560 058  
Tel: 91 - 80 - 22046969  
Fax : 91 - 80 - 22046980  
Web: [www.cerebracomputers.com](http://www.cerebracomputers.com)  
Email: [info@cerebracomputers.com](mailto:info@cerebracomputers.com)  
[investors@cerebracomputers.com](mailto:investors@cerebracomputers.com)

## **E-WASTE RECYCLING UNIT**

Plot Nos. 41 to 46, KIADB Industrial Area  
Narasapura, Appasandra Village  
Narasapura Hobli  
Kolar District.

## **SUBSIDIARY COMPANIES**

Cerebra LPO India Limited  
Cerebra Middle East FZCO, Dubai, UAE

## **STATUTORY AUDITORS**

Messrs Ishwar & Gopal  
Chartered Accountants  
Sri Vinayaka Motor Service Building  
No. 21/3, T.S.P. Road, Kalasipalyam  
Bangalore - 560 002

## **SECRETARIAL AUDITOR**

Parameshwar G Bhat  
Practising Company Secretary  
Bangalore

## **INTERNAL AUDITORS**

Murugendrappa & Co.  
Chartered Accountants  
Bangalore

## **REGISTRARS & SHARE TRANSFER AGENTS**

Karvy FinTech Private Limited  
(Formerly known as KCPL Advisory Services P Ltd)  
Karvy Selenium Tower B, Plot Nos. 31 & 32  
Financial District, Nanakramguda, Serilingampally Mandal  
Hyderabad - 500032, India  
Phone : +91 40 67161563

## **BANKERS**

Bank of India  
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 Stakeholder,

Greetings from Cerebra. It is really my good fortune to meet all of you year after year and this year, it gives me additional pleasure in writing this to you all. We are all proud to announce that your Company has achieved a top line of Rs 39,105.62 Lakhs and an EBITDA of Rs 4 778.45 Lakhs , the highest in its history so far.

The E waste division continues to perform and is now exceeding our expectations. We have a country wide network to collect E waste. We were successful in bagging our first E PR client Samsung for 1500 tons during the end of the year and at the time of writing this, we successfully got an enhancement of our license capacity to 20k tons from the KSPCB and also bagged an order for 15k tons from Samsung for the year 2019-20.

We have opened around 20 stores which we call as Cerebra Experience centers across the country to sell our refurbished products and very soon will be adding more and more products to sell here. Our aim is to reach around 150 stores refurbished by the year end. The stores also provide services and are capable of handling onsite support for hardware products. Very soon we will start selling mobile phones also from these stores.

Our factory has trebled its strength and very soon we will be operating on 3 shifts. We will be adding new machines to handle white goods and also the space has been expanded and your Company will soon have a factory area of 2.5 lakhs sqft .

Our plans to handle tubelights, automobile recycling is progressing well. We have now signed a JV MOU with a Gold refining company and by the end of this year our precious metal plant will be up and running. This plant has a got capacity of recovering and refining gold, silver, platinum, palladium and copper.

Our focus on manufacturing continues though with a clear eye on the bottom line. Similarly our ESD division is also focused only on the bottom line.

Middle East is going through an economic downturn and we as all other companies are affected by the slowdown . We hope it will recover soon. Our plans are to go slow and take orders which are safe and secure.

Your Company is looking at debt to handle its working capital requirements and is working closely with a few banks and will finalise with one or two banks a credit line which will take care of our expansion plans.

The matter relating to Cimelia, Singapore matter is being settled. We have received the Award from Arbitral Tribunal in the matters of Arbitration Disputes to cancel the 92 lakhs shares issued to the Singapore companies. The amount corresponding to this is written off during the last quarter of the year and we are seeking your approval to proceed with the Reduction of Share Capital in this Annual General Meeting. The Company will be approaching NCLT and seek its approval.

We wish to thank the Government of India and Karnataka for their support and also the bankers, shareholders and all the employees for their unstinted support without which we can never reach where we are today. Looking forward to a good growth this year.

With warm regards,

V Ranganathan  
Managing Director  
DIN: 01247305

**CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

CIN: L85110KA1993PLC015091

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

Telephone: 91-80-22046969 Email: info@cerebracomputers.com Web: www.cerebracomputers.com

---

**NOTICE**

NOTICE is hereby given that the Twenty Fifth (25th) Annual General Meeting of the Company will be held on Wednesday, 25<sup>th</sup> September, 2019 at 10:00 A.M. at the Registered Office of the Company at #S-5, Off 3<sup>rd</sup> Cross, I Stage, Peenya Industrial Area, Bangalore-560 058 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company including Audited Balance Sheet as at 31<sup>st</sup> March, 2019, 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 a Director in place of Mr. Vishwamurthy Phalanetra (holding DIN: 01247336), who retires by rotation and is eligible for re-appointment.

**SPECIAL BUSINESS:**

**3. Re-appointment of Mr. Pazayanur Eswaran Krishnan (holding DIN: 01897686), as an Independent Director:**

To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Pazayanur Eswaran Krishnan (holding DIN: 01897686) as an Independent Director, who has submitted a declaration to the effect that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment to the office of Independent Director, for a second term i.e., to hold office for a period of 5 (five) consecutive years with effect from 14<sup>th</sup> February, 2020 to 13<sup>th</sup> February, 2025, and whose office shall not be liable to retire by rotation."

**4. Appointment of Mr. Mandya Venkatachar Seshadri Vasanth (holding DIN:01088868), as Director of the Company:**

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 160 and 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, Mr. Mandya Venkatachar Seshadri Vasanth (holding DIN:01088868), who was appointed as an Additional Director of the Company w.e.f. 12<sup>th</sup> August, 2019 by the Board of Directors based on the recommendation of Nomination and Remuneration Committee and who holds office only up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company."

**5. Appointment of Mr. Mandya Venkatachar Seshadri Vasanth (holding DIN: 01088868) as an Independent Director of the Company:**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to appoint Mr. Mandya Venkatachar Seshadri Vasanth (holding DIN:01088868), as an Independent Director of the Company, for a period of 5 (Five) years up to 11<sup>th</sup> August, 2024 and whose office shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to the above said Resolution and to do all things incidental and ancillary thereto."

**6. Increase in the Limit of Borrowing Powers:**

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 or any amendment or modifications thereof read with the Companies (Meetings of Board and its Powers) Rules, 2014, approval of the Members be and is hereby accorded to borrow and raise such sum or sums of money from time to time as may be required for the purposes of business of the Company, not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only) borrowings in excess of aggregate of its paid-up share capital and free reserves of the Company, apart from temporary loans obtained by the Company from its bankers in the ordinary course of its business, on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do, from time to time, all such acts, deeds and things as may be necessary to give effect to the above said Resolution."

**7. Powers to hypothecate etc:**

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, approval be and is hereby accorded to the Board of Directors of the Company to hypothecate or mortgage and/or charge all the immovable and movable assets of the Company wheresoever situate, present and future, and the whole or part of the undertaking of the Company to, or in favour of the lender to secure the said borrowings upto an amount in the aggregate not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only) together with interest, such other finance charges and all other moneys payable by the Company to the lenders as per the agreements entered into, by the Company with the respective lender.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company, be and are hereby authorized severally/jointly to do, from time to time, all such acts, deeds and things as may be necessary to give effect to the above said Resolution.”

**8. Approval of Reduction of Share Capital of the Company:**

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT in full compliance with the Awards passed by the Hon'ble Arbitral Tribunal in the matter of Arbitration Dispute under the Arbitration and Conciliation Act, 1996 dated 22<sup>nd</sup> March, 2019 without any payout for the Shares being cancelled, pursuant to the provisions of Section 66 of the Companies Act, 2013, if applicable read with the National Company Law Tribunal (Procedure for Reduction of Share Capital) Rules, 2016 (including any statutory modification, amendment or re-enactment thereof for the time being in force) as applicable and subject to the approval of Stock Exchanges and confirmation by the Hon'ble National Company Law Tribunal, Bengaluru Bench, the consent of the Equity Shareholders be and is hereby accorded to the proposed reduction of the Paid up Share Capital of the Company by cancelling and extinguishing Paid-up Equity Share Capital of Rs. 9,20,00,000/- (Rupees Nine Crores Twenty Lakhs only) divided into 92,00,000 (Ninety Two Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up, from Rs. 1,21,19,66,320/- (Rupees One Hundred Twenty One Crores Nineteen Lakhs Sixty Six Thousand Three Hundred Twenty only) divided into 12,11,86,482 Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,11,99,66,320/- (Rupees One Hundred Eleven Crores Ninety Nine Lakhs Sixty Six Thousand Three Hundred Twenty only) divided into 11,19,86,482 Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up.

RESOLVED FURTHER THAT upon extinguishment of Share Capital, the Paid up Share Capital of the Company shall stand reduced to the extent of the face value of the Shares so extinguished.

RESOLVED FURTHER THAT the Company shall debit the Equity Share Capital account to the extent of the face value of the Shares cancelled under the capital reduction application by crediting to the 'Retained Earnings', this accounting treatment being in conformity with the Accounting Standards applicable to the Company.

RESOLVED FURTHER THAT BSE Limited (“BSE”) be and is hereby appointed as the ‘Designated Stock Exchange’ (DSE) for the purpose of coordinating with the Securities and Exchange Board of India (‘SEBI’) if, and whenever required.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company, be and are hereby authorized severally/jointly to do all such acts, matters, deeds and things as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise, for the purpose of giving effect to the proposed reduction of the Share Capital of the Company as placed before the Board or to any modification thereof, in particular:

- a) file application with the Hon'ble National Company Law Tribunal, Bengaluru Bench seeking directions and confirmation of the proposed reduction of Equity Share Capital, signing, affirming and verifying affidavit, applications, petitions, vakalatnama etc. in the Hon'ble National Company Law Tribunal, Bengaluru, Bench;
- b) make representation on their own or through legal counsels before Hon'ble National Company Law Tribunal, Bengaluru Bench or other authorities for confirmation of the proposed reduction of equity share capital; and
- c) do all such acts and things necessary and convenient in relation thereto and to give effect to this Resolution as the Board of Directors in its absolute discretion consider necessary, expedient and proper, including appointment of Independent Professionals and engagement of their services thereon..

RESOLVED FURTHER THAT consequently amendments be made in the capital clause of the Memorandum of Association and Articles of Association (if any) of the Company after the said reduction becomes operative and effective.

RESOLVED FURTHER THAT the Board be and is hereby authorized, in its absolute discretion, to make the reduction and cancellation of the Share Capital on such other terms and conditions as they may consider appropriate and to accept such other conditions and modifications as may be prescribed by the Hon'ble National Company Law Tribunal, Bengaluru Bench, with other appropriate bodies/authorities while according their confirmation to the proposed offer for cancellation of Share Capital.”

**9. Approval of Cerebra Integrated Technologies Limited Employee Stock Option Scheme, 2019:**

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and is hereby accorded respectively to the “Employee Stock Option Scheme 2019” (“ESOS 2019” Plan”) and to the Board of

Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred in this resolution) to create, issue, offer and grant from time to time Equity Shares under ESOS,2019 not exceeding 5% of the aggregate number of issued and allotted Equity Shares of the Company as on the date of the Annual General Meeting approving this Resolution, to or for the benefit of such person(s), whether working in India or out of India, who are in permanent employment of the Company including Director(s) whether whole-time or otherwise, of the Company and its Subsidiary Company(ies), (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided solely by the Board under the Plan, exercisable in the Company in aggregate of face value of Rs. 10/- each, on such terms and conditions, as may be determined in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT the Board for this purpose be and is hereby authorised to issue and allot Equity Shares upon exercise of ESOS from time to time in accordance with the ESOS 2019 and to the extent permitted under SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Equity Shares issued and allotted, if any, as mentioned hereinbefore shall rank paripassu with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division / undertaking or other re-organization, change in capital and others, if any, additional Equity Shares are required to be issued by the Company to the Shareholders, shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the ESOS Grantees under the plans shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable Laws and regulations to the extent relevant and applicable to the ESOS 2019.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Shares allotted under the ESOS 2019 on the Stock Exchanges, where the Shares of the Company are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the concerned Stock Exchanges and other applicable Guidelines, Rules and Regulations, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOS 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOS 2019 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOS 2019 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals and also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

### **10. Approval of Material Related Party Transaction entered into for appointment to office of place of profit with Mr. P. Bharath (Chief Operating Officer).**

To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Regulation 23 (4) of Securities and Exchange Board of India (Disclosure Obligations and Listing Requirements) Regulations, 2015 ('the Listing Regulations'), as amended to date, and pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013, read with Companies (Meetings of Board and its powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (Act), including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time, approval of the Members be and is hereby accorded to fix remuneration exceeding Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) to Mr. P. Bharath, brother of Mr. P. Vishwamurthy, Whole time Director of the Company, holding office or place of profit, as Chief Operating Officer (COO) of the Company with effect from 1st August, 2019.

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to the Nomination & Remuneration Committee/Board of

Directors of the Company, to finalise and decide the change in designation/revisions in the remuneration payable to Mr. P. Bharath from time to time in accordance with the Company's policy on performance measurement and such other applicable/relevant policies and to perform and execute all such acts, deeds, matters and things (including delegating such authority), as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

By order of the Board  
For Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 19<sup>th</sup> August, 2019

**Shridhar S Hegde**  
Whole Time Director  
DIN: 01247342  
Address: 156-A, 36<sup>th</sup> Cross  
2<sup>nd</sup> Block, Rajajinagar  
Bangalore - 560 010



## Annual Report 2018-2019

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY APPOINTED NEED NOT BE A MEMBER. THE DULY FILLED IN PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto.
3. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by an Attendance Slip, which is forwarded as detachable part of Annual Report. Members are requested to affix their signature at the place provided in the Attendance Slip and hand it over at the entrance.
4. Members, who hold shares in dematerialized form, are requested to bring in their Client ID and DP ID nos. for easier identification of attendance at the meeting and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting.
5. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least 7 days prior to the Meeting, so that, the required information can be made available at the Meeting.
6. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agent, Karvy Fintech Private Limited. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).
7. Members holding more than one share certificate in different folios are requested to kindly apply for consolidation of the folios and send the relative share certificates to the Company's Registrar and Share Transfer Agent.
8. Karvy Fintech Private Limited  
Karvy Selenium Tower B, Plot number 31 & 32  
Financial District, Nanakramguda, Serilingampally Mandal  
Hyderabad-500 032, India  
Phone: 040 - 91 40-67161564 Fax 9140-23420814  
Email: shobha.anand@karvy.com
9. Listing fee has been paid to the BSE Limited and National Stock Exchange of India Limited (NSE) up to date and the Company has already made delisting applications to Kolkata Stock Exchange and Ahmedabad Stock Exchange.
10. The Company's Shares are traded in electronic form with ISIN No. INE345B01019.
11. The Register of Members and the Share Transfer Books will remain closed on 18<sup>th</sup> September, 2019 in connection with the Annual General Meeting.
12. Members are kindly requested to bring Annual Report 2018-19 along with them to the Annual General Meeting, since extra copies will not be supplied at the Meeting.
13. To support the 'Green Initiative', the Members who have not registered their e-mail address are requested to register the same with Karvy Fintech Private Limited / Depositories.

As regards to re-appointment of Mr. Vishwamurthy Phalanetra (holding DIN: 01247336) referred to, in item No. 2 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Particulars	Details
Name	Mr. Vishwamurthy Phalanetra
Date of Birth	03-05-1967
Date of Appointment	18-07-1996
Qualifications	Bachelor of Engineering
Expertise in specific functional area	Software Development
Directorships held in other Companies (excluding foreign companies)	Cerebra LPO India Limited
Membership / Chairmanships of Committees of other public companies (included only Audit and Shareholders / Investors Grievance Committee)	Nil
No. of Board Meetings attended during the financial year	5 (Five)

#### 14. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all Resolutions set forth in the Notice convening the 25<sup>th</sup> Annual General Meeting to be held on Wednesday, 25<sup>th</sup> September, 2019 at the Registered Office of the Company at #S-5, Off 3<sup>rd</sup> Cross, I Stage, Peenya Industrial Area, Bangalore-560 058. The Company has engaged the services of Karvy Fintech Private Limited to provide the e-voting facility.

The instructions for E-voting are as under:

- i. To use the following URL for e-voting: <https://evoting.karvy.com>
- ii. Enter the login credentials (i.e., User ID and password mentioned below). Event No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering the details appropriately, click on LOGIN.
- iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e., Cerebra Integrated Technologies Limited.
- vii. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / Against as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option ABSTAIN in case you wish to abstain from voting.
- viii. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
- ix. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- x. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail [parameshwar@vjkt.in](mailto:parameshwar@vjkt.in) with a copy marked to [scrutinizer@cerebracomputers.com](mailto:scrutinizer@cerebracomputers.com).
- xi. Once you have cast your vote on a Resolution you will not be allowed to modify it subsequently.
- xii. The Portal will remain open for voting from: Saturday the 21<sup>st</sup> September, 2019 (9:00 AM) and ends on Tuesday 24<sup>th</sup> September, 2019 (5:00 PM).
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available at the download section of <https://evoting.karvy.com> or contact Mrs. Shobha Anand of Karvy Fintech Private Limited at 040-67162222 or at Tel No. 1800 345 4001 (toll free).
- xiv. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.  
In case a Member receives physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company/Depository Participants]:  
(i) User ID and initial password as provided overleaf.  
(ii) Please follow all steps from Sl. Nos. (1) to (12) as mentioned in above, to cast your vote.
- xv. The results of e-voting will be announced by the Company in its website and also informed to the Stock Exchanges.

E-voting Details

EVENT	User ID	Password

Kindly note that once you have cast your vote you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the Meeting and participate in the discussions, if any.

- xvi. The voting period begins on 21<sup>st</sup> September, 2019 (9:00 A.M.) and ends on 24<sup>th</sup> September, 2019 (5:00 P.M.). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18<sup>th</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter once the vote on a Resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
- xvii. The voting rights of the 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 Wednesday, 18<sup>th</sup> September, 2019.  
Mr. Parameshwar G. Bhat, Practising Company Secretary, Bangalore has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- xviii. The Scrutinizer shall within a period of not exceeding Forty Eight (48) hours from the conclusion of the voting at the Annual General Meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to Managing Director or designated Director of the Company.
- xix. The results of Annual General Meeting shall be declared within Forty Eight hours from the conclusion of the Annual General Meeting. The e-voting along with the Scrutinizer's Report shall be placed on the Company's website ([www.cerebracomputers.com](http://www.cerebracomputers.com)) and on the website of Karvy. The results will also be communicated to the Stock Exchanges where the Shares of the Company are listed.

## Annual Report 2018-2019

---

xx. Further, members may note the following:

- a. Remote e-voting shall not be allowed beyond the said date and time.
- b. The Company is providing facility to vote on a poll to the members present at the meeting.
- c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- d. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the General Meeting.

xxi. The Shares of the Company are compulsorily traded in electronic form. The Members are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Transfer Agent of the Company at the following address:

Karvy Fintech Private Limited  
Karvy Selenium Tower B, Plot number 31 & 32  
Financial District, Nanakramguda, Serilingampally Mandal  
Hyderabad-500 032, India  
Phone: 040 - 91 40-67161564 Fax 9140-23420814  
Email: shobha.anand@karvy.com

xxii. Pursuant to SEBI notification no. MED/DOP/ Circular/05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTA to enable/effect transfer of Shares in physical form.

By order of the Board

Place : Bangalore  
Date : 19<sup>th</sup> August, 2019

**Shridhar S Hegde**  
Whole Time Director  
DIN: 01247342  
Address:156-A, 36<sup>th</sup> Cross  
2<sup>nd</sup> Block, Rajajinagar  
Bangalore-560 010

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****ITEM NO. 3:**

Mr. Pazayanur Eswaran Krishnan (holding DIN: 01897686) was appointed as Independent Director of the Company in the Board Meeting held on 14<sup>th</sup> February, 2015 for the period starting from 14<sup>th</sup> February, 2015 to 13<sup>th</sup> February, 2020. As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, an Independent Director can be re-appointed for a second term of maximum 5 (five) years by obtaining approval of the Shareholders by way of a Special Resolution and on disclosure of such re-appointment in the Board's Report. Also, Schedule IV of the Act inter-alia provides for carrying out of performance evaluation by the Board before extending the term of the Independent Director. Mr. Pazayanur Eswaran Krishnan has given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ("the Act"). In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for re-appointment as Independent Director and is independent of the Management. Brief background of Mr. Pazayanur Eswaran Krishnan is exhibited in this document separately.

Considering the experience and knowledge of Mr. Pazayanur Eswaran Krishnan (holding DIN: 01897686), the Board recommends the Resolution for your approval.

None of the Directors/Key Managerial Personnel or their relatives except Mr. Pazayanur Eswaran Krishnan is concerned or interested financially or otherwise is in the said Resolution.

**Annexure to Notice**

Information Pertaining to Director seeking re-appointment as mentioned under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards:

Particulars	Mr. Pazayanur Eswaran Krishnan
Date of Birth	13-01-1965
Date of Appointment	14-09-2015
Qualifications	Bachelor of Commerce
Expertise in Specific functional Area	Experience in Accounts and Finance
Number of Shares held in the Equity Capital of the Company	Nil
Names of Listed entity (other than this Listed entity) in which the person also holds the directorship and the membership of Committees of the Board	Nil
Disclosure of relationships between Directors/KMP inter-se	NIL

**ITEM NOS. 4 & 5**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on 12<sup>th</sup> August, 2019, appointed Mr. Mandya Venkatachar Seshadri Vasani (holding DIN: 01088868 ) as an Additional Director and Independent Director of the Company with effect from 12<sup>th</sup> August, 2019 for a term of 5 (five) consecutive years upto 11<sup>th</sup> August, 2024.

As regards appointment of Mr. Mandya Venkatachar Seshadri Vasani as an Independent Director referred to, in Item No.5 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. Mandya Venkatachar Seshadri Vasani has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ("the Act"). In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and is independent of the Management. Brief background of Mr. Mandya Venkatachar Seshadri Vasani is exhibited in this document separately.

Mr. Mandya Venkatachar Seshadri Vasani, a qualified Engineer, is a proactive and enthusiastic entrepreneur. He is a Marketing expert who has taken leaps in his field.

Considering the experience and knowledge of Mr. Mandya Venkatachar Seshadri Vasani, the Board recommends the Resolutions at Item Nos. 4 & 5 for your approval.

None of the Directors/Key Managerial Personnel except Mr. Mandya Venkatachar Seshadri Vasani, being an appointee, is concerned or interested financially or otherwise in the Resolutions at Item Nos. 4&5.

## Annual Report 2018-2019

Particulars	Mr. Mandya Venkatachar Seshadri Vasan
Date of Birth	19-04-1964
Date of Appointment	12-08-2019
Qualifications	B.E (MECH) - PESCE, Mandya
Expertise in Specific functional Area	32 Years of Experience Managing Director, Diamond Machinery 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
Number of Shares held in the Equity Capital of the Company	Nil
Names of Listed entity (other than this Listed entity) in which the person also holds the directorship and the membership of Committees of the Board	Nil
Disclosure of relationships between Directors/KMP inter-se	NIL

### ITEM NOS. 6 & 7

The Board considered the needs of the Company commensurate with the growth plans and after careful evaluation, it was decided to increase the borrowing powers of the Board of Directors and raise sum or sums of money from time to time as may be required for the purposes of the business of the Company upto Rs. 200Crores (Rupees Two Hundred Crores only) borrowings notwithstanding the fact that such borrowings including the monies already borrowed will be in excess of the aggregate of the paid-up capital and free reserves of the Company, excluding all temporary loans obtained by the Company from its bankers in the ordinary course of its business.

Further, such enhanced borrowing powers will need the Board of Directors to hypothecate or mortgage and/or charge all the immovable and movable assets of the Company.

These require approval of the Shareholders. Hence, the Resolutions are brought before you for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolutions.

The Board of Directors recommends these Special Resolutions for your approval.

### ITEM NO. 8

Based on the Compromise Petition filed under the Arbitration and Conciliation Act, 1996, Awards have been passed by the Hon'ble Arbitral Tribunal in the matter of Arbitration Dispute under the Arbitration and Conciliation Act, 1996 on 22<sup>nd</sup> March, 2019 for the Reduction of Share Capital of the Company by 92 Lakhs Equity Shares, subject to the provisions of Section 66 of the Companies Act, 2013, if applicable, read with the National Company Law Tribunal (Procedure for Reduction of Share Capital) Rules, 2016 and subject to the approval of the Shareholders and confirmation by the Hon'ble National Company Law Tribunal, Bengaluru Bench. The Company will adhere to the applicable laws.

The Board of Directors recommends these Special Resolutions for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, except to the extent of shareholdings, if any, in the said Resolutions.

### ITEM NO. 9

The Company has always felt that in order to enhance employee motivation and retention and to enable the employees to participate in the future growth and financial success of the Company, adequate number of shares should be available under ESOS. To facilitate this, the Board through its Nomination and Remuneration Committee recommended to implement ESOS -2019.

The Board recommends passing of the said Resolution.

None of the Directors and Key Managerial Personnel of the Company is directly or indirectly concerned or interested in this Resolution except to the extent of any eligible Shares under the Scheme which may be allotted to them.

### ITEM NO. 10

The provisions of section 188(1)(f) of the Companies Act, 2013, that govern the related party transactions require a Company to obtain prior approval of the Audit Committee, Board of Directors and shareholders for the related party's appointment to any office or place of profit.

Pursuant to the provisions of Regulation 23 (4) of Securities and Exchange Board of India (Disclosure Obligations and Listing Requirements) Regulations, 2015 ('the Listing Regulations'), as amended to date, and pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013, read with Companies (Meetings of Board and its powers) Rules, 2014, any relative of Director appointed in office of place of profit and receives remuneration more than Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per month, needs to be approved by the Shareholders.

As approved by the Nomination and Remuneration Committee and Audit Committee subsequently by the Board of Directors, the remuneration payable to Mr. P. Bharath brother of Mr. P. Vishwamurthy, Whole time Director of the Company, who is employed in the Company as

Chief Operating Officer (COO) of the Company has been proposed to increase from the existing limit of Rs. 2,00,000/- (Rupees Two Lakhs only) per month to Rs. 3,00,000/- (Rupees Three Lakhs only) per month.

Hence this needs to be approved by the Shareholders as Ordinary resolution. The Board recommends passing of the said Resolution.

Mr. P. Vishwamurthy, Whole time Director of the Company being a relative of Mr. P Bharath and relatives of Mr. P. Vishwamurthy and Mr. P Bharath are interested in this item of business. Except Mr. P. Vishwamurthy, none of the Directors or KMP or their relatives of Directors and KMP, are in any way concerned with or interested financially or otherwise in the resolution at item no. 10 of the accompanying notice

By order of the Board

Place : Bangalore  
Date : 19<sup>th</sup> August, 2019

Shridhar S Hegde  
Whole Time Director  
DIN: 01247342  
Address:156-A, 36<sup>th</sup> Cross  
2<sup>nd</sup> Block, Rajajinagar  
Bangalore-560 010

# Annual Report 2018-2019

## BOARD'S REPORT

To the Members

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Financial Statements for the 25th financial year ended 31st March, 2019.

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

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Gross Income	39,105.62	31,613.58
Profit Before Interest and Depreciation	4,778.45	4,391.51
Finance Charges	375.82	171.08
Gross Profit	4,405.63	4,220.43
Provision for Depreciation	37.66	30.49
Profit before exceptional and extraordinary items and tax	4,364.97	4,189.94
Exceptional Items	2,384.69	0
Provision for Tax	1,399.58	732.70
Net Profit After Tax	580.70	3,457.24
Other Comprehensive Income	2.00	3.08
Total Comprehensive Income	582.70	3,460.32
Total Comprehensive Income Attributable to		
a) Owners	440.09	3,242.33
b) Non-Controlling Interest	140.60	217.99
Earnings per Equity Share of Rs 10/- each		
Basic	0.32	2.75
Diluted	0.32	2.73
Proposed Dividend on Equity Shares	0	0
Tax on Proposed Dividend	0	0

### 1. PERFORMANCE OF THE COMPANY:

#### E-WASTE RECYCLING BUSINESS

The Directors are pleased to report that the Company has obtained approvals from Central Pollution Control Board (CPCB) and is now a registered PRO (Producer Responsibility Organisation). The Company has even bagged the first client Samsung India Electronics Limited (SIEL) as our first EPR (Extended Producer Responsibility) client.

The plant is fully functional and is recycling e-waste. Cerebra has collected WEEE (Waste Electrical & Electronic Equipment's) for large and medium manufacturers of IT Products, White Goods manufacturer's such as TV, Fridge, & Washing Machines and other electrical and electronic products.

The division is opening stores or what it calls Customer Experience Centre's (CEC's) across India through a franchisee model which will transform the way we look at *Re-manufactured* or Re-used or Re-furbished products.

#### ENTERPRISE SOLUTIONS DIVISION

Your Company has been since many years and continues implementing various IT based projects for many Startups, Government agencies, departments & institutions and established companies. The Company studies 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.

Your Company's continued focus on research labs, airports, defence, PSUs, PSBs, etc has been fruitful and lead the Company successfully executing orders from PSU, ISRO, defence labs, various departments under Government of Karnataka, police, judiciary, NIMHANS, private education institutions to name a few.

In addition, Cerebra has been acquiring new customers in the SMB, retail, manufacturing and healthcare segments. Your Company also has been considered as a preferred vendor by many of these organizations. Cerebra has also strengthened its relationships with leading MNC OEM Brands and established itself as a key player especially in Govt, education, healthcare, defence, space and research lab segments while we stay focused on making a mark in other state and central government departments/bodies/PSUs and private enterprise companies.

Cerebra has recently completed execution of a few prestigious projects related to modernisation and augmentation of IT infrastructure in employment & training, beverages corporation, courts, revenue and forest departments across the state.

In addition, the ongoing project of Automated Driving Test System to fully automate the process of testing and issuance of driving license by the Department of Transport and Road Safety, Government of Karnataka has been implemented across 6 RTOs.

#### ELECTRONIC MANUFACTURING SERVICES:

Performance of the division is good and has added new customers this year and retained existing clients. The division is still rated as one of the top vendors from its clients. Manufacturing market has increased and the division has confirmed orders in the Industrial Automation, Defense and Healthcare.

#### Industry Structure and Developments

##### Cerebra Middle East FZO Dubai

The Middle East region has been on an Economic downturn amidst a global slowdown since 2017. "Growth prospects for the Middle East and North Africa are deteriorating on the back of elevated geopolitical risks, weak global demand and severe oil production cuts."

Cerebra Middle East, in FY 18-19, has been focusing on market consolidation and profitability amidst the Economic instability in the region. CME closed the year with a revenue of USD 18.69 Million with a Net Profit Ratio of 11.6 %. The last year saw an increase in channel partners to about 165 partners though UAE, Kuwait, Saudi Arabia, Oman, Egypt, Central & Eastern Africa. This was in spite of losing Qatar as a market due to Trade restrictions, which had an overall impact on the revenue.

CME also increased its vendor portfolio by onboarding market leaders like Ruiji Networks, Digifort, Infortrend and Quantum into its Surveillance Security product portfolio along with Retrospect in its ICT portfolio.

**2. MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes and commitments which occurred, affecting the financial position of the Company between 31<sup>st</sup> March, 2019 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 focussing on the High End Servers, Large Data Storage etc.

**4. DIVIDEND:**

With a view to conserve the resources of the Company, the Directors do not recommend any dividend.

**5. AMOUNTS TRANSFERRED TO RESERVES:**

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

**6. CHANGES IN SHARE CAPITAL:**

**Authorized Share Capital**

There is no change in the Authorised Share Capital of the company during the financial year 2018-19. As on 31<sup>st</sup> March, 2019 the authorised share capital of the company is Rs. 126,00,00,000/- (Rupees One Hundred and Twenty Six Crores) divided into 12,60,00,000/- of Rs. 10/- (Rupees Ten only).

**Paidup Share Capital**

The Paid up Share Capital of the Company has been increased from Rs. 120,39,66,320/- (Rupees Hundred and Twenty Crores Thirty Nine Lakhs Sixty Six Thousand Three Hundred and Twenty only) divided into 12,03,86,482 (Twelve Crores Three Lakhs Eighty Six Thousand Four Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) to Rs. 121,19,66,320/- (Rupees One Hundred and Twenty One Crores Nineteen Lakhs Sixty Six Thousand Three 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) pursuant to allotment of 8,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) at a premium of Rs.30/- (Rupees Thirty only) to the Promoters of the company on 21<sup>st</sup> December 2018.

**Allotment of Warrants:**

Pursuant to the Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of the Company held on 28<sup>th</sup> April, 2017, the Company has allotted 5300000 Warrants convertible into Equity Shares at nominal value of Rs. 10/- (Rupees Ten only) each at a premium of Rs. 30/- (Rupees Thirty only) per Share to certain Promoters on certain terms and conditions agreed upon. Further upon exercise of options by the Warrant holders 8,00,000 Warrants were converted and 8,00,000 Equity Shares were allotted in the Board Meeting held on 21<sup>st</sup> December 2018.

**Reduction of Share Capital:**

Based on the Award passed by the Hon'ble Arbitral Tribunal in the matter of Arbitration Dispute under the Arbitration and Conciliation Act, 1996 on 22<sup>nd</sup> March, 2019, your Board has recommended for the Reduction of Share Capital of the Company by 92 Lakhs Equity Shares allotted to Singapore Companies, 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 and subject to the approval of the Shareholders and confirmation by the Hon'ble National Company Law Tribunal, Bengaluru Bench. More information is exhibited in the Notice convening the Annual General Meeting and the Explanatory Statement thereto.

**Disclosure regarding Issue of Equity Shares with Differential Voting Rights**

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

**Disclosure regarding issue of Employee Stock Options:**

During the financial year under review, the Company has not issued Shares Employee Stock Options.

The Board, through Nomination and Remuneration Committee has proposed to implement a suitable Employee Stock Option Scheme.

**Disclosure regarding issue of Sweat Equity Shares:**

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

**7. CAPITAL INVESTMENTS**

Capital Investments during the financial year 2018-19 was at Rs. 29.06 Lakhs (Net of capital work-in-progress and capital advances) and for 2017-18 is Rs. 2,384.69 Lakhs.

**8. BOARD MEETINGS:**

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year under review Six (6) Meetings were held on 30<sup>th</sup> May 2018, 13<sup>th</sup> August 2018, 10<sup>th</sup> November 2018, 21<sup>st</sup> December 2018, 14<sup>th</sup> February 2019, and 25<sup>th</sup> March 2019

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 during the financial year 2018-19 are given in the Corporate Governance Report.

**Committees of the Board:**

Currently, the Board has four (4) Committees viz. the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility 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.



### 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vishwamurthy Phalanetra (holding DIN: 01247336), Whole Time Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

Mr. T S Sureshkumar (holding DIN:00674759) resigned from the office of Independent Director due to personal reasons i.e., disqualified Director by the Registrar of Companies under the provisions of Section 164(2) of the Companies Act, 2013, due to technical reasons with effect from the closing of business hours of 27<sup>th</sup> May, 2019. The Board places on record its appreciation of the invaluable contribution and guidance provided by the outgoing Director.

Mr. Mandya Venkatachar Seshadri Vasam (holding DIN: 01088868) was appointed as an Additional Director (Non Executive and Independent) of the Company with effect from 12<sup>th</sup> August, 2019 and his appointment will be subject to approval of the Shareholders and the same has been included as one of the agenda items in the Notice convening the Annual General Meeting.

### 10. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director of the Company under 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 Section 149(6).

### 11. COMPOSITION OF AUDIT COMMITTEE:

As on 31<sup>st</sup> March, 2019, 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 Board upon resignation of Mr. T S Suresh Kumar from the office of Independent Director of the Company, re-constituted the Committee with effect from 30<sup>th</sup> May, 2019 as follows:

The Audit Committee consists of the following:

- |                           |            |
|---------------------------|------------|
| a) Mr. S. Gopalakrishnan  | - Chairman |
| b) Mr. Mr. P. E. Krishnan | - Member   |
| c) Mrs. Preethi Javali    | - Member   |

### 12. 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 url <http://www.cerebracomputers.com/governance.htm>. 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 Board upon resignation of Mr. T S Suresh Kumar from the office of Independent Director of the Company, re-constituted the Committee with effect from 30<sup>th</sup> May, 2019 as follows:

The Nomination and Remuneration Committee consists of the following:

- |                           |            |
|---------------------------|------------|
| a) Mr. S. Gopalakrishnan  | - Chairman |
| b) Mr. Mr. P. E. Krishnan | - Member   |
| c) Mrs. Preethi Javali    | - Member   |

### 13. 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 url <http://www.cerebracomputers.com/governance.htm> and there were no cases reported during the last period.

### 14. 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.

### 15. EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT 9 as a part of this Annual Report is attached as **Annexure I** and the same is published on the website of the Company.

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

The Company has following Subsidiaries:

- Cerebra LPO India Limited, India
- Cerebra Middle East FZCO, Dubai

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

The Policy for determining material Subsidiaries as approved by the Board is uploaded on the Company's website at url <http://www.cerebracomputers.com/governance.htm>.

### 17. STATUTORY AUDITORS:

The Statutory Auditors, Messrs Ishwar & Gopal, Chartered Accountants, Bangalore, registered with Institute of chartered Accountants of India (ICAI) under the firm Registration Number 001154S, were appointed to act as Statutory Auditors of the Company for the period of 5 (five) years from the conclusion of the 21<sup>st</sup> Annual General Meeting till the conclusion of 26<sup>th</sup> Annual General Meeting of the Company and ratification of their appointment is not required as per the amended provisions of the Companies Act, 2013.

**QUALIFICATIONS IN THE AUDIT REPORT:****Statutory Auditors Comment regarding emphasis matter of Auditors Report dated 30<sup>th</sup> May, 2019:****Emphasis of Matter**

1. Qualification: Inventory records of e- waste division are not maintained. Closing stock of Rs 2,93,55,213/-is computed as physically verified and certified by the management . Impact on revenue is not ascertainable.
2. Emphasis of Matter:
  - a. Loans and advances include Rs 861.12 Lakhs (Rs. 838.86 Lakhs) paid as advance for purchase of immovable property outstanding for substantial period. Refer Note no 36. 1 to the Standalone Financial Statement.
  - b. Export trade receivable of Rs 1311.65 and Rs. 251.82 outstanding for more than five years and one year respectively. Refer Note no 36. 3 to the Standalone Financial Statement.
  - c. Trade receivables of e waste division amounting Rs 3902.69 Lakhs the realization of which is dependent upon company fulfilling the commitment of 1500 Tons( The Company has already collected the required quantity of Ewaste to fulfill the commitment). Refer Note no 36. 3 to the Standalone Financial Statement.
  - d. Other trade receivables amounting to Rs. 3289.65 Lakhs and Rs.12041.47 Lakhs are outstanding for more than one year and three months respectively. Refer Note no 36. 3 to the Standalone Financial Statement
  - e. Loans and Advances include Rs. 595.25 Lakhs and investments in subsidiary include Rs.3.50 lakhs advance and investment respectively made to its subsidiary Cerebra LPO India Limited. The net worth of such subsidiary is fully eroded, but provision and impairment of such advance and investment has not been made. Refer Note no 36. 1 to the Standalone Financial Statement.
  - f. No provision is made for the above receivables and advances as the management is confident of recovering the money.

**Board's Response:**

With regard to qualification of the Statutory Auditors for Inventory Record under a) above, the Company is in the process of implementing suitable software to maintain the stock records.

As regards b), c), d), e) and f) above, the Management is confident of recovering the same either in cash or in kind and hence no provision is made in the accounts.

**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 the Form MR-3 is annexed to this Report as **Annexure III**.

**Explanations by the Board on the comments of Secretarial Auditors:**

Sl. No.	Qualifications made by Secretarial Auditor	Explanations by the Board
a.	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.	The Company will ensure to comply with the same in future. Loans and Advances were given to the Subsidiary Companies for day to day operational purpose for the earlier financial years. The Company is confident to recover the same
b.	Certain returns or registers under above mentioned general laws were not filed or maintained by the Company in time.	The Company will ensure to file and maintain in time in future.
c.	Compliance on Secretarial Standards on Board Meetings i.e. SS – 1 is not satisfactory.	The Company will ensure to comply with the same in future.
d.	The Company was in non compliance with Regulation 17(1) (b) of the SEBI (LODR) Regulations, 2015 and the Company had paid penalties to both BSE & NSE for the above mentioned non compliances as per directions.	The Company has made suitable replies to the concerned authorities, paid the penalties and complied with the said Regulations. The Company will ensure not to repeat the same in future.
e.	Mr. T. S. Suresh Kumar, Independent Director of the Company was disqualified to act as Director by the Registrar of Companies under Section 164(2) of the Companies Act, 2013. In such a situation, if Mr. T. S. Suresh Kumar was disqualified to act as Director under the said Section 164, his Office as Director shall become vacant under Section 167(1) of the Companies Act, 2013. If the Office of Director of Mr. T. S. Suresh Kumar became vacant as above, office of Independent Director shall also deem to be vacated	The Company was informed by Mr. T. S. Sureshkumar, Independent Director that he was disqualified to act as Director by the Registrar of Companies under Section 164(2) of the Companies Act, 2013, due to purely technical reasons. Further, Mr. T S Sureshkumar has resigned from the office of Independent Director and consequently also as Member of various Committees of the Company with effect from the closing of business hours of 27 <sup>th</sup> May, 2019. However, he is in the process of filing of a Petition with Hon'ble High Court of Karnataka against the disqualification.
f.	Certain web links are not made within prescribed time limit. The Company needs to take due care on the same	The Company will ensure to comply with the same in future.
g.	The Company has not spent the required amounts on CSR activities as per Section 135 of the Act	The CSR Report attached exhibits the explanations for the unspent amount.

## Annual Report 2018-2019

### 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>B) Technology absorption:</b> 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
<b>C) Research and Development (R&amp;D)</b> 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
c) Total	Nil
(d) Total R & D expenditure as a percentage of total turnover	Nil
<b>D) Foreign exchange earnings and Outgo</b> 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 31 <sup>st</sup> March, 2019: Rs. 1,00,90,561.00
Total Foreign Exchange Earned (Accrual Basis)	As on 31 <sup>st</sup> March, 2019: Rs.70,31,297.00

### 20. RATIO OF REMUNERATION TO EACH DIRECTOR:

The Company had 145 employees as on 31<sup>st</sup> March, 2019. Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 (1) (2) (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-IV**.

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than One Crore Two Lakhs Rupees per financial year or Eight Lakhs Fifty Thousand rupees per month as the case may be. Therefore, a 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 Companies (Acceptance of Deposits) Rules, 2014 and accordingly, there were no deposits which were due for repayment on or before 31<sup>st</sup> March, 2019.

**22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:**

No order was passed by any court or regulator or tribunal during the period under review which impacts going concern status of the Company.

However, an Award has been passed by the Hon'ble Arbitral Tribunal in the matter of Arbitration Dispute under the Arbitration and Conciliation Act, 1996 on 22<sup>nd</sup> March, 2019, for the Reduction of Share Capital of the Company by 92 Lakhs Equity Shares allotted to Singapore Companies, 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 and subject to the approval of the Shareholders and confirmation by the Hon'ble National Company Law Tribunal, Bengaluru Bench.

**23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company 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 year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.

**24. 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.

**25. RISK MANAGEMENT POLICY:**

The Company has not yet formulated a Risk Management Policy as it is not applicable to the Company. The Company has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and undertakes periodical review to ensure that executive management controls risk by means of a properly designed framework.

**26. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

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

- |                         |            |
|-------------------------|------------|
| 1. Mr. V Ranganathan    | - Chairman |
| 2. Mr. Shridhar S Hegde | - Member   |
| 3. Mr. P Vishwamurthy   | - Member   |
| 4. Mr. P E Krishnan     | - Member   |

The Company is in the process of identifying the projects to spend the amount as stipulated under Section 135 of the Companies Act, 2013.

During the financial year 2018-19, Rs. 16,26,841/- (Rupees Sixteen Lakhs Twenty Six Thousand Eight Hundred and Forty One only) had to be spent towards Corporate Social Responsibility activities as specified in Schedule VII of the Companies Act, 2013.

However, the Company spent amount of Rs. 4,25,000/- only (Rupees Four Lakhs Twenty Five Thousand only) before the 31<sup>st</sup> March, 2019 and unspent amount is Rs. 12,01,841/- (Rupees Twelve Lakhs One Thousand Eight Hundred and Fourteen only).

The details of expenditures on CSR activities are attached as **Annexure VII** to this report.

**27. INDUSTRIAL RELATIONS:**

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

**28. RELATED PARTY TRANSACTIONS:**

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 in the prescribed format of Form AOC 2 has been enclosed with the report as **ANNEXURE V**.

**29. 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.

**30. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the financial year 2018-19 to National Stock Exchange of India Limited (NSE) and BSE Limited where the Company's Shares are listed.

**31. 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 VI**.

**32. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**33. 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.

## Annual Report 2018-2019

---

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. Three member 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 complaints pertaining to sexual harassment was reported during the financial year.

### 34. 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.

### 35. ACKNOWLEDGEMENTS:

The Directors wishes to place on record their appreciation for the sincere and dedicated efforts of all employees. Your Directors would also like to thank the Shareholders, Bankers and other Business associates for their sustained support, patronage and cooperation.

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 30<sup>th</sup> May, 2019

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

Shridhar S Hegde  
Whole Time Director  
DIN: 01247342  
Address: 156-A, 36<sup>th</sup> Cross  
2<sup>nd</sup> Block, Rajajinagar  
Bangalore-560 010

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN: L85110KA1993PLC015091
- ii. Registration Date: 31<sup>st</sup> December, 1993
- iii. Name of the Company: Cerebra Integrated Technologies Limited
- iv. Category/Sub-Category of the Company: Company Limited by shares and Indian Non Government Company
- v. Address of the Registered Office and contact details:

**Registered Office Address:** S5, Off 3<sup>rd</sup> Cross, Peenya Industrial Area  
Peenya I Stage, Bangalore-560 058

**Tel.:** 080-22046969

**Fax.:** 080-22046980

**Email:** investors@cerebracomputers.com

**Website:** www.cerebracomputers.com

- vi. Whether Listed Company: Yes
- vii. Name, Address and Contact details of Registrar and Share Transfer Agent:

**Registrars:** Karvy Fintech Private Limited  
Karvy Selenium Tower B, Plot number 31 & 32  
Financial District, Nanakramguda, Serilingampally Mandal  
Hyderabad-500 032, India  
**Tel.:** 91 40-67161564  
**Fax.:** 91 40-23420814  
**Email:** laxmi.rajyam@karvy.com  
**Website:** www.karvycomputershare.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Hardware including trading of Refurbished computer accessories	46511/12	70
2	E Waste Recycling	38300	19
3	Electronics Manufacturing Services, PCB assembly	26104	5
4	Computer consultancy and computer facilities management activities	62020	5

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Cerebra LPO India Limited	U72200KA2008PLC047597	Subsidiary Company	70	2(87)(ii)
2	Cerebra Middle East FZCO, Dubai, UAE	Foreign Company	Subsidiary Company	86.5	2(87)(ii)

## Annual Report 2018-2019

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the financial year				% Change During the financial year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	7318291	0	7318291	6.08	6792805	800000	7592805	6.27	0.19
b) Central Govt/State Govt (s)	-	-	-	-	-	-	-	-	-
c) Banks / FI	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>7318291</b>	<b>0</b>	<b>7318291</b>	<b>6.08</b>	<b>6792805</b>	<b>800000</b>	<b>7592805</b>	<b>6.27</b>	<b>0.19</b>
2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>7318291</b>	<b>0</b>	<b>7318291</b>	<b>6.08</b>	<b>6792805</b>	<b>800000</b>	<b>7592805</b>	<b>6.27</b>	<b>0.19</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	1135656	0	1135656	0.94	1800715	0	1800715	1.49	0.54
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FLLs/FPI	4700000	0	4700000	3.90	4699000	0	4699000	3.88	-0.03
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0
i) Others (specify)	-	-	-	-	-	-	-	-	0
<b>Sub-total (B)(1)</b>	<b>5835656</b>	<b>0</b>	<b>5835656</b>	<b>4.85</b>	<b>6499715</b>	<b>0</b>	<b>6499715</b>	<b>5.36</b>	<b>0.52</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3498702	0	3498702	29.06	34743802	0	34743802	28.67	-0.39
ii) Overseas	22170571	6900000	29070571	24.15	14200000	6900000	21100000	17.41	-6.74
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	9921446	284424	10205870	8.48	11179739	270024	11449763	9.45	0.97
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	31223496	36200	31259696	25.97	38457262		38457262	31.73	5.77
c) Others (specify) NRI	431398	0	431398	0.36	1041658	0	1041658	0.86	0.50
Clearing Members NBFC Registered with RBI	0	0	0	0	0	0	0	0.03	0.03
<b>Sub-total (B)(2)</b>	<b>100011911</b>	<b>7220624</b>	<b>107232535</b>	<b>89.07</b>	<b>99923938</b>	<b>7170024</b>	<b>107093962</b>	<b>88.37</b>	<b>-0.70</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>105847567</b>	<b>7220624</b>	<b>113068191</b>	<b>93.92</b>	<b>106423653</b>	<b>7170024</b>	<b>113593677</b>	<b>93.73</b>	<b>-0.19</b>
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>113165858</b>	<b>7220624</b>	<b>120386482</b>	<b>100.00</b>	<b>113216458</b>	<b>7970024</b>	<b>121186482</b>	<b>100.00</b>	

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	<b>Messrs</b>							
1.	Mr. V Ranganathan	2711152	2.25	0	2185666	2.25	0	0.13
2	Mr. P Vishwamurthy	998130	0.83	0	991830	0.83	0	0.01
3	Mr. Shridhar S Hegde	2588307	2.15	0	2688307	2.22	0	0.07
4.	Mr. Phalanetra Bharath	1010702	0.84	0	1010702	0.84	0	0.01
5.	Ms. Preethi Bharath	10000	0.01	0	10000	0.01	0	0.01
	<b>Total</b>	<b>7318291</b>	<b>6.08</b>	<b>0</b>	<b>7318291</b>	<b>6.08</b>	<b>0</b>	<b>0.19</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Messers	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	7308291	6.07	7592805	6.27
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus /sweat equity etc.) <b>Allotment on conversion of warrants</b>			283884	
	At the end of the year	7308291	6.07	7592805	6.27

Sl. No.	Mr. Shridhar S Hegde	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	2588307	2.15	2688307	2.22
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.)			Allotment upon conversion of Warrants	
	At the end of the year	2588307	2.15	2688307	2.22

Sl. No.	Mr. V Ranganathan	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	2711152	2.25	2885666	2.38
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.)			Allotment upon conversion of Warrants	
	At the end of the year	2711152	2.25	2885666	2.38



## Annual Report 2018-2019

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top 10 Shareholders (*) (Messrs)	Shareholding at the beginning of the year i.e. 1 <sup>st</sup> April, 2018		Cumulative Shareholding at the end of the year i.e. 31 <sup>st</sup> March, 2019	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Kuber Global Fund	11900000	9.88%	11900000	9.82%
2	Manish Lakhi	1923720	1.60%	9423720	7.78%
3	SSJ Finance & Securities Pvt. Ltd	5198627	4.32%	4453565	3.67%
4	Scenic Overseas(S) Pte Ltd. Singapore	3600000	2.99%	3600000	2.97%
5	Silver Stallion Limited	4700000	3.90%	3355000	2.77%
6	Leytron Technology Pte.Ltd. Singapore	3300000	2.74%	3300000	2.72%
7	LPP Developers Private Limited	2700000	2.24%	2700000	2.23%
8	Niraj Rajnikant Shah	1995114	1.66%	2556818	2.11%
9	Cimelia Resource Recovery Pte Ltd	2300000	1.91%	2300000	1.90%
10	Pushkar Baniyja Limited	2239006	1.86%	2239006	1.85%
11	DhanlaxmiJaswantra Mehta	200000	0.17%	1599348	1.32%

### (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	6272517	5.78	6307589	5.24
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc) At the end of the year	Purchase from the open market 6272517	5.78	6307589	5.24

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	636542	4800000	0	5436542
ii) Interest due but not paid	0	22133	0	22133
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>636542</b>	<b>4822133</b>	<b>0</b>	<b>5458675</b>
Change in Indebtedness during the financial year				
Addition	648488	0	0	648488
Reduction	0	4800000	0	4800000
<b>Net Change</b>	<b>648488</b>	<b>-4800000</b>	<b>0</b>	<b>4151512</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1285030	0	0	1285030
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1285030</b>	<b>0</b>	<b>0</b>	<b>1285030</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

In Rs.

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. V Ranganathan	Mr. Shridhar S Hegde	Mr. P Vishwamurthy	
1	1. Gross salary a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961 c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	24,00,000 1,15,200 0	24,00,000 1,15,200 0	24,00,000 1,15,200 0	72,00,000 3,45,600 0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission as % of profit - others, specify...	0 0	0 0	0 0	0 0
5	Others, please specify	0	0	0	0
	<b>Total (A)</b>	<b>25,15,200</b>	<b>25,15,200</b>	<b>25,15,200</b>	<b>75,45,600</b>
	Ceiling as per the Act	-	-	-	-

## B. Remuneration to other Directors:

Not Applicable

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

In Rs.

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary		
1	1. Gross Salary a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Mrs. Nutan Spidagar 380664 18264 0		380664 18264 0
2	Stock Option	0		0
3	Sweat Equity	0		0
4	Commission - as % of profit - others, specify	0 0 0		0 0 0
5	Others, please specify	0		0
	<b>Total</b>	<b>398928</b>		<b>398928</b>

## Annual Report 2018-2019

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made if any (give Details)
<b>A. COMPANY</b>					
	Penalty Punishment Compounding		None		
<b>B. DIRECTORS</b>					
	Penalty Punishment Compounding		None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
	Penalty Punishment Compounding		None		

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 30<sup>th</sup> May, 2019

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

Shridhar S Hegde  
Whole Time Director  
DIN: 01247342  
Address:156-A, 36<sup>th</sup> Cross  
2<sup>nd</sup> Block, Rajajinagar  
Bangalore-560 010

**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	Cerebra Middle East FZCO, Dubai
1.	Reporting period (if different from the holding company's reporting period)	31st March, 2019	31st March, 2019
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries)	INR	INR
3.	Share Capital	500000	38592493
4.	Reserves and surplus	-70136756	565853170
5.	Total assets	389899	798150683
6.	Total Liabilities	70026655	193705020
7.	Investments	Nil	Nil
8.	Turnover	2609032	1239186497
9.	Profit before taxation	-70451736	118068997
10.	Provision for taxation	131664	Nil
11.	Profit after taxation	-70583400	118068997
12.	Proposed Dividend	Nil	Nil
13.	% of shareholding	70	86.5

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 30<sup>th</sup> May, 2019**V Ranganathan**  
Managing Director  
DIN: 01247305  
Address: Brindavan 90,  
3<sup>rd</sup> Cross, Sri Venkateshwara Krupa  
Layout West of Chord Road,  
Bangalore-560 079**Shridhar S Hegde**  
Whole Time Director  
DIN: 01247342  
Address: 156-A, 36<sup>th</sup> Cross  
2<sup>nd</sup> Block, Rajajinagar  
Bangalore-560 010

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31-03-2019**

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  
(CIN: L85110KA1993PLC015091)

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 31.03.2019 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 31.03.2019 according to the provisions of following Acts/Rules wherever applicable:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'):-
  - (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 (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
  - (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 and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (k) Circulars/Guidelines issued thereunder.
- (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. Industries (Development & Regulation) Act, 1951
    - ii. The Factories Act, 1948
    - iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
    - iv. The Apprentices Act, 1961
    - v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
    - vi. The Employees State Insurance Act, 1948
    - vii. The Workmen's Compensation Act, 1923
    - viii. The Maternity Benefits Act, 1961
    - ix. The Payment of Gratuity Act, 1972

- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
- xxiii. Dangerous Machines (Regulation) Act, 1983
- xxiv. Indian Boilers Act, 1923
- xxv. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxvi. The Labour Welfare Fund Act, 1965
- xxvii. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxviii. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

**(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 Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. 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 Companies Act, Labour Laws and Secretarial Standards. Following observations have been brought before the Shareholders which are treated as material in nature:

- a) 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.
- b) Certain returns or registers under above mentioned general laws were not filed or maintained by the Company in time.
- c) Compliance on Secretarial Standards on Board Meetings i.e. SS - 1 is not satisfactory.
- d) The Company was in non compliance with Regulation 17(1) (b) of the SEBI (LODR) Regulations, 2015 and the Company had paid penalties to both BSE & NSE for the above mentioned non compliances as per directions.
- e) Mr. T. S. Suresh Kumar, Independent Director of the Company was disqualified to act as Director by the Registrar of Companies under Section 164(2) of the Companies Act, 2013. In such a situation, if Mr. T. S. Suresh Kumar was disqualified to act as Director under the said Section 164, his Office as Director shall become vacant under Section 167(1) of the Companies Act, 2013. If the Office of Director of Mr. T. S. Suresh Kumar became vacant as above, office of Independent Director shall also deem to be vacated.  
However, as per the information and clarifications provided before me, Mr. T. S. Suresh Kumar resigned from the Office of Director on 27th May, 2019 when he notified which was accepted; due notifications were made to BSE and NSE by the Company. He also made representation before the Company that his disqualification was due to technical error and he is taking steps to rectify the error.
- f) Certain web links are not made within prescribed time limit. The Company needs to take due care on the same.
- g) The Company has not spent the required amounts on CSR activities as per Section 135 of the Act.

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 the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to the observation made above. 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

## Annual Report 2018-2019

---

followed. However, during the period under report, there was no such case instance.

I further report that the Company had entered into 3 Master Services Agreements with Cimelia Resource Recovery Pte Ltd, Leytron Technologies Pte Ltd and Restorer Corp Pte Ltd for which it had allotted 92,00,000 (Ninety Two Lakhs) Equity Shares on 24th May, 2011 for a consideration other than cash upon the receipt of FIPB approval as advances for setting up e-Waste plant in India for supply of Plant and Machinery, Implementation, installation; commissioning and proper working of plant and machineries and Technical knowhow, setting up of plant & machinery, identification of suppliers etc.

Further, certain disputes arose among the above parties and the Company in respect of the performance of the Agreements and matters related thereto. Consequently, the Company initiated the proceedings against the parties claiming several reliefs before the Arbitral Tribunal under the Arbitration and Conciliation Act, 1996.

After considerable proceedings with multiple hearings, the parties decided to amicably settle their inter-se disputes and accordingly agreed for the settlement and filed the Compromise Petition under the Arbitration and Conciliation Act, 1996.

Based on the above said Petition, Award has been 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 Reduction 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 and subject to the approval of the Shareholders and confirmation by the Hon'ble National Company Law Tribunal, Bengaluru Bench.

I further report that the Company altered its Articles of Association during the year by replacing the existing Article 3 as follows:

### Share Capital:

- (1) The Authorized Share Capital of the Company shall be such amount as stated in the Company's Memorandum of Association from time to time, with such rights, privileges and conditions attaching thereto as may be determined by the Company in General Meeting, and if no direction be given, as the Directors may determine.
- (2) The Shares of the Company shall be under the Control of the Board, subject to the provisions of the Act and Articles contained herein. The Board may issue, allot, or otherwise dispose off Shares in such manner as it may deem proper."

I further report that upon exercise of options by the Warrant holders and after due consideration of the terms of issue of Warrants and further upon receipt of the balance monies, the Company allotted 8,00,000 (Eight Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each at a premium of Rs. 30/- (Rupees Thirty only) per Share to the Warrant holders.

I further report that the Company passed following 2 resolutions through Postal Ballot vide notice dated 15th February, 2019 and which was reported on 28th March, 2019 by the Chairman:

- Re-appointment of Mr. T. S. Suresh Kumar (holding DIN: 00674759), as an Independent Director for a second term i.e., to hold office for a period of 5 (five) consecutive years with effect from 1st April, 2019 to 31st March, 2024.
- Re-appointment of Mr. S. Gopalakrishnan (holding DIN: 01898255), as an Independent Director for a second term i.e., to hold office for a period of 5 (five) consecutive years with effect from 1st April, 2019 to 31st March, 2024.

I further report that the Company received a notice from Registrar of Companies for not appointing Company Secretary for the period from 01.04.2014 to 08.01.2015. The Company confirmed that the appropriate action i.e. compounding of offence/adjudication process will be initiated for the said non compliances before the Registrar of Companies, Bengaluru.

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 : 30<sup>th</sup> May, 2019

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

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 : 30<sup>th</sup> May, 2019

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;	1. Mr. V Ranganathan-Managing Director-0% 2. Mr. Shridhar S Hegde-Whole Time Director and CFO-0% 3. Mr. P Vishwamurthy- Whole Time Director - 0% 4. Ms. Nutan Soudagar-Company Secretary - 13.5%
(iii) The percentage increase in the median remuneration of employees in the financial year;	8.75%
(iv) The number of permanent employees on the rolls of company;	As on 31 <sup>st</sup> March, 2019 145 members
(v) The explanation on the relationship between average increase in remuneration and company performance;	Increased 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 companies increment guideline
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	This is as per the companies increment guideline
(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

Place : Bangalore  
Date : 30<sup>th</sup> May, 2019

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

**Shridhar S Hegde**  
Whole Time Director  
DIN: 01247342  
Address: 156-A, 36<sup>th</sup> Cross  
2<sup>nd</sup> Block, Rajajinagar  
Bangalore-560 010



**FORM NO. AOC-2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2)  
of the Companies (Accounts) Rules, 2014)**

1. Details of contracts or arrangements or transactions not at arm's length basis:

NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

<b>Sl. No.</b>	<b>PARTICULARS</b>	<b>DETAILS</b>
a)	Name(s) of the related party and nature of relationship	Cerebra LPO India Limited
b)	Nature of contracts/arrangements/transactions	Sharing the part of the Registered Office premises of the Company
c)	Duration of the contracts/arrangements/transactions	NA
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs. 15,000/- pm
e)	Date(s) of approval by the Board, if any:	30 <sup>th</sup> May, 2018
f)	Amount paid as advances, if any:	Nil

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 30<sup>th</sup> May, 2019

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

**Shridhar S Hegde**  
Whole Time Director  
DIN: 01247342  
Address: 156-A, 36<sup>th</sup> Cross  
2<sup>nd</sup> Block, Rajajinagar  
Bangalore-560 010

**ANNEXURE TO THE BOARD'S REPORT  
REPORT ON CORPORATE GOVERNANCE**

**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 the 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 Company currently has 8 (Eight) Directors, including three Non-Executive and Independent Directors.

After due circulation of agenda and notes thereon, the Board of Directors has 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 Companies Act, 2013 and fulfil the conditions specified under the Listing Regulations and are Independent of the Management of the Company.

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

Except Mr. T S Sureshkumar, who was disqualified to act as Director by the Registrar of Companies under the provisions of Section 164(2) of the Companies Act, 2013, all other Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by Securities and Exchange Board of India/ The Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a Certificate to this effect from Mr. Vijayakrishna K.T., Practising Company Secretary, Bengaluru as mandated under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (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, 2019 are given 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. Shridhar S Hegde	01247342	Executive Director (Promoter Group)	Whole Time Director	6	1	-	-	Yes
3.	Mr. P Vishwamurthy	01247336	Executive Director (Promoter Group)	Whole Time Director	5	1	-	-	Yes
4.	Ms. PreethiJavali	07157145	Non-Executive Director	Non Executive Director	1	-	-	-	No
5.	Mr. Suresh Kumar TS	00674759	Non-Executive and Independent Director	Independent Director	5	6	-	-	Yes
6.	Mr. PE Krishnan	01897686	Non-Executive and Independent Director	Independent Director	4	2	-	-	Yes
7.	Mr. S Gopalakrishnan	01898255	Non-Executive and Independent Director	Independent Director	4	-	-	-	Yes
8.	Mr. Riyaz Suterwalla*	07866056	Non-Executive and Non Independent Director	Professional Director	4	-	-	-	No

\* Mr. TS Suresh Kumar resigned from the office of Independent Director of the Company w.e.f. 27<sup>th</sup> May, 2019.

## Annual Report 2018-2019

### 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 30th May 2018, 13th August, 2018, 10th November, 2018, 21st December, 2018, 14th February, 2019 and 25th March, 2019.

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

### Skills / Expertise/Competencies of the Board of Directors:

The Directors have sufficient and vast experience and have sound educational background and experience in Business Management.

Some of the needs of the skill set or competence identified are as follows:

- i. Information on the Company's business and related issues.,
- ii. SWOT of the business of the Company. Commercial and Technical.
- iii. Global business understanding.
- iv. Legal, Financial and other statutory aspects.

### 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.

The Audit Committee is comprised of the following Members:

1. Mr. S. Gopalakrishnan - Chairman
2. Mr. T.S. Suresh Kumar\* - Member
3. Mr. P.E. Krishnan - Member

The Audit Committee met 4 (Four) times during the financial year on 30th May, 2018, 13th August 2018, 9th November 2018, and 14th February, 2019.

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	2
2.	Mr. T.S. Suresh Kumar	4
3.	Mr. P.E. Krishnan	3

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 Audit Committee was re-constituted w.e.f 30<sup>th</sup> May, 2019:

1. Mr. S. Gopalakrishnan - Chairman
2. Mr. Mr. P.E. Krishnan - Member
3. Mrs. Preethi Javali - Member

### 4. NOMINATION AND REMUNERATION COMMITTEE:

The functions of Nomination and Remuneration Committee are as follows:

- Formulation of criteria for persons to become Director and to senior management positions including KMPs and recommending to the Board for their appointments and removal.
- Continuous review and evaluation of the performance of the Board members.
- Broadly oversee the Administrative and Executive Compensation Programme.
- Any other functions as may be mandated by the Board or any Statutes or enactment.

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

The Nomination and Remuneration Committee consists of the following Members for the financial year 2018-19:

1. Mr. S. Gopalakrishnan - Chairman
2. Mr. T.S Suresh Kumar - Member
3. Mr. P.E. Krishnan - Member

The Committee met 1 (One) time during the financial year on 14<sup>th</sup> February 2019.

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

SI. No.	Name	No. of Meetings attended during the financial year
1.	Mr. S. Gopalakrishnan	1
2.	Mr. T.S. Suresh Kumar	1
3.	Mr. P.E. Krishnan	1

Details of remuneration of all Directors:

SI. No.	Name	Designation	Salary (in Rs)	Sitting fee*
<b>Executive/Whole Time Directors</b>				
1.	Mr. V Ranganathan	Managing Director	24,00,000	NIL
2.	Mr. Shridhar S Hegde	Whole Time Director	24,00,000	NIL
3.	Mr. P Viswamurthy	Whole Time Director	24,00,000	NIL
<b>Non Executive and Independent / Non Independent Directors</b>				
4.	Mr. Suresh Kumar TS	Independent Director	Nil	NIL
5.	Mr. PE Krishnan	Independent Director	Nil	NIL
6.	Mr. S Gopalakrishnan	Independent Director	Nil	NIL
7.	Ms.Preethi Javali	Non-Executive Director	Nil	NIL
8.	Mr. Riyaz Suterwalla	Non-Executive and Non Independent Director	Nil	NIL

Note: No sitting fee was paid to the Directors.

The Nomination and Remuneration Committee was re-constituted w.e.f. 30th May, 2019:

1. Mr. S. Gopalakrishnan - Chairman
2. Mr. P.E. Krishnan - Member
3. Mrs. Preethi Javali - Member

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The functions of Stakeholders' Relationship Committee are as follows:

- To look into the Shareholders complaints, if any and to redress the same expeditiously.
- To approve the request for issue of duplicate share certificates and issue of certificates after split/consolidation.

The Stakeholders' Relationship Committee consists of the following Members for the financial year 2018-19:

1. Mr. S. Gopalakrishnan - Chairman
2. Mr. T.S. Suresh Kumar - Member
3. Mr. P.E. Krishnan - Member

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	2
2.	Mr. T.S. Suresh Kumar	4
3.	Mr. P.E. Krishnan	3

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.

The Stakeholder's Relationship Committee was re-constituted w.e.f. 30<sup>th</sup> May, 2019::

1. Mr. S. Gopalakrishnan - Chairman
2. Mr. P.E. Krishnan - Member
3. Mrs. Preethi Javali - Member

No major grievance of any investor was pending as on 31<sup>st</sup> March, 2019.

Mrs. Nutan Soudagar, Company Secretary, is the Compliance Officer of the Company.

## Annual Report 2018-2019

---

### 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has complied with the provisions of Section 135 of the Companies Act, 2013 and the Corporate Social Responsibility Committee has discharged its functions during the financial year under review.

The Corporate Social Responsibility Committee consists of the following:

1. Mr. V Ranganathan - Chairman
2. Mr. Shridhar S Hegde - Member
3. Mr. P Vishwamurthy - Member
4. Mr. P E Krishnan - Member

The Committee met Three (3) times during the financial year on 15<sup>th</sup> June, 2018, 13<sup>th</sup> August, 2018 and 14<sup>th</sup> February, 2019.

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 & society – beyond its normal course of business operations.

### 7. INDEPENDENT DIRECTORS' MEETING:

During the financial year under review, the Independent Directors met on 14<sup>th</sup> February 2019, 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 time lines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

All the Independent Directors viz., Mr. S. Gopalakrishnan, Mr. T. S. Suresh Kumar and Mr. P.E. Krishnan were present at 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://www.cerebracomputers.com/reports-and-filings/>.

### 8. 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 <http://cerebracomputers.com/reports-and-filings/>.

### 9. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 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.,

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board/Committee's, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Corporate Secretarial Department. The Board were satisfied with the evaluations results which reflected the overall engagement and effectiveness of the Board and its Committees.

### 10. COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:

Mrs. Nutan Soudagar, Company Secretary  
Cerebra Integrated Technologies Limited  
S5, Off 3rd Cross, Peenya Industrial Area  
Peenya I Stage, Bangalore -560 058  
Tel.: 080-22046969  
Fax: 080-22046980  
Email: [nutan@cerebracomputers.com](mailto:nutan@cerebracomputers.com)  
Website: [www.cerebracomputers.com](http://www.cerebracomputers.com)

### 11. DETAILS OF ANNUAL GENERAL MEETING (AGM):

Year	Date	Time	Location
2015-16	16th September, 2016	11:00 AM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru-560 001
2016-17	21st August 2017	10:30 AM	#S-5, Off 3rd Cross, 1st Stage, Peenya Industrial Area, Bengaluru-560 058
2017-18	18th September, 2018	10:00 AM	#S-5, Off 3rd Cross, 1st Stage, Peenya Industrial Area, Bengaluru-560 058

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

16.9.2016	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. V Ranganathan as Managing Director and ratification of remuneration</li> <li>2. Re-appointment of Mr. Shridhar S Hegde as Whole Time Director and ratification of remuneration</li> <li>3. Re-appointment of Mr.P Vishwamurthy as Whole Time Director and ratification of remuneration</li> </ol>
21.8.2017	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. V Ranganathan as Managing Director and ratification of remuneration</li> <li>2. Re-appointment of Mr. Shridhar S Hegde as Whole Time Director and ratification of remuneration</li> <li>3. Re-appointment of Mr. P. Vishwamurthy as Whole Time Director and ratification of remuneration</li> <li>4. Rectification of Special Resolution for further Issue of Equity Shares on preferential basis</li> <li>5. Rectification of Special Resolution for Issue of Warrants to Promoters on preferential basis</li> <li>6. Fees for delivery of any document through a particular mode of delivery to a member</li> </ol>
18.9.2018	<ol style="list-style-type: none"> <li>1. Alteration of Articles of Association of the Company</li> </ol>

## 12. POSTAL BALLOT

During the financial year Postal Ballot, the Company has passed following Special Resolution through Postal Ballot.

Resolutions	Votes Cast in Favour (No. of Votes)	%	Votes cast against (No. of Votes)	%	Date of Declaration of Results
Re-appointment of Mr. T S Sureshkumar (holding DIN: 00674759), as an Independent Director for a second term i.e., to hold office for a period of 5 (Five) consecutive years with effect from 1st April, 2019 to 31st March, 2024	10537167	99.999	750	0.001	28 <sup>th</sup> March, 2019
Re-appointment of Mr. S Gopalakrishnan (holding DIN: 01898255), as an Independent Director for a second term i.e., to hold office for a period of 5 (Five) consecutive years with effect from 1st April, 2019 to 31st March, 2024	10537167	99.999	750	0.001	28 <sup>th</sup> March, 2019

The Company has successfully completed the process of obtaining approval of its Shareholders for Resolutions on the items detailed above vide Postal Ballot.

Mr. Parameshwar G Bhat, a Practising Company Secretary, Bengaluru was appointed as the Scrutinizer for carrying out Postal Ballot Voting Process in a fair and transparent manner.

## 13. 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 does not make any representations to the Institutional investors or to the Analysts.

## 14. DISCLOSURES:

### SUBSIDIARY COMPANIES:

The Company has following Subsidiaries:

- a) Cerebra LPO India Limited
- b) Cerebra Middle East FZCO, Dubai

The financials of the Subsidiary Companies have been duly reviewed by the Audit Committee and the Board of the Holding Company. The Board minutes of the Unlisted Subsidiary Companies 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 Companies. 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.

## 15. RELATED PARTY TRANSACTIONS:

There were Related Party Transactions during the financial year. It has been disclosed in **Annexure V**.

## 16. 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 <http://www.cerebracomputers.com/reports-and-filings/>. Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March, 2019.

## Annual Report 2018-2019

---

The Certificate by the 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 year ended March 31, 2019.

Place : Bangalore  
Date : 30<sup>th</sup> May, 2019

V. Ranganathan  
Managing Director  
DIN: 01247305

### **17. REPORTING OF INTERNAL AUDITOR:**

The Internal Auditor duly appointed, reports to the Audit Committee.

### **18. CEO AND CFO CERTIFICATION:**

The Managing Director and the CFO 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, 2019.

### **19. COMPLIANCES:**

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

### **20. GENERAL SHAREHOLDERS' INFORMATION:**

The following information would be useful to the Shareholders:

1. Annual General Meeting Date and Time: At 10:00 AM, 18<sup>th</sup> September, 2019
2. Venue: #S-5, Off 3<sup>rd</sup> Cross, 1<sup>st</sup> Stage, Peenya Industrial Area, Bengaluru-560 058
3. Financial Year: 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019
3. Book Closure Date: 18<sup>th</sup> September, 2019
4. Listing on Stock Exchange at:
  - a. BSE Limited
  - b. National Stock Exchange of India Limited (NSE)

### **21. DEPOSITORIES:**

National Securities Depository Limited  
Central Depository Services Limited  
Stock Code: BSE – 532413  
NSE: Cerebraint

Demat arrangement with NSDL and CDSL: ISIN : INE345B01019

### **22. REGISTRARS AND SHARE TRANSFER AGENTS:**

Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited)  
Karvy Selenium Tower B, Plot number 31 & 32  
Financial District, Nanakramguda, Serilingampally Mandal  
Hyderabad-500 032 India  
Phone: 040 - 91 40-67161564 Fax 9140-23420814  
Email: shobha.anand@karvy.com

**23. STOCK MARKET DATA:**

BSE Limited  
Scrip Code: 532413  
CEREBRAINT

(In Rs)

Month	Open Price	High Price	Low Price	Close Price
Apr-18	56.3	73	55.75	67.6
May-18	67	68.2	57.35	65.15
Jun-18	66.5	66.5	54	55.8
Jul-18	56.5	70.6	53.6	69.25
Aug-18	68.5	71	41.55	41.55
Sep-18	41.5	43.05	30.6	31
Oct-18	31	35.2	29.45	32.9
Nov-18	33.35	34.5	30.4	31.2
Dec-18	31.3	31.9	24.75	28.1
Jan-19	28.65	31	25.85	27.6
Feb-19	27.4	29.35	22.55	25.6
Mar-19	25.9	27.29	24.55	25.4

**National Stock Exchange of India Limited, (NSE)**

CEREBRAINT

(In Rs)

Month	Open Price	High Price	Low Price	Close Price
Apr-18	56.15	72.80	55.85	67.65
May-18	66.45	69.00	57.00	64.40
Jun-18	64.40	65.30	52.95	55.85
Jul-18	55.90	70.90	53.60	69.20
Aug-18	68.55	69.90	41.40	41.40
Sep-18	41.50	42.95	30.55	30.85
Oct-18	29.40	35.55	29.35	33.00
Nov-18	32.90	34.55	30.10	31.35
Dec-18	31.65	31.90	24.55	28.00
Jan-19	29.40	30.75	25.70	27.75
Feb-19	27.35	29.45	24.55	25.70
Mar-19	25.65	28.30	24.50	25.50



## Annual Report 2018-2019

### 24. 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.

### 25. Distribution of Shareholding as at 31st March, 2019:

Category (Amount)	No. of cases	% of cases	Total Shares	Amount	% of Amount
0-5000	9,444	70.07	1623608	16236080	1.34
5001 - 10000	1,479	10.97	1272903	12729030	1.05
10001 - 20000	813	6.03	1317354	13173540	1.09
20001 - 30000	400	2.97	1042997	10429970	0.86
30001 - 40000	185	1.37	671234	6712340	0.55
40001 - 50000	224	1.66	1079897	10798970	0.89
50001 - 100000	364	2.70	2893595	28935950	2.39
100001 & Above	569	4.22	111284894	1112848940	91.83
<b>TOTAL</b>	<b>13,478</b>	<b>100</b>	<b>121186482</b>	<b>1211864820</b>	<b>100</b>

#### Categories of Shareholding as at 31st March, 2019:

Category	No. of Shares held	% of holding
<b>Promoters Holding:</b>		
i. Indian Promoters	7592805	6.27
ii. Foreign Promoters		
<b>Sub Total</b>	<b>7592805</b>	<b>6.27</b>
<b>Non-Promoters Holding:</b>		
i. Mutual Fund and UTI		
Foreign Portfolio investors	4699000	3.88
ii. Banks, Financial Institutions and Insurance companies	1800715	1.49
iii. Bodies Corporate		
a. Indian	34743802	28.67
b. Foreign	11900000	9.82
iv. Indian Public	49907025	41.18
v. NRIs/OCBs	1041658	0.86
vi. Foreign Collaborators	9200000	7.59
vii. Others –		
Clearing Members	180703	0.15
NBFCs Registered with RBI	120774	0.10
<b>Sub Total</b>	<b>113593677</b>	<b>93.73</b>
<b>Grand Total</b>	<b>121186482</b>	<b>100</b>

**Dematerialization of Shares and liquidity as at 31<sup>st</sup> March, 2019:****Control Report as on 31<sup>st</sup> March, 2019**

Description	No. of Shareholders	Shares	% To Equity
PHYSICAL	1446	7970024	6.58
NSDL	6765	71168727	58.72
CDSL	5269	42047731	34.70
<b>Total</b>	<b>13480</b>	<b>121186482</b>	<b>100</b>

Comparative position as on 31st March, 2019:

Description	No. of Shareholders	Shares	% to Equity
PHYSICAL	1446	7970024	6.58
ELECTRONIC FORM	12034	113216458	93.42
<b>Total</b>	<b>10946</b>	<b>108486482</b>	<b>100</b>

**26. Number of days taken for dematerialization:**

Fifteen (15) days from the date of Physical documents received.

Dematerialization request from 1st April, 2018 to 31<sup>st</sup> March, 2019:

Sl. No	Depositories	No. of Cases	No. of Shares	% of Shares
1.	NSDL	45	46200	0.4
2.	CDSL	26	6300	0.2

**27. Management Discussion and Analysis:**

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

**28. 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.

This Corporate Governance Report of the Company for the financial year 2018-19 is in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**29. Secretarial Compliance Certificate:**

SEBI (LODR)(Amendment) Regulations, 2018 required the Company with effect from the financial year 2018-19 to obtain a 'Secretarial Compliance Certificate' in the prescribed format from a practicing Company Secretary which has been obtained and filed with the Stock Exchanges.

**30. Adoption of the Non-Mandatory Requirements:**

- i. Nomination and Remuneration Committee has duly been constituted.
- ii. The Company consistently trains its Board members, on an on-going basis, in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as Directors, and the best ways to discharge them.
- iii. The Company has a procedure of bringing to the notice of management, any matter/s regarding concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics policy.
  - Independent Directors of the Company have the option and freedom to meet Company Management regularly. They are provided with all information sought by them to perform their duty effectively and efficiently.
  - Audit Committee has duly been constituted, and its scope and functions has already detailed elsewhere in this report.
  - Matters referred to Audit Committee, as detailed elsewhere in the report include, interalia, recommendation to Board, on appointment of Statutory, Internal and Cost Auditor/s.
  - Reconciliation of Share Capital Audit Report is conducted every financial quarter and placed before the Audit Committee and the Board for review.

**31. Auditors' Certification on Corporate Governance:**

Compliance Certificate from the Auditors regarding compliance of conditions of corporate governance is attached is attached to the Board's Report and is a part of this Annual Report.

## Annual Report 2018-2019

---

### 32. Plant Locations:

S5, Off 3rd Cross, Peenya Industrial Area  
Peenya I Stage, Bangalore-560 058  
Phone: 080-28370282/84

### 33. Address for correspondence:

Cerebra Integrated Technologies Limited  
S5, Off 3rd Cross, Peenya Industrial Area  
Peenya I Stage, Bangalore -560 058  
Tel.: 080-22046969  
Fax. : 080-22046980  
Email: investors@cerebracomputers.com  
Website: www.cerebracomputers.com

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 30<sup>th</sup> May, 2019

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

**Shridhar S Hegde**  
Whole Time Director  
DIN: 01247342  
Address: 156-A, 36<sup>th</sup> Cross  
2<sup>nd</sup> Block, Rajajinagar  
Bengaluru-560 010

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER SEBI  
(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, 2019 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; the Company was non compliance with Regulation 17(1) (b) of the SEBI (LODR) Regulations, 2015 and the Company had paid penalties to both BSE and NSE for the above mentioned non compliances as per directions.

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<sup>th</sup> May, 2019

Vijayakrishna K T  
Practising Company Secretary  
FCS.: 1788  
CP.: 980

**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  
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 its Registered Office at (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/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2019 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 except Mr. T S Sureshkumar, who has been disqualified to act as Director by the Registrar of Companies under Section 164(2) of the Companies Act, 2013, due to technical reasons:

Sl No.	Name of Director	DIN	Date of appointment in Company
1	RANGANATHAN VENKATRAMAN	01247305	01/01/2009
2	VISHWAMURTHY PHALANETRA	01247336	18/07/1996
3	SHRIDHAR SHANKAR HEGDE	01247342	18/07/1996
4	PAZAYANUR ESWARAN KRISHNAN	01897686	02/12/1996
5	GOPALA KRISHNAN SESHADRIL	01898255	24/09/1997
6	PREETHI JAVALI	07157145	31/03/2015
7	RIYAZ SUTERWALLA	07866056	14/09/2017

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<sup>th</sup> May, 2019

Vijayakrishna KT  
Practising Company Secretary  
FCS.: 1788  
CP.: 980

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:  
(Pursuant to Section 135 of the Companies Act, 2013)**

**1. Applicability of the Companies Act, 2013**

Pursuant to Section 135 of the Companies Act, 2013 and the Rules made thereunder, your Company has constituted a Corporate Social Responsibility (CSR) Committee to effectively monitor CSR activities of the Company. Further, the Companies (Corporate Social Responsibility Policy) Rules, 2014 lays down the framework and approach for carrying out CSR activities which are specified in Schedule VII of the Act.

**2. Composition of the CSR Committee:**

1. Mr. V Ranganathan - Chairman
2. Mr. Shridhar S Hegde - Member
3. Mr. P Vishwamurthy - Member
4. Mr. P E Krishnan - Member

**3. Average Net Profit of the Company for last three financial years is Rs. 8,13,42,036/-**

**4. Prescribed CSR Expenditure (Two per cent of the amount mentioned as in item 3 above) – 16,26,841/-**

**5. Details of CSR spent during the financial year:**

(a) Total amount spent for the financial year: Rs. 4,25,000/-

(b) Amount unspent: Rs. 12,01,814/-

(c) Manner in which the amount spent during the financial year is detailed below:

CSR project / activity identified	Sector in which the Project is covered	Projects / Programs 1) Local area or other 2) specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project / program wise	Amount spent on the project / programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative spend upto the reporting period	Amount spent (Direct implementing agency)
The NKE Society	Education	Mumbai, Maharashtra	1,25,000	Direct expenditure	1,25,000	Direct
Vivekananda Vidyavarthaka Sanga	Education	Puttur	2,00,000	Direct expenditure	2,00,000	Direct
Deepika Charitable Educational Trust	Education	Bangalore, Karnataka	1,00,000	Direct expenditure	1,00,000	Direct

**6. In case the Company has failed to spend the two per cent of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report:**

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. However, during the year under review, the Company's spend on the CSR activities has been less than the limits prescribed under the Companies Act, 2013 due to unavailability of proper, verified projects.

The Company has been working on various projects involving activities as are included in the CSR Policy adopted by the Company covering education, environmental concerns, health facilities, safe drinking water and sanitation. The implementation of aforesaid projects started in 2018 and will scale up in the year 2019 as the Company is under the process of further formulating implementation plans.

The CSR activities are scalable with more initiatives that may be considered in future and moving forward, the Company will endeavor to spend the unspent CSR amount on CSR activities/projects in accordance with the statutory requirements.

The steps taken by the Company in the year which include initiation of the planned projects, contacts with identified beneficiaries as well as dedicating administrative resources, in continuation of the CSR policy formulated and recommended by its CSR committee as well as plans implemented in the previous two financial years should help us see the company completing its required spends going forward and fully meeting the company's CSR obligations in a manner consistent with our CSR Policy and governance requirements.

**7. Responsibility statement of the CSR Committee:**

CSR Committee confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 30<sup>th</sup> May, 2019

**V Ranganathan**  
Chairman of CSR Committee and  
Managing Director  
DIN: 01247305  
Address: Brindavan 90, 3<sup>rd</sup> Cross,  
Sri Venkateshwara Krupa  
Layout West of Chord Road,  
Bengaluru-560 079

**Shridhar S Hegde**  
Whole Time Director  
DIN: 01247342  
Address: 156-A, 36<sup>th</sup> Cross  
2<sup>nd</sup> Block, Rajajinagar  
Bengaluru-560 010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

E-WASTE RECYCLING BUSINESS:

As informed last year this is going to be the mainstay of our Lines of Business and has truly evolved as the most important business line. We have got the PRO (Producer Responsibility Organisation) license from Central Pollution Control Board (CPCB) and acquired Samsung India Electronics Limited (SIEL) as its first EPR (Extended Producer Responsibility) client.

The plant is fully functional and is recycling e-waste. Cerebra has collected WEEE (Waste Electrical & Electronic Equipment's) for large and medium manufacturers of IT Products, White Goods manufacturer's such as TV, Fridge, & Washing Machines and other electrical and electronic products.

Cerebra is focussing to increase channel partners, one for collection of Waste Electrical & Electronic Equipment's (WEEE) and two for sales of refurbished products. For the latter Cerebra has been increasing its Customer Experience Centre's (CEC) [Stores] wherein a customer can walk-in and pickup refurbished products such as Desktops, Laptops, Network Accessories, Peripherals and Printers at competitive prices.



Cerebra also has developed a unique software to track its collections, sales and channel management wherein all Waste Electrical & Electronic Equipment's (WEEE) collected from either Individual, Retailers or Corporate will be tracked until it reaches the Recycling Facility located at KIADB Narasapura Industrial Area, Kolar District. Plans are to launch an online platform for purchase of the above products once Customer Experience Centre's (CEC) [Stores] are spread across length & breadth of the country. The software also tracks Cerebra's EPR collections.

**8 out of 10 Indians know about e-waste but 50% hoard unusable devices for upto 5 years, states Cerebra Green's E-Waste survey**

Citizens between 18 – 49 acknowledge requirement for special disposal measures, but lack awareness of appropriate disposal facilities

**26<sup>th</sup> September 2018:** 80% of Indians are cognizant of the meaning of e-waste and the necessity to use special measures to dispose of it, according to a joint survey conducted by Cerebra Green, the leaders in e-waste management today and MAIT. However, the same citizens tend to dispose e-waste through incorrect means due to a lack of alternative avenues, the survey also revealed.

68% of those surveyed stated that they do not view local waste collectors as an option to dispose e-waste, a belief that is reflected by the waste collectors themselves as 72% of participants stated that local waste collectors do not pick up e-waste in their area. This has forced 90% of citizens to dispose e-waste by means of online exchanges or local electronics vendors. Furthermore, 50% stated that they own 2 or more devices that they no longer use, which they continue to hoard for up to 5 years, thereby heightening the possibility of incorrect disposal.

On a more encouraging note, however, 83% of those surveyed stated that they would be extremely willing to properly dispose of their e-waste if assured of the environmentally-safe nature of the disposal process.

**Key Highlights from the survey:**

- Around 80% of the participants were aware about e-waste.
- 50% of participants were keeping at least 2 or more old, unused devices at home that need to be discarded followed by around 30% keeping 3 to 4 and 20% keeping more than 5 unused devices.
- Surprisingly, 50% of participants were keeping old, unused devices that were more than 5 years old, 28% keeping 3 to 4 years old and around 23% using 2 years or less old devices.
- 72% of participants informed that the waste collectors in their area did not collect e-waste from them.
- 68% of the participants informed that they had never disposed their e-waste by giving it to the local waste collector/aggregator whereas 32% of them informed that they did.
- Around 82% of participants had never disposed their white goods like refrigerator, air conditioner, microwave etc. through a local waste collector with a meagre of just 18% gave a positive affirmation.
- 47% participants were utilizing their e-waste in online exchange, at the time of a new purchase, 43% by giving it to the local electronic vendors and 10% at the brand outlets
- 40% participants had been keeping more than 5-year-old refrigerator, 37% of them still occupying a 2 to 5 years old.
- 82% showed enthusiasm in giving away their e-waste to e-waste collectors for free if they insured proper handling of the waste not causing environmental pollution.
- 81% of the participants knew about the hazardous fractions in e-waste that needs special treatment for safe disposal. However, 19% were not aware about this fact.

As part of its efforts to address the issues raised by the survey's results, Cerebra has partnered with **Manufacturers Association of Information and Technology (MAIT), Ministry of Electronics and Information Technology (MeitY), Ministry of Environment Forests and Climate Change (MOEFCC) and Digital India** to launch the 'India Cleanup Week', the first and potentially largest cleanup drive in India targeted at the proper and efficient disposal of e-waste. As part of the initiative,

e-waste collection will take place in three major forms: collection officers for individual home-pickup, public collection centers and pickup trucks for commercial establishments. MAIT will offer certificate of recognition to corporates which are participating by joining Cerebra during the week.



Analyzing the results, **Mr V Ranganathan, Managing Director and Founder, Cerebra Integrated Technologies said**, "E-waste awareness in the country is paramount and the results of the survey indicate that citizens are already moving towards this awareness quickly. We will continue to build in-depth knowledge among Indians and other stakeholders around e-waste management and look forward to our associate with MAIT in making this endeavor a success."

The survey analyzed responses sourced from 600 individuals across key metros including Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Hyderabad and Pune to gauge their awareness around e-waste & its management. The survey also studied their disposal habits and reasons behind it.

E-waste production in the country is predicted to touch a whopping 3 million tons by the end of 2018. While industries contribute to 70% of e-waste, Indian households contribute to almost 15% and the rest comes from discarded or 'end of life' electrical and electronic equipment (EEE). India is one of the fastest growing consumers of discarded or 'end of life' electrical and electronic equipment (EEE).



Cerebra acquired its nod from Central Pollution Control Board (CPCB) as a Producer Responsibility Organisation (PRO). With this Cerebra can approach clients to fulfil their Extended Producer Responsibility (EPR) commitments by creating awareness, collecting and recycling Waste Electrical & Electronic Equipment's (WEEE) as their PRO. Please find below a copy of the same;

**Outcome of some press releases during Cleanup Week**

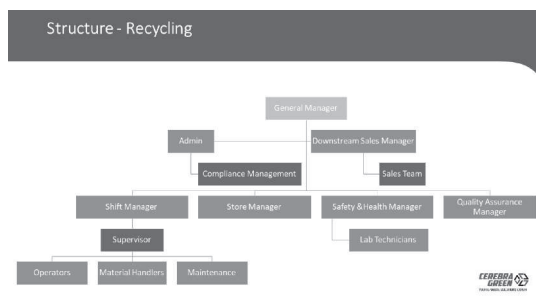


Cerebra has successfully completed its EPR commitment of 15,00,000 KGs by collection of Waste Electrical & Electronic Equipment's (WEEE) i.e. TVs, Refrigerators and Air Conditioners for its first EPR client Samsung India Electronics Limited (SIEL) through its own network of employees, channel partners and aggregators.

Cerebra wishes to appreciate and take on record the strategies and efforts instilled by Cerebra E-Waste Team right from building the team, developing channel partners and concluding agreements with aggregators, downstream vendors to fulfil EPR commitment of 15,00,000 KGs of its first client Samsung India Electronics Limited (SIEL).

**Recruitment:**

Restructuring for the division has been taken up at all levels and new recruits inducted at both senior levels and managers;





## Annual Report 2018-2019

---

Due to the increase in employee strength at all levels in the E-Waste Division, Cerebra has taken a third party solution to track each employee so as to bring in discipline and increase the output of all the personnel. This is going to be implemented in our own software too.

It has been an ongoing process post registration of Cerebra as a PRO (Producer Responsibility Organisation). Cerebra has appointed Regional Managers, Deputy and Assistant Managers and a fleet of Sales & Procurement Executives across its offices in Ghaziabad, Mumbai, Pune, Chennai, and Hyderabad for both collection and sales of refurbished products.

### eCommerce Application

Our web part of the eCommerce application is up and running and we are using the same for collections on a day to day basis. Each Sales / Procurement Executive has to clock in the details of the collection made at the point of pick up; be it retailer / corporate / aggregator. He has to upload the photographs and has to comply with E-Waste Handling Rules 2018 norms. More is being built to the application and soon we shall be able to sell our refurbished laptops online.

### Enterprise Solutions Division

Your Company has been since many years and continues implementing various IT based projects for many Startups, Government agencies, departments & institutions and established companies. The Company studies 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.

Your Company works closely with leading MNC technology vendors such as Dell EMC, HPI, HPE, Fujitsu, Intel, Hitachi, Fortinet, Checkpoint, Extreme Networks, Lenovo, Acer, Canon, TVSE, Brother, Samsung, Xerox, Radware, VMware, RHEL, Microsoft etc to name a few. Cerebra can design, supply, implement and maintain IT infrastructure for SMEs as well as large enterprises successfully. Cerebra can successfully help customers with their IT requirements with its technical competencies and strategic tie-ups as well as sourcing abilities. Cerebra has also built a very strong team to successfully execute large sized multi location delivery, installation and deployment of IT infrastructure products as well as services.

Your Company's continued focus on research labs, airports, defence, PSUs, PSBs, etc has been fruitful and lead the Company successfully executing orders from PSU, ISRO, defence labs, various departments under Government of Karnataka, police, judiciary, NIMHANS, private education institutions to name a few.

In addition, Cerebra has been acquiring new customers in the SMB, retail, manufacturing and healthcare segments. Your Company also has been considered as a preferred vendor by many of these organizations. Cerebra has also strengthened its relationships with leading MNC OEM Brands and established itself as a key player especially in Govt, education, healthcare, defence, space and research lab segments while we stay focused on making a mark in other state and central government departments/bodies/PSUs and private enterprise companies.

Cerebra has recently completed execution of a few prestigious projects related to modernisation and augmentation of IT infrastructure in employment & training, beverages corporation, courts, revenue and forest departments across the state. In addition, the ongoing project of Automated Driving Test System to fully automate the process of testing and issuance of driving license by the Department of Transport and Road Safety, Government of Karnataka has been implemented across 6 RTOs. Cerebra will continue to operate and maintain the same for a period of 5 (Five) years at six RTOs in Karnataka and the same will be extended to other RTOs in a phased manner.

With an added focus on services business such as AMC, FMS, Implementation and other value added services, your Company has successfully added many prestigious customers where the Company is providing such services both in the government as well as corporate segments. This has enabled Cerebra to also identify new business opportunities and make a fairly sizeable contribution to Cerebra's revenues.

### CEREBRA MIDDLE EAST FZCO:

The Middle East region has been on an Economic downturn amidst a global slowdown since 2017. "Growth prospects for the Middle East and North Africa are deteriorating on the back of elevated geopolitical risks, weak global demand and severe oil production cuts."

Cerebra Middle East, in FY 18-19, has been focusing on market consolidation and profitability amidst the Economic instability in the region. CME closed the year with a revenue of USD 18.69 Million with a Net Profit Ratio of 11.6 %. The last year saw an increase in channel partners to about 165 partners though UAE, Kuwait, Saudi Arabia, Oman, Egypt, Central & Eastern Africa. This was in spite of losing Qatar as a market due to Trade restrictions, which had an overall impact on the revenue. CME also increased its vendor portfolio by on boarding market leaders like Ruiji Networks, Digifort, Infortrend and Quantum into its Surveillance Security product portfolio along with Retrospect in its ICT portfolio. The Security Solutions division launched 3 years ago is now rolling out best in class solutions in the Surveillance Security domain through the region. CME's services initiative C:\Serve performed beyond expectations. CME now has a vast experience in providing top class contingent workforce management services and exceeding client expectations through highly effective processes for recruiting, screening, testing, and consultant management. Many of our clients regularly seek our advice when making changes to their internal IT staffing and vendor management programs. Over the years, we have formulated strategies, processes and in-house IT systems - enabling our sourcing engine to mature into one of the strongest in the line of business.

The last year saw CME not only consolidating their footprint in the Middle Eastern markets but also put forward their first steps into developing markets like Africa. The year saw some prestigious orders from Enterprise customers like Abdullah Fuad Holding (KSA), Al Moayad Group (Bahrain), First Abu Dhabi Bank, Dubai Police, DP World, Emaar, Abu Dhabi Commercial Bank, Sharjah Islamic Bank etc. through CME's established Enterprise channel. CME's focus area for 2019-20 are going to be channel growth, channel enablement, loyalty programs and a substantial increase in its vendor and solutions portfolio. There will be a special focus on the Surveillance Security and Services business. The year will see an increase in CME's industry specific portfolio coverage with storage, infrastructure and security solutions for the Oil and Gas, Banking, Healthcare, Telco, Media, Education, Retail & Hospitality verticals. E-Waste & Recycling Management Division will also be expanded for the Middle East & Africa markets.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Qualified Opinion**

We have audited the accompanying standalone financial statements of Cerebra Integrated Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone 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 accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis of 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 31<sup>st</sup> March 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 31<sup>st</sup> March 2019 amounted to Rs 293.55 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, 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 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	How our audit addressed the key audit matter
<p>Review of trade receivables :</p> <p>Rs 17,621.53 lakhs of trade receivables are outstanding for substantial period for which no provision is made in the accounts. Considering the overdue amount involved compared to the turnover of the company evaluating whether the same is doubtful in nature is a key audit matter.</p>	<p>Our audit procedures were included and were not limited for the following:</p> <ol style="list-style-type: none"> <li>Obtained confirmation of balance from the customer for Rs 16,058.06 lakhs of overdue trade receivables</li> <li>Verified the contract between the Company and one of its customer relating to supply of minimum quantity of e waste.</li> <li>Reviewed the arrangement made by the Company to supply balance quantity of e waste.</li> <li>We have reported these matters in the para "Emphasis of Matter"</li> </ol>

**Information other than the 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 Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Annual Report 2018-2019

---

In preparing the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the mall 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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

### **Emphasis of Matter**

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

- a. Loans and advances include Rs 861.12 Lakhs (Rs. 838.86 Lakhs) paid as advance for purchase for immovable property outstanding for substantial period.(Refer note no. 36.1 to the standalone financial statement)
- b. Export trade receivable of Rs 1563.47 lakhs (Rs.1548.78lakhs) outstanding for substantial period. (Refer note no. 36.3 to the standalone financial statement)
- c. Trade receivables of e waste division amounting Rs 3902.69 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. (Refer note no. 36.5 to the standalone financial statement)
- d. Trade receivables amounting to Rs.12155.37 Lakhs is outstanding for more than six months.(Refer note no. 36.4 to the standalone financial statement)
- e. Advances of Rs. 595.25 Lakhs due from a subsidiary the net worth of which is fully eroded.(Refer note no. 36.6 to the standalone financial statement)
- f. No provision is made for the above receivables and advances as the management is confident of recovering the same. We have relied on the representation of the Company in this respect.

Our opinion is not modified in respect of the above matter.

**Report on Other Legal and Regulatory Requirements**

As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

As required by the Companies (Auditor's Report) Order, 2016 (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.

Further to our comments in Annexure A, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion;
- 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 (as amended), 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 the standalone financial statements;
  - ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

KV Gopalakrishnayya  
Partner  
Membership No. 021748

Date : 30<sup>th</sup> May, 2019  
Place : Bangalore

## Annual Report 2018-2019

### Annexure - A To The Independent Auditor's Report Of Even Date to The Members Of Cerebra Integrated Technologies Limited On The Standalone Financial Statements for the Year Ended 31 March 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets of the Company have been verified by the management during the year. No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- ii. a. As per the information and explanation given to us, Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The Company has not maintained proper inventory records in its e waste division. In respect of other divisions, we have been informed that, the discrepancies between the physical stocks and the book records noticed on physical verification were not material and have been properly dealt with in the books of account;
- iii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has given interest free unsecured advances to two subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013 amounting to Rs.788.25/- lakhs. We are of the opinion that these advances are prima facie prejudicial to the interest of the Company as the same are interest free in nature.
- b. We have been informed that schedule for repayment is not specified and hence we are unable to express an opinion as to whether the receipt of principal are regular.
- c. As schedule for repayment is not specified we are unable to comment as to whether there are over dues outstanding for more than ninety days.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the advance of Rs. 788.25/- lakhs to subsidiaries are in violation of provisions of section 185 of the Companies Act, 2013. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no violations under section 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits and hence the requirement of clause 3 (v) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- vi. We have been informed that maintenance of books of accounts pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for maintenance of Cost records in respect of products of the Company are not applicable to the Company for the year under review and hence the requirement of clause 3 (vi) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- vii. a. As per the books of information and explanations given to us, except in case of dues under Goods and Service Act and Income Tax Act, the Company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable.
- b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except as detailed hereunder.

Name of the Statute	Nature of Due	Amount in Lakhs	Period for which it relates	Due Date	Date of Payment
Income Tax, 1961	Income Tax	9.00/-	2001-02	Various dates	Not Paid as on the date of this report
Central Excise Act, 1944	Excise Duty	28.09/-	2002-03	Various dates	-do-
Income Tax, 1961	Advance Tax	220.56/-	2018-19	15 <sup>th</sup> June 2018	-do-
Income Tax, 1961	Advance Tax	661.69/-	2018-19	15 <sup>th</sup> September 2018	-do-

- c. According to the information and explanation given to us, there are no disputed amounts of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the relevant authorities on account of any dispute
- viii. The Company has not defaulted in repayment of dues to banks. The Company does not have any loans or borrowings from any financial institution, Government or Debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer, or further public offer (including debt instruments) or term loans. Accordingly, clause 3 (ix) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- x. According to the information and explanations given to us, no material frauds by the Company or on the Company by its officers and employees have been noticed or reported during the course of the audit.
- xi. According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act
- xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, clause 3 (xii) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has made preferential allotment of share warrants and shares during the year. The provisions of Sec 42 of the Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the funds were raised to the extent required during the period under review. Based on the explanations provided to us the company has invested the unutilised funds in units of mutual funds with the approval of the board and the same will be utilised to the purpose for which the funds are raised as and when required.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- xvi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India

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

K V Gopalakrishnayya  
Partner  
Membership No. 021748

Place : Bangalore  
Date : 30<sup>th</sup> May, 2019

**Annexure - B To The Independent Auditor's Report Of Even Date to The Members Of Cerebra Integrated Technologies Limited On**

## **Annual Report 2018-2019**

---

### **The Standalone Financial Statements for the Year Ended 31 March 2019**

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

In conjunction with our audit of the standalone financial statements of the Cerebra Integrated Technologies Limited ("the Company") as at 31 March 2019, we have audited the internal financial controls over financial reporting of company as of 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 issued by the Institute of Chartered Accountants of India ('ICAI'). 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 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.

#### **Auditor's 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control and financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect 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 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.

#### **Adverse Opinion**

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at 31st March 2019.

The Company's internal financial control over advance payment for purchase of fixed assets, customer acceptance, credit evaluation and establishing customer credit limit for sales, were not operating effectively which could potentially result in recognizing revenue/ non provision for bad debts without establishing reasonable certainty of ultimate collection.

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 financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, 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 weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019, standalone financial statements of the Company, and the same is reported under emphasis of matters in our audit report of even date.

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

**KV Gopalakrishnayya**  
Partner  
Membership No.205977

Place : Bangalore  
Date : 30<sup>th</sup> May, 2019



## Cerebra Integrated Technologies Limited

### Balance Sheet as at 31st March 2019

INR in Lakhs

Particulars	Note No	31-03-2019	31-03-2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	855.32	879.80
Capital work In progress-Building		29.06	-
Intangible asset under development		9.69	-
<b>Financial assets</b>			
i) Investments			
a) Investment in subsidiaries, associates and joint ventures	4 A	337.06	14.51
b) Investment in others	4 B	19.62	1,433.82
ii) Loans and advances	5	792.87	654.39
iii) Other financial assets	6	17.69	13.72
Deferred tax assets(Net)	7	107.16	2.41
Other non current assets	8	2,316.23	4,700.25
<b>Current assets</b>			
Inventories	9	349.87	1,457.83
<b>Financial assets</b>			
i) Trade receivables	10	26,695.64	13,957.84
ii) Cash and cash equivalents	11	7,003.01	6,946.19
iii) Bank balances other than (ii) above	12	523.52	457.54
iv) Loans and advances	13	337.40	577.76
Other current assets	14	692.08	43.51
<b>Total assets</b>		<b>40,086.22</b>	<b>31,139.57</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	15	12,119.66	12,039.66
(b) Other equity	16	10,310.34	10,025.86
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	8.44	10.46
Provisions	18	37.42	33.87
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	19	140.35	2.39
ii) Trade payable	20		
a) Total outstanding dues of micro enterprise and small enterprise		93.49	-
b) Total outstanding dues of creditors other than micro enterprise and small enterprise		15,201.31	8,222.28
iii) Other financial liabilities	21	279.35	100.45
Provisions	22	35.37	19.47
Other current liabilities	23	285.49	61.81
Current tax liabilities (Net)	24	1,575.00	623.32
<b>Total equity and liabilities</b>		<b>40,086.22</b>	<b>31,139.57</b>

See accompanying notes to Financial Statements

1 to 47

As per our attached report of even date  
For Ishwar & Gopal  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No. : 021748  
Firm registration No. : 001154S

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director & CFO  
DIN : 01247342

**Nutan Soudagar**  
Company Secretary  
Membership No: 26148

Place : Bengaluru  
Dated : 30-05-2019

**Cerebra Integrated Technologies Limited**  
**Statement of Profit or Loss for the Year Ended 31<sup>st</sup> March 2019**

INR in Lakhs			
Particulars	Note No	For the year ended 31-03-2019	For the year ended 31-03-2018
<b>Income</b>			
Revenue from operations	25	26,105.37	17,422.74
Other income	26	582.34	182.52
<b>Total Income</b>		<b>26,687.71</b>	<b>17,605.26</b>
<b>Expenses</b>			
Cost of material consumed	27	2,516.54	2,590.55
Purchase of Stock in Trade	28	17,394.37	12,036.79
Changes in inventories of work in progress, Stock in Trade and finished goods	29	577.27	-437.54
Excise Duty		-	6.57
Employee benefits expense	30	523.72	362.93
Finance costs	31	259.99	77.33
Depreciation and amortisation expense	3	26.98	23.45
Other Expenses	32	1,500.05	950.21
<b>Total Expenses</b>		<b>22,798.92</b>	<b>15,610.29</b>
<b>Profit before exceptional items and tax</b>		<b>3,888.79</b>	<b>1,994.97</b>
Exceptional Item	33	2,384.69	-
<b>Profit before tax</b>		<b>1,504.10</b>	<b>1,994.97</b>
Income tax Expenses			
a) Current tax		1,503.01	643.45
b) Deferred tax		-104.75	89.25
<b>Total tax expenses</b>		<b>1,398.26</b>	<b>732.70</b>
<b>Profit for the year</b>		<b>105.84</b>	<b>1,262.27</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss	34	3.06	1.47
Income Tax relating to above		1.06	0.51
<b>Total other comprehensive Income</b>		<b>2.00</b>	<b>0.96</b>
<b>Total Comprehensive Income</b>		<b>107.83</b>	<b>1,263.22</b>
<b>Earnings per equity share of Rs 10/ each</b>			
Basic		0.09	1.07
Diluted		0.09	1.06

See accompanying notes to Financial Statements

1 to 47

As per our attached report of even date  
For Ishwar & Gopal  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No. : 021748  
Firm registration No. : 001154S

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director & CFO  
DIN : 01247342

**Nutan Soudagar**  
Company Secretary  
Membership No: 26148

Place : Bengaluru  
Dated : 30-05-2019

**Cerebra Integrated Technologies Limited**  
Cash flow Statement for the Year Ended 31<sup>st</sup> March 2019

INR in Lakhs

Particulars	2018-2019		2017-2018	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cashflow from operating activities</b>				
Net profit before tax		1,504.10		1,994.97
Adjustments for:				
Depreciation(net)	26.98		23.45	
Interest expenditure	228.32		34.87	
Interest income	-36.30		-1.53	
Excess provision/Unclaimed credit withdrawn	-3.58		-1.65	
Trade Receivables Written Off	1,083.13		516.86	
Profit on Sale of investments	-37.76		-18.95	
Dividend income	-3.82		-36.52	
Bad Advances Written off	2,391.55			
Profit on sale of assets	-1.60	3,646.92		516.53
Operating profit/(Loss) before working capital changes		5,151.01		2,511.50
Adjustments for changes in :				
Decrease/(Increase) in Inventories	1,107.97		-1,267.83	
Decrease/(Increase) in Trade & other receivables	-14,375.15		1,162.22	
Decrease/(Increase) in Trade & other payables	7,476.43	-5,790.75	-4,972.20	-5,077.81
Cash generated from operations		-639.73		-2,566.31
Less: Income tax paid (net of refund)		656.99		733.21
<b>Net Cashflow from operating activities</b>		<b>-1,296.72</b>		<b>-3,299.52</b>
<b>B. Cashflow from investing activities</b>				
Interest income	32.33		1.53	
Investment in Subsidiary	-322.55		-	
Investment in Fixed Deposits	-65.98		-50.20	
Redemption / (Investment) in Mutual Funds (Net)	1,455.79		-1,378.35	
Purchase of fixed assets including capital WIP	-39.66		-35.08	
<b>Net cash flow from investing activities</b>		<b>1,059.93</b>		<b>-1,462.10</b>
<b>C. Cashflow from Financing activities</b>				
Increase(Decrease) in borrowings	7.61		-41.37	
Amount Received towards share capital				
Security Premium and Share Warrants	240.00		5,290.00	
Interest paid	-82.34		-34.87	
<b>Net cash flow from Financing activities</b>		<b>165.28</b>		<b>5,213.76</b>
<b>Net increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>		<b>-71.50</b>		<b>452.14</b>
Cash & Cash equivalents				
Opening balance		6,946.19		6,494.05
Closing balance		6,874.68		6,946.19
<b>Net increase/Decrease in cash and cash equivalents</b>		<b>-71.51</b>		<b>452.14</b>

See accompanying notes to Financial Statements

As per our attached report of even date  
For Ishwar & Gopal  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No. : 021748  
Firm registration No. : 001154S

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director & CFO  
DIN : 01247342

**Nutan Soudagar**  
Company Secretary  
Membership No: 26148

Place : Bengaluru  
Dated : 30-05-2019

## Cerebra Integrated Technologies Limited

### Statement of Changes in Equity

**A) Equity Share Capital**

INR In Lakhs

Equity shares of INR 10 each issued, subscribed and fully paid	Amount
On 1st April 2017	10,848.65
Issue during the year	1,190.00
Add:- Forfeited Shares	1.02
<b>On March 31, 2018</b>	<b>12,039.66</b>
Issue during the year	80.00
<b>Balance at March 31,2019</b>	<b>12,119.66</b>

**B) Other equity**

INR In Lakhs

Particulars	Other Equity			Other Comprehensive Income	Application money received towards share warrants	Total
	Securities premium account	Capital reserve	Retained earnings			
<b>Balance at April 1, 2017</b>	5,909.72	226.77	-1,471.55	-2.30	-	4,662.63
Profit for the year/Additions during the Year	3,570.00	-	1,262.27	-	530.00	5,362.27
Re-measurement gains/(Losses) on defined benefit plans, net of tax	-	-	-	0.96	-	0.96
<b>Balance as at April 1, 2018</b>	9,479.72	226.77	-209.28	-1.34	530.00	10,025.86
Profit for the year/Additions during the Year	256.65	-	105.84	-	-	812.49
Shares warrants forfeited	-	450.00	-	-	-450.00	-
Issue of share capital	-	-	-	-	-80.00	-
Re-measurement gains/(Losses) on defined benefit plans, net of tax	-	-	-	2.00	-	2.00
<b>Balance at March 31, 2019</b>	<b>9,736.37</b>	<b>676.77</b>	<b>-103.44</b>	<b>0.66</b>	<b>-</b>	<b>10,310.34</b>

See accompanying notes to Financial Statements

As per our attached report of even date

For Ishwar & Gopal  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No. : 021748  
Firm registration No. : 001154S

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director & CFO  
DIN : 01247342

**Nutan Soudagar**  
Company Secretary  
Membership No: 26148

Place : Bengaluru  
Dated : 30-05-2019

## Annual Report 2018-2019

---

### 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, assembling and trading of computer systems, and peripherals. The Company is also into the business of providing IT Services and e-Waste management.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 30, 2019.

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

#### A. Basis of preparation:

i. 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.

#### ii. 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 and 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 and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- ii. **Impairment testing:** Property, plant and equipment and 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 Taxes:** 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.

## C. 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 collectability 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 at 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 assets' 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 and 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 and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and 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, and 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 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 unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

### 8. Inventories:

Inventories are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. 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.

### 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 dilutive 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 assets' 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.

### **E. Recent accounting pronouncements:**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which 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

### 3 Property, Plant and Equipment

INR in Lakhs

Particulars	Freehold Land	Leasehold Land#	Factory Buliding <sup>^</sup>	Plant and Machinery	Office Equip-ment	Computers	Vehicles <sup>**</sup>	Electrical Installations	Furniture and Fixtures	Total
<b>Carrying Amount (Gross Block)</b>										
Balance as at 1 <sup>st</sup> April 2017	2.01	506.39	61.51	15.08	6.65	9.16	12.72	7.25	3.49	624.25
Additions	-	5.50	178.45	52.02	4.34	0.35	10.06	37.61	1.28	289.61
Deductions / Adjustment	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2018</b>	<b>2.01</b>	<b>511.89</b>	<b>239.95</b>	<b>67.10</b>	<b>10.99</b>	<b>9.51</b>	<b>22.78</b>	<b>44.86</b>	<b>4.77</b>	<b>913.86</b>
Additions	-	-	-	-	0.85	-	-	-	1.64	2.50
Deductions / Adjustment	-	-	-	-	-	-	1.62	-	-	1.62
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>2.01</b>	<b>511.89</b>	<b>239.95</b>	<b>67.10</b>	<b>11.84</b>	<b>9.51</b>	<b>21.16</b>	<b>44.86</b>	<b>6.41</b>	<b>914.74</b>
<b>Accumulated Depreciation</b>										
Balance as at 1 <sup>st</sup> April 2017	-	-	1.65	1.52	1.92	1.74	3.34	0.42	0.03	10.61
Additions	-	-	7.20	4.08	1.95	1.89	3.98	3.49	0.86	23.45
Deductions / Adjustment	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2018</b>	<b>-</b>	<b>-</b>	<b>8.85</b>	<b>5.60</b>	<b>3.87</b>	<b>3.64</b>	<b>7.32</b>	<b>3.91</b>	<b>0.89</b>	<b>34.06</b>
Additions	-	-	8.77	4.95	1.92	1.84	4.34	4.60	0.57	26.98
Deductions / Adjustment	-	-	-	-	-	-	1.62	-	-	1.62
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>-</b>	<b>-</b>	<b>17.62</b>	<b>10.55</b>	<b>5.79</b>	<b>5.48</b>	<b>10.04</b>	<b>8.51</b>	<b>1.46</b>	<b>59.42</b>
<b>Net carrying amount as at 31<sup>st</sup> March 2019</b>	<b>2.01</b>	<b>511.89</b>	<b>222.33</b>	<b>56.55</b>	<b>6.06</b>	<b>4.03</b>	<b>11.12</b>	<b>36.35</b>	<b>4.95</b>	<b>855.32</b>
<b>Net carrying amount as at 31<sup>st</sup> March 2018</b>	<b>2.01</b>	<b>511.89</b>	<b>231.11</b>	<b>61.49</b>	<b>7.13</b>	<b>5.87</b>	<b>15.47</b>	<b>40.95</b>	<b>3.88</b>	<b>879.80</b>

# Lease hold land amounting Rs. 506.39 Lakhs (31.03.2018 Rs. 506.39/- Lakhs) includes 48,564 Sq. Mtrs of land at Narsapura Industrial Area, Kolar Taluk, Kolar District, allotted by Karnataka Industrial Area Development Board (KIADB) on lease cum sale basis for setting up an e-waste recycling plant within a specified period. As per the lease cum sale agreement, KIADB has got the right to determine the lease and forfeit up to 25% of the consideration paid / enhance the compensation payable if the company fails to set up the plant within the specified period.

<sup>^</sup> The Factory building having a carrying value of Rs. 54.48 Lakhs (31.03.2018 Rs 57.31 Lakhs) has been mortgaged to Syndicate Bank as a security against cash credit facility sanctioned by them.

<sup>\*\*</sup> The vehicles of the company having a carrying value of Rs 11.12 (31.03.2018 Rs. 15.47 Lakhs) Lakhs are hypothecated to a bank as security against term loans obtained by the Company for purchasing the said vehicles from Syndicate Bank.

**Cerebra Integrated Technologies Limited**  
Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

INR in Lakhs

Note No.	Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>4</b>	<b>Investment</b>		
	<b>Quoted Equity Shares</b>		
	Sankhya Infotech Limited*	-	-
	<b>Unquoted Equity Shares</b>		
	i) Investment in Subsidiaries		
	a) Cerebra LPO India Limited	3.50	3.50
	b) Cerebra Middle East FZCO	333.56	11.01
<b>A</b>	<b>Total</b>	<b>337.06</b>	<b>14.51</b>
	<b>Quoted Mutual Funds</b>		
	DSP Black Rock Mutual Fund (Units Nil (31-03-2018 3042605.24))	-	681.23
	HDFC Cash Management Fund Treasury Advantage Plan -(Units Nil (31.03.2018 303826.03))	-	111.16
	HDFC Short Term Opportunities Fund- (Units 96630.01 (31.03.2018 568658.27))	9.90	58.26
	ICICI Prudential Mutual Fund (Units 84353.47 (31.03.2018 80614.18))	8.55	8.16
	Reliance Prime Debt Fund (Units 6844.47 (31.03.2018 3013681.29))	1.17	515.50
	Reliance Short Term Fund (Units Nil (31.03.2018 182287.1))	-	59.52
<b>B</b>	<b>Total</b>	<b>19.62</b>	<b>1,433.82</b>
	<b>Total</b>	<b>356.68</b>	<b>1,448.33</b>
	Aggregate value of Quoted Investments	19.62	1,433.82
	Market value of Quoted Investments	356.68	1,448.33
	Aggregate value of Unquoted Investments	337.06	14.51
<p>The company holds 200 shares in Sankhya Infotech Limited worth Rs. 2000 against which the company has made provision for dimunition. Hence the cost of carrying of the said financial asset is Nil (Nil)</p>			
<b>5</b>	<b>Loans and Advances (Unsecured, considered good)</b>		
	Advances to a subsidiary	595.25	597.23
	Security deposits	8.34	8.34
	Other loans and advances	189.29	48.22
	<b>Total</b>	<b>792.87</b>	<b>654.39</b>
	<b>Break-up of Loans and advances:</b>		
	Considered good-Secured	-	-
	Considered good-Unsecured	197.62	57.16
	Loans which have significant increase in credit risk	595.25	597.23
	Loans - credit impaired	-	-
	<b>Total</b>	<b>792.87</b>	<b>654.39</b>
	Less: Allowance for Doubtful Loans	-	-
	<b>Total Loans and Advances</b>	<b>792.87</b>	<b>654.39</b>
<b>6</b>	<b>Other Financial Assets</b>		
	Interest accrued but not due on deposits	17.69	13.72
	<b>Total</b>	<b>17.69</b>	<b>13.72</b>

Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

INR in Lakhs

Note No.	Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>7</b>	<b>Deferred Tax Assets / Liabilities (Net)</b>		
	On account of fixed assets	-9.28	-7.37
	On account of temporary disallowances under income Tax	116.44	9.78
	<b>Net Deferred Tax Assets</b>	<b>107.16</b>	<b>2.41</b>
<b>8</b>	<b>Other Non Current Assets</b>		
	Capital advance -to a subsidiary	387.52	391.98
	Capital advance -to others (Refer Note number 36.1 and 36.2)	1,927.06	4,306.62
	Others advances	1.65	1.65
	<b>Total</b>	<b>2,316.23</b>	<b>4,700.25</b>
<b>9</b>	<b>Inventories*</b>		
	Raw materials	299.60	830.30
	Stock in trade	50.27	627.54
	<b>Total</b>	<b>349.87</b>	<b>1,457.83</b>
<b>10</b>	<b>Trade Receivables</b>		
	Unsecured- considered good	5,898.36	3,151.44
	Unsecured- considered doubtful	-	-
	Trade Receivables which have significant increase in credit risk	20,797.28	10,806.40
	Trade Receivables - Credit impaired	-	-
	<b>Sub Total</b>	<b>26,695.64</b>	<b>13,957.84</b>
	Less : Allowance for Doubtful Trade Receivables	-	-
	<b>Total</b>	<b>26,695.64</b>	<b>13,957.84</b>
<b>11</b>	<b>Cash and Cash Equivalents</b>		
	<b>A) Balances with Banks</b>		
	i) In Current account with scheduled bank	77.67	429.94
	ii) In Foreign currency with foreign bank	6,917.00	6,504.41
	<b>B) Cash in hand</b>		
	i) In Indian rupee	5.96	9.10
	ii) In Foreign currency	2.38	2.74
	<b>Total</b>	<b>7,003.01</b>	<b>6,946.19</b>
<b>12</b>	<b>Bank balances (other than Note 11 above)</b>		
	In deposits with scheduled bank (with maturity of more than three month)	523.52	457.54
	<b>Total</b>	<b>523.52</b>	<b>457.54</b>
<b>13</b>	<b>Loans and advances</b>		
	Advance to subsidiaries	193.00	508.79
	Security deposits considered good	1.79	0.60
	Earnest money deposits	142.61	68.37
	<b>Total</b>	<b>337.40</b>	<b>577.76</b>
	<b>Break-up of Loans and advances:</b>		
	Considered good - Secured	-	-
	Considered good - Unsecured	337.40	577.76
	Loans which have significant increase in credit risk	-	-
	Loans - credit impaired	-	-
	<b>Total</b>	<b>337.40</b>	<b>577.76</b>
	Less : Allowance for Doubtful Loans	-	-
	<b>Total</b>	<b>337.40</b>	<b>577.76</b>

## Annual Report 2018-2019

### Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

INR in Lakhs

Note No.	Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>14</b>	<b>Other current assets</b>		
	Prepaid expenses	6.21	8.66
	Unbilled Reveue	577.27	-
	Advance to suppliers	1.99	3.50
	Advance to employees	0.25	0.50
]	Balance with statutory / government authorities	106.36	30.85
	<b>Total</b>	<b>692.08</b>	<b>43.51</b>

#### 15 Equity Share Capital

	Particulars	As at 31 <sup>st</sup> March 2019 Number	As at 31 <sup>st</sup> March 2018 Number
a	Authorised Equity Share Capital 12,60,00,000 (12,60,00,000) Equity Shares of Rs. 10 Each	12,600.00	12,600.00
b	Issued Subscribed and fully paid up Equity Share Capital 12,11,86,482 (12,03,86,482) Equity Shares of Rs. 10 Each	12,118.64	12,038.64
c	Add:- Forfeited Shares	1.02	1.02
	<b>Total</b>	<b>12,119.66</b>	<b>12,039.66</b>

d	Reconciliation of No of equity share and share capital outstanding	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
		Number	Amount	Number	Amount
	Opening number of share outstanding	12,03,86,482	12,038.64	10,84,86,482	10,848.64
	Add: No of Shares/ Share Capital issued/ subscribed during the year	8,00,000	80.00	1,19,00,000	1,190.00
	<b>Closing Number of shares outstanding</b>	<b>12,11,86,482</b>	<b>12,118.64</b>	<b>12,03,86,482</b>	<b>12,038.64</b>

#### e Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of share holders in the Annual General Meeting. During the year, the Company has not declared any dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the equity share holders.

f Out of the total issued and paid up capital 92,16,153 (92,16,153) shares of Rs 10/ each have been allotted as fully paid up pursuant to a contract without payment received in cash

g Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholders	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares	% of holding	No. of shares	% of holding
Heshika Growth Fund	-	-	73,41,485	6.10%
Manish Lakhi	94,23,720	7.78%	-	-
Kuber Global Fund	1,19,00,000	9.82%	1,19,00,000	9.88%

#### 16 Other Equity

Particulars	As at 31-03-2019	As at 31-03-2018
<b>i) Capital reserve- balance as per last financial statement</b>	226.77	226.77
Add : Additions on account of warrants forfeited	450.00	-
	676.77	226.77
<b>ii) Security premium</b>		
Balance as per last financial Statement	9,479.72	5,909.72
Add:- Received during the year	256.65	3,570.00
<b>Balance as on balance sheet date</b>	<b>9,736.37</b>	<b>9,479.72</b>

Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

Note No.	Particulars	INR in Lakhs	
		As at 31-03-2019	As at 31-03-2018
<b>iii) Surplus</b>			
	Balance as per last financial Statement	-209.29	-1,471.55
	Add:- Profit for the year	105.84	1,262.27
	<b>Balance as on balance sheet date</b>	<b>-103.45</b>	<b>-209.29</b>
<b>iv) Other Comprehensive Income</b>			
	Balance as per last financial Statement	-1.34	-2.30
	Add:- For the year	2.00	0.96
	<b>Balance as on balance sheet date</b>	<b>0.66</b>	<b>-1.34</b>
<b>v) Application money received towards share warrants*</b>		-	<b>530.00</b>
<b>Total</b>		<b>10,310.34</b>	<b>10,025.86</b>

\*During the financial year 2017-18 the company has issued 53 Lakhs Share warrants to the promoters of the Company at Rs. 40 Per warrant. The Company has received Rs. 10 per warrant against the same on 22<sup>nd</sup> June 2017. These warrants are convertible into one equity share of Rs. 10/- each at a premium of 30 per share at any time within a period of 18 months from the date of allotment on payment of balance amount of Rs. 30 per warrant. On expiry of the said period only 8 lakh share warrants are converted in to equity shares and the balance amount of Rs. 450 lakhs received earlier has been forfeited and the same has been credited capital reserve.

Capital Reserve: Capital reserve represents share and share warrants forfeited. Capital Reserve is utilised in accordance with the provisions of the Act

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 bonus shares etc after setting off accumulated loss.

**17 Borrowings (Non Current)**

Term Loans from Banks - secured (secured by hypothecation of vehicle)	10.46	12.85
<b>Total long term borrowings</b>	<b>10.46</b>	<b>12.85</b>
Less: Instalments of term loan payable within a year considered as other current liability: (Refer Note No. 19)	2.02	2.39
<b>Total</b>	<b>8.44</b>	<b>10.46</b>

**Schedule of repayment of loan is as under**

Year	Amount in Lakhs	Year	Amount in Lakhs
2018-19	2.39	2022-23	1.59
2019-20	2.02	2023-24	1.74
2020-21	2.22	2024-25	0.78
2021-22	2.10		

**18 Employee Benefit Obligation**

Provision for		
- Gratuity (Refer note 43)	34.56	31.55
- Leave Benefits (Refer note 43)	2.85	2.33
<b>Total</b>	<b>37.42</b>	<b>33.87</b>

## Annual Report 2018-2019

### Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

		INR in Lakhs	
Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
<b>19</b>	<b>Borrowings</b>		
	Cash Credit from Syndicate Bank*	128.33	-
	Current maturities of long term debts-Refer Note 17	2.02	2.39
	Loan from Directors	10.00	-
	<b>Total</b>	<b>140.35</b>	<b>2.39</b>
	*The Factory building having a carrying value of Rs. 54.48 Lakhs (31.03.2018 Rs. 57.31 Lakhs) has been mortgaged to Syndicate Bank bank as a security against cash credit facility sanctioned by them as on the date of the balance sheet.		
<b>20</b>	<b>Trade Payables</b>		
	Total outstanding dues of micro enterprise and small enterprise	93.49	-
	Total outstanding dues of creditors other than micro enterprise and small enterprise	15,201.31	8,222.28-
	<b>Total</b>	<b>15,294.80</b>	<b>8,222.28</b>
	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.		
	<b>Disclosure required under MSME Act, 2006.</b>		<b>INR in Lakhs</b>
Sl. No.	Particulars	31-Mar-19	31-Mar-18
a.	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	93.49	Nil
	Interest due thereon	4.10	Nil
b.	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
c.	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;	4.10	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	4.10	Nil
e.	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.	Nil	Nil
<b>21</b>	<b>Other Financial Liabilities</b>		
	Liabilities for expenses	275.75	100.45
	Deposits received	3.60	-
	<b>Total</b>	<b>279.35</b>	<b>100.45</b>
<b>22</b>	<b>Employee Benefit Obligation (Non Current)</b>		
	Provision for		
	- Gratuity (Refer note 43)	17.41	13.84
	- Leave Benefits (Refer note 43)	0.41	0.34
	- Bonus Payable	17.55	5.29
	<b>Total</b>	<b>35.37</b>	<b>19.47</b>

Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

		INR in Lakhs	
Note No.	Particulars	Year Ending 31-03-2019	Year Ending 31-03-2018
<b>23</b>	<b>Other Current Liabilities</b>		
	Advances from customers	12.69	5.92
	Statutory liabilities	272.80	55.89
	<b>Total</b>	<b>285.49</b>	<b>61.81</b>
<b>24</b>	<b>Current Tax Liabilities</b>		
	Provision for tax	1,575.00	623.32
	<b>Total</b>	<b>1,575.00</b>	<b>623.32</b>
<b>25</b>	<b>Revenue from operations</b>		
	Sale of products	26,105.37	16,849.34
	Sale of software services	-	573.40
	<b>Revenue from operations (Gross)</b>	<b>26,105.37</b>	<b>17,422.74</b>
<b>26</b>	<b>Other income</b>		
	Interest income	36.30	45.12
	Excess provision / (unclaimed credit) withdrawn	3.58	2.20
	Dividend income	3.82	36.52
	Profit on sale of investment	37.76	18.95
	Profit on sale of assets	1.60	-
	Rent received	0.63	1.44
	Net gain on foreign currency transaction	498.65	43.73
	Net gain on sale, fair valuation of investment through profit and loss	-	34.56
	<b>Total</b>	<b>582.34</b>	<b>182.52</b>
<b>27</b>	<b>Cost of materials consumed</b>		
	Opening stock	830.30	-
	Add: Purchase during the year	1,985.84	3,420.85
	Less:- closing stock	299.60	830.30
	<b>Total</b>	<b>2,516.54</b>	<b>2,590.55</b>
<b>28</b>	<b>Purchase of Stock-in-Trade</b>		
	Purchase of goods	17,394.37	12,036.79
	<b>Total</b>	<b>17,394.37</b>	<b>12,036.79</b>
<b>29</b>	<b>Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade</b>		
	Opening stock of traded goods	627.54	190.01
	Less: Closing stock of traded	50.27	627.54
	<b>Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade</b>	<b>577.27</b>	<b>-437.54</b>
<b>30</b>	<b>Employee Benefit Expenses</b>		
	Salaries and wages	478.27	333.33
	Contribution to provident & other funds	28.48	18.79
	Staff Welfare expenses	16.96	10.80
	<b>Total</b>	<b>523.72</b>	<b>362.93</b>



## Annual Report 2018-2019

### Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

		INR in Lakhs	
Note No.	Particulars	Year Ending 31-03-2019	Year Ending 31-03-2018
<b>31</b>	<b>Financial Costs</b>		
	Interest on term Loan	1.11	1.53
	Interest on Working Capital	20.74	-
	Interest on statutory dues	206.48	38.53
	Bank Charges	31.66	37.28
	<b>Total</b>	<b>259.99</b>	<b>27.33</b>
<b>32</b>	<b>Other Expenses</b>		
	Power and Fuel	11.58	11.07
	Rent	13.51	6.59
	Repairs to Machinery	10.01	13.64
	Repairs to Others	5.59	2.79
	Insurance	3.91	1.68
	Rates & Taxes, excluding taxes on income	8.86	22.67
	Legal & Professional Charges*	86.00	285.01
	Freight & Forwarding	18.87	4.52
	Travelling and Conveyance	46.51	26.49
	Communication expenses	20.44	10.89
	Bad Advance written off	6.85	-
	Trade receivables written off	1,083.13	516.86
	Advertisement & Business promotion	16.64	21.76
	Printing & Stationery	6.68	3.15
	Security Charges	8.10	4.28
	Sub Contract Charges	94.62	-
	Net Loss on sale, fair valuation of investment through profit and loss	34.56	-
	CSR Expenses	4.25	-
	Miscellaneous Expenses	19.92	18.81
	<b>Total</b>	<b>1,500.05</b>	<b>950.21</b>
	<b>* Legal and Professional Charges includes Statutory Auditor's Remuneration:-</b>		
	<b>Particulars</b>	<b>Year ending 31-03-2019</b>	<b>Year ending 31-03-2018</b>
	Audit fees	8.00	8.00
	Tax Audit fees	2.00	2.00
	Others	-	0.27
	<b>Total</b>	<b>10.00</b>	<b>10.27</b>
<b>33</b>	<b>Exceptional Item</b>		
	Bad Advances Written of (Refer Note number: 36.2)	2,384.69	-
	<b>Total</b>	<b>2,384.69</b>	<b>-</b>
<b>34</b>	<b>Other Comprehensive Income</b>		
	Remeasured Unrealised actuarial gain/loss	3.06	1.47
	<b>Total</b>	<b>3.06</b>	<b>1.47</b>
<b>Note No. 35</b>	<b>a) Contingent Liabilities and commitments (to the extent not provided for)</b>		<b>INR In Lakhs.</b>
	<b>Particulars</b>	<b>31-03-2019</b>	<b>31-03-2018</b>
	Counter guarantee given to the bankers for guarantees issued on behalf of the company	239.30	264.88
	Commitments - Pending capital contracts (net of advances)	-	-

## Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

### Note No. 36.1

A) Capital Advance of Rs. 861.12 Lakhs (Refer Note No. 8) ( 31.03.2018 Rs 838.86 Lakhs) is towards purchase of land and other expenses for setting up of an E-waste plant near Chennai. The Company later decided not to setup the plant there and initiated steps to recover the advance paid. In the opinion of the management the advance paid will be recovered in cash or in kind and hence no provision is made in the accounts.

### Note No. 36.2

#### Capital Advances includes :

- i) Rs. Nil (Refer Note No. 8) (31.03.2018 Rs. 686.21 Lakhs) of remittance made to Enviro Hub Ltd Singapore through Cerebra E waste Rrecovery Pte Limited (a subsidiary which is liquidated subsequently). As per the Share Purchase Agreement (SPA) entered between the Company and Enviro-Hub Holdings Limited Singapore (Enviro) the subsidiary Company has remitted US\$ 12,50,000 equivalent to Rs 6,86.21 Lakhs to Enviro on 2nd February 2013 as initial deposit towards acquisition of 100% shares of Enviro's wholly owned subsidiary Cimelia Resource Recovery Pte Limited (Cimelia), a Company in the field of e waste recycling business. However during July 2013 based on the advice given by the consultants and advisors the Company decided to abort the acquisition proposal.
- ii) Rs. Nil (refer Note No. 8) (31.03.2018 Rs. 402.50 Lakhs) due from Cimelia Resource Recovery Pte Limited Singapore (Cimelia) since 24th May 2011 towards technology fee. The payment is made by allotting 23,00,000 equity shares of the Company at a premium of Rs 7.50 Per Share
- iii) Rs .Nil (31.03.2018 Rs. 630 Lakhs) due from Restorer Corp Pte Limited, formerly known as Scenic Overseas (S) Pte Limited (Scenic) since 24th May 2011 towards supply of plant and machinery for e waste recycling plant in India. The payment is made by allotting 36,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.
- iv) Rs. Nil (refer Note No. 8) (31.03.2018 Rs. 577.50 Lakhs) due from Leytron Technology Pte Limited (Leytron) since 24th May 2011 towards installation and commissioning of the above plant. The payment is made by allotting 33,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.
- v) Rs. Nil Lakhs (refer Note No. 8) ( 31.03.2018 Rs 88.48 Lakhs) paid for supply of plant to Scenic on 24th May 2011.
- vi) Based on the legal advise on related matters and considering the prolonged litigation and future litigations surrounding the subject matter, the Company and these three Singapore entities arrived at an amicable settlement of disputes .According to the settlement, Singapore entities agreed to give up the claim /rights over the 92,00,000 shares allotted to them and all monetary claims made by them against the Company and the Company has agreed to give up the claim over the amounts paid to them under the Master Service Agreement and claims under share purchase agreement. Further, the Company is entitled to undertake requisite steps to cancel/extinguish /annul the allotment of the said 92,00,000 shares.
- vii) The Company is in the process of initiating steps to cancel the allotment of 92,00,000 shares. The advance paid as referred above is written off during the year and shown under exceptional item.

**Note No. 36.3** Trade Receivables referred in Note No.10 includes Rs. 1563.47 lakhs (31.03.2018 Rs. 1548.78 Lakhs) of export trade receivable outstanding for substantial period. Based on the discussions with these parties the management is confident of recovering the dues and hence no provision has been made in the books for the same.

**Note No 36.4** Trade receivables include Rs. 12,155.37 Lakhs outstanding for more than six months and is included in Trade Receivables which have significant increase in credit risk (Refer Note No. 10). The parties have confirmed these dues and the Company is confident of recovery .Hence no provision for allowance is made for the same.

**Note No 36.5** The Company has entered into an agreement for supply of processed e waste ,according to which the customer will pay only after completion of supply of an agreed minimum quantity . Trade receivables includes Rs 3902.69 lakhs outstanding under this agreement. Company has procured e waste to supply the balance minimum quantity and hence confident of supplying the remaining quantity and recovering the dues . The customer has also confirmed the balance

**Note No 36.6** Loans and advances includes Rs. 595.25 Lakhs due from a subsidiary whose network is negative to the extent of Rs 696.37 Lakhs. Based on the steps taken by the said Company to revive its operations no provision is made for allowances

### 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:

Particulars*	INR in Lakhs	
	31-03-2019	31-03-2018
Not Less than one year	15.73	10.28
Later than one year but not later than five years	5.24	7.61
Later than five years	-	-

Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

Expenses recognised in the Statement of Profit and Loss:

INR in Lakhs

Particulars	31-03-2019	31-03-2018
Fixed Rentals	13.51	6.59
Contingent rents	-	-
<b>Total</b>	<b>13.51</b>	<b>6.59</b>

Note No 38 Income Tax Expenses

Particulars	Year ending 31st March, 2019	Year ending 31st March, 2018
<b>Current tax</b>		
Current tax in taxable income for the year	1,503.01	643.45
<b>Total current tax expense</b>	<b>1,503.01</b>	<b>643.45</b>
<b>Deferred tax</b>		
Deferred Tax charge/(credit)	-104.75	-2.41
MAT credit (taken)/utilized	-	91.66
<b>Total deferred income tax expense/(benefit)</b>	<b>-104.75</b>	<b>89.25</b>
<b>Total income tax expenses / Credit</b>	<b>1,398.26</b>	<b>732.70</b>

A. Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	Year ending 31st March, 2019	Year ending 31st March, 2018
Enacted income tax rate in India applicable to the company	29,120%	34.608%
Profit before tax	1,504.10	1,994.97
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	437.99	690.42
Tax effect of the amounts which are not deductible /(taxable) in calculating taxable income		
Permanent disallowances	1,004.12	64.40
Income exempted from income taxes	-1.11	-12.64
Other items	62.01	-9.49
<b>Total income tax expenses /(Credit)</b>	<b>1,503.01</b>	<b>732.69</b>

B The movement in deferred tax assets and liabilities

INR in Lakh

Particulars	As at 31st March 2019		As at 31st March 2018	
	Deferred tax/(liabilities)	Credit)/(charge) in statement of Profit and Loss	Deferred tax / (liabilities)	Credit)/(charge) in statement of Profit and Loss
Depreciation	-9.28	-1.91	-7.37	-7.37
Expenses allowed in the year of payment	116.44	106.65	9.78	9.78
Others	-			
<b>Sub Total</b>	<b>107.16</b>	<b>104.75</b>	<b>2.41</b>	<b>2.41</b>
MAT credit entitlements	-	-	-	-
<b>Total</b>	<b>-</b>	<b>107.16</b>	<b>-</b>	<b>2.41</b>

Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

## Note No. 39

## a) Financial instruments by category:

As on March 31, 2019

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
<b>Financial Assets</b>				
<b>Measured at fair value</b>				
Investments*	19.62	-	-	19.62
<b>Not measured at fair value</b>				
Investments in Subsidiary	-	-	337.06	337.06
Loans and Advances#	-	-	1,130.28	1,130.28
Trade Receivable	-	-	26,695.64	26,695.64
Cash and Cash Equivalents	-	-	7,003.01	7,003.01
Bank Balances other than those included above	-	-	523.52	523.52
Other Financial Assets	-	-	17.69	17.69
<b>Total</b>	<b>19.62</b>	<b>-</b>	<b>35,707.20</b>	<b>35,707.20</b>
<b>Financial Liabilities</b>				
Measured at Fair Value	-	-	-	-
Not Measured at Fair value				
Borrowings	-	-	148.79	148.79
Trade Payable	-	-	15,294.80	15,294.80
Other Financial Liabilities	-	-	279.35	279.35
<b>Total</b>	<b>-</b>	<b>-</b>	<b>15,722.94</b>	<b>15,722.94</b>

## Footnote:

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

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

As on March 31, 2018

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
<b>Financial Assets</b>				
<b>Measured at fair value</b>				
Investments*	1,433.82	-	-	1,433.82
<b>Not measured at fair value</b>				
Investments in Subsidiary	-	-	14.51	14.51
Loans and Advances#	-	-	1,232.15	1,232.15
Trade Receivable	-	-	13,957.84	13,957.84
Cash and Cash Equivalents	-	-	6,946.19	6,946.19
Bank Balances other than those included above	-	-	457.54	457.54
Other Financial Assets	-	-	13.72	13.72
<b>Total</b>	<b>-</b>	<b>-</b>	<b>22,621.95</b>	<b>24,055.77</b>
<b>Financial Liabilities</b>				
Measured at Fair Value				
<b>Not Measured at Fair value</b>				
Borrowings	-	-	12.85	10.46
Trade Payable	-	-	8,222.28	8,222.28
Other Financial Liabilities	-	-	100.45	102.847
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,335.58</b>	<b>8,335.58</b>

## Footnote:

\*The above excludes investments in subsidiaries of Rs. 14.51 Lakhs

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

**Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019**

**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 on March 31, 2019**

**INR in Lakhs**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
<b>Measured at fair value</b>				
Investments				
In Mutual Funds	19.62			19.62
<b>Not measured at fair value (Refer footnotes)</b>				
<b>Total</b>	<b>19.62</b>	<b>-</b>	<b>-</b>	<b>19.62</b>
<b>Financial Liabilities</b>				
<b>Measured at fair value</b>				-
<b>Not measured at fair value (Refer footnotes)</b>				-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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.

**As on March 31, 2018**

**INR in Lakhs**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
<b>Measured at fair value</b>				-
Investments in Mutual Funds	1,433.82	-	-	1,433.82
<b>Not measured at fair value (Refer footnotes)</b>				-
<b>Total</b>	<b>1,433.82</b>	<b>-</b>	<b>-</b>	<b>1,433.82</b>
<b>Financial Liabilities</b>				
<b>Measured at fair value</b>				-
<b>Not measured at fair value (Refer footnotes)</b>				-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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:

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This includes 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.
- 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
- 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**

- the use of quoted market prices for the equity instruments and Mutual Funds
- the fair value of the unlisted shares are determined based on the income approach or the comparable market approach.

Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

## 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, 2018	-	
Changes:		
Nil	-	
Balance as on March 31, 2019	-	

## 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
<b>As on March 31, 2019</b>		
Exposure US Dollars (USD)	1,440.2	8.7
<b>As on March 31, 2018</b>		
Exposure US Dollars (USD)	1,425.2	4.1

## 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	
	31-03-2019	31-03-2018
Variable Rate Borrowings	128.33	0.02
Fixed Rate Borrowings	10.46	12.83
Interest free Borrowings	10.00	-
<b>Total Borrowings</b>	<b>148.79</b>	<b>12.85</b>

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
March 31, 2019 Cash Credit from Syndicate Bank	12.50%	128.33	86.25%
March 31, 2018 Cash Credit from Syndicate Bank	11.25%	0.02	0.16

**Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019**

**Interest Rate Sensitivity**

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

Particulars	2018-19
50 bps increase would decrease the profit before tax by	3.21
50 bps decrease would increase the profit before tax by	-3.21

As the borrowing during FY 2017-18 is insignificant the impact on change in interest rate during FY 2017-18 is immaterial

**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 as 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 31-03-2019	14,953.38	10,428.83	1,313.43
As on 31-03-2018	10,211.01	1,352.55	2,394.28

**Details of allowance debited to Statement of profit and loss**

INR in Lakhs

Particulars	YE 31.03.2019	YE 31.03.2018
Trade receivables written off	1,083.13	516.86

**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	31-03-2019	31-03-2018
Cash Credit from Syndicate Bank	671.67	699.98

Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

## 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, 2019

INR in Lakhs

Financial Liabilities	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
i) Borrowings	140.35	7.65	0.78
ii) Trade Payable	15,294.80		
iii) Other Financial Liabilities	279.35	-	-

As on March 31, 2018

INR in Lakhs

Financial Liabilities	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
i) Borrowings	2.39	7.93	2.52
ii) Trade Payable	8,222.28		
iii) Other Financial Liabilities	100.45	-	-

## 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:

INR in Lakhs

Particulars	31-03-2019	31-03-2018
Debt	148.79	12.85
Equity	22281.21	22,052.67
Net Debt to Equity	0.67%	0.06%

## Note No 42: Related Party Disclosure

## a) Related Parties

Name	Nature
Cerebra LPO India Limited	Subsidiary
Cerebra Middle East FZCO	Subsidiary
Kranion Technologies limited	Entity in which KMP or/and his relatives are able to exercises significant influence
Srikara Finance Investment	Entity in which KMP or/and his relatives are able to exercises significant influence

## b) Key Management Personal

Name	Designation
V. Ranganathan	Managing Director
P. Vishwamurthy	Whole Time Director
Shridhar S Hegde	Whole Time Director
Sureshkumar. T.S	Director
Bharath P	Relative of a Director
Medha S. Hegde	Relative of a Director



Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

c) Transaction with Related Parties

INR in Lakhs

Particulars	Transaction	Year ended 31-Mar-2019	Year ended 31-Mar-2018
V. Ranganathan	Remuneration	25.15	25.15
	Amount received against issue of share warrants	210.00	70
	Shares Issued	280.00	-
	Loan given	1.52	-
	Loan repaid	1.52	-
P. Vishwamurthy	Remuneration	25.15	25.15
	Amount received against issue of share warrants	-	200.00
	Shares Forfeited	200.00	-
Shridhar S Hegde	Remuneration	25.15	25.15
	Amount received against issue of share warrants	30.00	60.00
	Shares Issued	40.00	-
	Shares Forfeited	50.00	-
	Loan given	10.62	-
	Loan repaid	10.62	-
Bharath P	Loan given	1.00	-
	Loan repaid	1.00	-
Medha S Hegde	Loan given	15.00	-
	Loan repaid	15.00	-
Cerebra Middle East FZCO	Investment made	322.56	-
Cerebra Middle East FZCO	Purchases of Goods	-	107.21
Cerebra Middle East FZCO	Advance paid for procurement of goods	-	391.98
Cerebra Middle East FZCO	Loan Given(Net)	-	213.06
Cerebra Middle East FZCO	Loan Repaid(Net)	70.31	-
Cerebra LPO India Limited	Retal Income	0.63	1.44
Cerebra LPO India Limited	Loan Given(Net)	171.39	2.90
Cerebra LPO India Limited	Loan Repaid(Net)	174.00	-
Sureshkumar. T.S	Loan received	10.00	-
Srikara Finance Investment	Loan received	-	12.00
Srikara Finance Investment	Loan Repaid	-	60.00
Srikara Finance Investment	Interest Paid	-	0.65

d) Balance with Related Parties

INR in Lakhs

Particulars		31-03-2019	31-03-2018
Cerebra LPO India Limited			
a) Investment		3.50	3.50
b) Balance Receivable		595.25	597.23
Cerebra Middle East FZCO			
a) Investment		333.56	11.01
c) Balance Receivable		193.00	508.79
Payable to Directors			
V. Ranganathan		1.58	1.62
Shridhar S Hegde		1.58	1.62
P. Vishwamurthy		1.58	1.62
Sureshkumar.T.S		10.00	-

Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

## Note No 43: Employee Benefits

## Gratuity

## i) Changes in present value of obligation

INR In lakhs

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Present Value of Funded Obligation	-	-
Fair Value of plan asset	-	-
Net Fund Obligation	-	-
Present Value of unfunded defined benefit obligation	51.97	45.39
Amounts not recognised due to asset limit	-	-
Net defined liability/(asset) recognised in balance sheet	51.97	45.39
Net defined liability/(asset) Bifurcated as follows		
Current Liability	17.41	13.84
Non-current Liability	34.56	31.55

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

INR In lakhs

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Current Service Cost	6.75	2.46
Past Service Cost	-	12.06
Administration Expenses	-	-
Interest on net defined benefit liability/(Asset)	3.00	2.13
(Gain)/Losses on settlement	-	-
Total expenses to be charged to profit or loss account	9.75	16.65

## iii) Amount recorded in Other Comprehensive Income

INR In lakhs

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening amount recognized in OCI outside profit and loss account	1.60	3.07
Remeasurements during the period due to		
Changes in financial assumptions	0.33	1.26
Changes in demographic assumptions	-0.00	-
Experience adjustments	-3.39	0.20
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognize the effect of asset ceiling	-	-
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>-1.46</b>	<b>1.60</b>

## iv) Movement in Benefit Obligation

INR In lakhs

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening of defined benefit obligation	45.39	30.20
Current service cost	6.75	2.46
Past service cost	-	12.06
Interest on defined benefit obligation	3.00	2.13
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	0.33	-1.26
Actuarial loss / (gain) arising from change in demographic assumptions	-0.00	-
Actuarial loss / (gain) arising on account of experience changes	-3.39	-0.20
Benefits paid	-0.12	-
Liabilities assumed / (settled)*	-	-
Liabilities extinguished on settlements	-	-
<b>Closing of defined benefit obligation</b>	<b>51.97</b>	<b>45.39</b>

Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

v) Key Assumptions

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Discount Rate(p.a.)	7.65%	7.80%
Salary Escalation Rate(p.a.)	7.00%	7.00%
<b>Demographic Assumptions</b>		
Retirement Age	58 Years	58 Years
Mortality Table	Indian Assured Lives Morality Table (2012-14)	Indian Assured Lives Morality Table( 2006-08)
<b>Leaving service rates</b>		
<b>Age</b>		
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 44: Segment Reporting

Particulars	31.03.2019	31.03.2018
<b>Segment Revenue</b>		
a. Hardware including trading of refurbished computer accessories	21,970.16	17,422.74
b. Ewaste Powdering and Refining Division	4,135.21	-
<b>Total</b>	<b>26,105.37</b>	<b>17,422.74</b>
Less Inter segment revenue	-	-
<b>Net sales/Income from Operations</b>	<b>26,105.37</b>	<b>17,422.74</b>
<b>Segment Results</b>		
a. Hardware including trading of refurbished computer accessories	2,677.08	2,072.29
b. Ewaste Powdering and Refining Division	1,471.70	-
<b>Total</b>	<b>4,148.77</b>	<b>2,072.29</b>
Less i. Interest	259.99	77.33
Add ii. Other Un-allocable Expenditure Net of Un-allocable income	-	-
<b>Profit before Tax ( before other comprehensive income)</b>	<b>3,888.79</b>	<b>1,994.96</b>
<b>Segment Assets</b>		
a. Hardware including trading of refurbished computer accessories	35,049.95	31,139.58
b. Ewaste Powdering and Refining Division	5,036.27	-
<b>Segment Liabilities</b>		
a. Hardware including trading of refurbished computer accessories	17,010.94	9,074.08
b. Ewaste Powdering and Refining Division	645.27	-

During year under review the company has earned revenue from operations amounting to 10 per cent or more of an entity's revenues from two customers.

**Note No 45: Trade receivables amounting Rs. 4305.27 Lakhs, loans and advances amounting Rs. 342.02 Lakhs and trade payables amounting Rs. 1,589.76 Lakhs are subject to confirmation.**

Notes forming part of Financial Statements for As At 31<sup>st</sup> March 2019

## Note No 46: Earnings Per Share

SI No	Particulars	Year ended 31st March 2019	Year ended 31st March 2018
A)	<b>Basic Earnings Per Share</b>		
	Profit after tax	105.84	1,262.27
	Weighted number of equity shares considered for calculation of basic earnings per share	12,06,07,852	11,77,13,057
	Earnings Per share- Basic	0.09	1.07
B)	<b>Diluted Earnings per share</b>		
	Profit after tax	105.84	1,262.27
	Adjustments	-	-
	Diluted Earnings	105.84	1,262.27
	Weighted number of equity shares considered for calculation of diluted earnings per share	12,06,07,852	11,87,40,386
	Earnings Per share- Diluted	0.09	1.06

Note No 47: Figures in bracket relates to previous year.

As per our attached report of even date

For Ishwar & Gopal  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No. : 021748  
Firm registration No. : 001154S

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director & CFO  
DIN : 01247342

**Nutan Soudagar**  
Company Secretary  
Membership No: 26148

Place : Bengaluru  
Dated : 30-05-2019

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF CEREBRA INTEGRATED TECHNOLOGIES LIMITED

### Report on the Consolidated Ind AS Financial Statements

#### Qualified Opinion

We have audited the accompanying consolidated financial statements of Cerebra Integrated Technologies Limited (the Holding Company) and its subsidiaries (The Holding Company and its subsidiaries together referred as 'the group'), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the 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 and based on the consideration of the reports of the other auditors on separate financial statements, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated 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 accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (financial position) of the Company as at 31 March 2019, and its consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis of 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 31st March 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 31st March 2019 amounted to Rs 293.55 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 period. These matters were addressed in the context of our audit of the 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	How our audit addressed the key audit matter
<p>Review of trade receivables :</p> <p>Rs 17,621.53 lakhs of trade receivables are outstanding for substantial period for which no provision is made in the accounts. Considering the overdue amount involved compared to the turnover of the company evaluating whether the same is doubtful in nature is a key audit matter.</p>	<p>Our audit procedures were included and were not limited for the following:</p> <ol style="list-style-type: none"> <li>Obtained confirmation of balance from the customer for Rs 16,058.06 lakhs of overdue trade receivables .</li> <li>Verified the contract between the Company and one of its customer relating to supply of minimum quantity of e waste.</li> <li>Reviewed the arrangement made by the Company to supply balance quantity of e waste.</li> <li>We have also reported these matters in the para "Emphasis of Matter".</li> </ol>

#### Information other than the Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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 otherwise appears to be materially misstated. If, based on the work we have performed, 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.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cashflows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the 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 Standards on Auditing 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, 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 Group'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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the mall 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 Matter

We did not audit the financial statements of a subsidiary whose financial statements/ consolidated financial information reflect total assets of Rs.7981.50 Lakhs /- as at March 31, 2019, total revenues of Rs.12,391.86 lakhs, total net profit after tax of Rs.1180.69 Lakhs and total comprehensive income of Rs. Nil for the year ended on that date as considered in the consolidated financial results. These financial statements/consolidated financial statements / consolidated financial information have been audited by another auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary is based solely on the reports of the other auditor.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditor.

#### Emphasis of Matter

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

- a. Loans and advances include Rs 861.12 Lakhs (Rs. 838.86 Lakhs) paid as advance for purchase for immovable property outstanding for substantial period.(Refer note no. 36.1 to the consolidated financial statement)
- b. Export trade receivable of Rs 1563.47 lakhs(Rs.1548.78lakhs) outstanding for substantial period. (Refer note no. 36.3 to the consolidated financial statement)
- c. Trade receivables of e waste division amounting Rs 3902.69 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. (Refer note no. 36.5 to the consolidated financial statement)
- d. Trade receivables amounting to Rs.12155.37 Lakhs is outstanding for more than six months.(Refer note no. 36.4 to the consolidated financial statement)
- e. No provision is made for the above receivables and advances as the management is confident of recovering the same. We have relied on the representation of the Company in this respect.

Our opinion is not modified in respect of the above matter.

#### Report on Other Legal and Regulatory Requirements

As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements / consolidated financial statements of the subsidiaries we report that the Holding Company, and one subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to one subsidiary companies, since the companies is a public company as defined under section 2(71) of the Act.

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and other financial information of the subsidiaries 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 purpose of our audit;
- b. In our opinion, proper books of account 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 financial statements dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid consolidated financial statements comply with 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 and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company covered under the Act, none of the directors of the Group companies and its Subsidiary Company, covered under the Act, are disqualified as on 31 March 2019 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 Holding Company, and its subsidiary company, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- 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(as amended), 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 report of the other auditors on separate financial statements / consolidated financial statements as also the other financial information of the subsidiaries:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group
  - ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, during the year ended 31 March 2019;
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

**KV Gopalakrishnaya**  
Partner  
Membership No. 021748

Place : Bangalore  
Date : 30th May, 2019

#### ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

## Annual Report 2018-2019

---

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

In conjunction with our audit of the consolidated financial statements of the Cerebra Integrated Technologies Limited (the 'Holding Company') and its subsidiary incorporated in India (the Holding Company and its subsidiaries together referred to as the 'Group'), as at 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary company incorporated in India, which are companies covered under the Act, as at that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, and its subsidiary company incorporated in India, which are companies covered under the Act, are 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 (the 'ICAI'). 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 the company's business, including adherence to the 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 Act

#### Auditors' Responsibility

Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary company incorporated in India, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI.

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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR of the Holding Company, and its subsidiary company incorporated in India.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR 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 IFCoFR include 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 asset 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 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.

#### Adverse Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at 31st March 2019.

The holding companies and its subsidiary company incorporated in India internal financial control over advance payment for purchase of fixed assets, customer acceptance, credit evaluation and establishing customer credit limit for sales, were not operating effectively which could potentially result in recognizing revenue/ non provision for bad debts without establishing reasonable certainty of ultimate collection.

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 financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria,

the Company has maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, 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 weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019, consolidated financial statements of the Company, and the same is reported under emphasis of matters in our audit report of even date.

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

**KV Gopalakrishnaya**  
Partner  
Membership No. 205977

Place : Bangalore  
Date : 30th May, 2019



**Cerebra Integrated Technologies Limited**  
Consolidated Balance Sheet as at 31st March, 2019

INR in Lakhs

Particulars	Note No	31-03-2019	31-03-2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	866.22	900.08
Capital Work In Progress-Building		29.06	-
Intangible asset under development		9.69	
<b>Financial Assets</b>			
i) Investments	4	19.62	1,433.82
ii) Loans and Advances	5	209.25	66.80
iii) Other Financial Assets	6	17.69	13.72
Deferred Tax Assets(Net)	7	107.16	2.41
Other Non Current Assets	8	2,528.00	4,308.27
<b>Current Assets</b>			
Inventories	9	384.91	1,490.84
<b>Financial Assets</b>			
i) Trade Receivables	10	33,888.27	20,062.69
ii) Cash and Cash Equivalents	11	7,017.43	6,984.27
iii) Bank Balances other than (ii) above	12	639.01	537.18
iv) Loans and Advances	13	144.40	68.97
Other Current Assets	14	698.07	469.66
<b>Total Assets</b>		<b>46,558.78</b>	<b>36,338.71</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	12,119.66	12,039.66
(b) Other Equity	16	14,746.87	13,614.88
Non Controlling Interests		574.48	382.79
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	17	64.37	98.05
Provisions	18	37.42	37.96
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	19	301.23	187.98
ii) Trade Payable	20		
a) Total outstanding dues of micro enterprise and small enterprise		93.49	-
b) Total outstanding dues of creditors other than micro enterprise and small enterprise		16,292.91	9,041.38
iii) Other Financial Liabilities	21	329.54	125.76
Provisions	22	39.65	25.77
Other Current Liabilities	23	384.16	161.16
Current Tax Liabilities(Net)	24	1,575.00	623.32
<b>Total Equity and Liabilities</b>		<b>46,558.78</b>	<b>36,338.71</b>

See accompanying notes to Financial Statements

1 to 47

As per our attached report of even date  
For Ishwar & Gopal  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No. : 021748  
Firm registration No. : 001154S

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director & CFO  
DIN : 01247342

**Nutan Soudagar**  
Company Secretary  
Membership No: 26148

Place : Bengaluru  
Dated : 30-05-2019

**Cerebra Integrated Technologies Limited**  
**Consolidated Statement of Profit or Loss for the Year Ended 31<sup>st</sup> March, 2019**

INR in Lakhs

Particulars	Note No	For the year ended 31-03-2019	For the year ended 31-03-2018
<b>Income</b>			
Revenue from operations	25	38,523.33	31,408.14
Other income	26	582.29	183.23
<b>Total Income</b>		<b>39,105.62</b>	<b>31,591.37</b>
<b>Expenses</b>			
Cost of material consumed	27	2,516.54	2,590.55
Purchase of stock in trade	28	27,932.80	22,457.97
Changes in inventories of work in progress, stock in trade and finished goods	29	575.23	-437.54
Excise Duty		-	6.57
Employee benefits expense	30	903.43	809.89
Finance costs	31	375.82	171.08
Depreciation and amortisation expense	3	37.66	30.49
Other Expenses	32	2,399.17	1,772.42
<b>Total Expenses</b>		<b>34,740.65</b>	<b>27,401.44</b>
<b>Profit before exceptional items and tax</b>	<b>33</b>	<b>4,364.97</b>	<b>4,189.93</b>
Exceptional Item		2,384.69	-
<b>Profit before tax</b>		<b>1,980.28</b>	<b>4,189.93</b>
Income tax Expenses			
a) Current Tax		1,504.33	643.45
b) Deffred Tax		-104.75	89.25
<b>Total Tax Expenses</b>		<b>1,399.58</b>	<b>732.70</b>
<b>Profit for the year</b>		<b>580.70</b>	<b>3,457.24</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss	34	3.06	3.59
Income Tax relating to above		1.06	0.51
<b>Total other comprehensive income</b>		<b>2.00</b>	<b>3.08</b>
<b>Total Comprehensive Income</b>		<b>582.70</b>	<b>3,460.32</b>
<b>Profit for the year attributable to</b>			
a) Shareholders of the company		440.09	3,239.89
b) Non-Controlling Interest		140.60	217.35
<b>Other Comprehensive income Attributable to</b>			
a) Shareholders of the company		2.00	2.44
b) Non Controlling Interest		-	0.64
<b>Total Comprehensive Income Attributable to</b>			
a) Shareholders of the company		442.09	3,242.33
b) Non Controlling Interest		140.60	217.99
<b>Earnings per equity share of Rs 10/- each</b>			
<b>Basic</b>		0.32	2.75
<b>Diluted</b>		0.32	2.73

See accompanying notes to Financial Statements

1 to 47

As per our attached report of even date

For Ishwar &amp; Gopal

Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnaya**  
Partner  
Membership No. : 021748  
Firm registration No. : 001154S

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director & CFO  
DIN : 01247342

**Nutan Soudagar**  
Company Secretary  
Membership No: 26148

Place : Bengaluru  
Dated : 30-05-2019

**Cerebra Integrated Technologies Limited**  
Consolidated Cash flow Statement for the Year Ended 31<sup>st</sup> March 2019

INR in Lakhs

Particulars	2018-19		2017-18	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cashflow from operating activities</b>				
Net profit before tax		1,980.28		4,189.94
Adjustments for:				
Depreciation(net)	37.66		30.49	
Interest expenditure	335.47		118.97	
Interest income	-36.30		-45.23	
Excess provision/Unclaimed credit withdrawn	-4.15		-1.84	
Trade Receivables Written Off	1,083.13		516.86	
Profit on Sale of Investments	-37.76		-18.95	
Dividend Income	-3.82		-36.52	
Provision for allowance	682.15		-	
Bad Advances Written off	2,405.81		-	
Profit on sale of assets	-1.60	4,460.58	-	563.78
Operating profit/(Loss) before working capital changes		6,440.86		4,753.71
Adjustments for changes in :				
Decrease/Increase in Inventories	1,105.93		-1,266.31	
Decrease/(Increase) in Trade & other receivables	-16,662.71		-416.68	
Decrease/(Increase) in Trade & other payables	7,817.41		-5,314.94	
		-7,739.36		-6,997.92
Cash generated from operations		-1,298.50		-2,240.61
Less: Income tax paid(net of refund)		656.99		733.21
<b>Net cashflow from operating activities</b>		<b>-1,955.49</b>		<b>-2,973.82</b>
<b>B. Cashflow from investing activities</b>				
Interest income	32.33		45.23	
Investment in Subsidiary			-	
Investment in fixed deposits	-101.83		-71.14	
Redemption/(Investment) in mutual funds(Net)	1,455.79		-1,378.34	
Purchase of fixed assets including capital WIP	-40.96		-36.39	
<b>Net Cashflow from investing activities</b>		<b>1,345.33</b>		<b>-1,440.63</b>
<b>C. Cashflow from Financing activities</b>				
Increase(Decrease) in borrowings	-48.76		-29.95	
Amount received towards Share Capital / Securities premium / Share Warrant	240.00		5,290.00	
Interest paid	-189.48		-118.97	
<b>Net cashflow from Financing activities</b>		<b>1.76</b>		<b>5,141.08</b>
<b>D. Cash in Currency Fluctuation Reserve arising due to consolidation</b>		<b>513.24</b>		<b>-278.82</b>
<b>Net increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>		<b>-95.15</b>		<b>447.79</b>
Cash & Cash equivalents				
Opening balance		6,984.27		6,536.48
Closing balance		6,889.11		6,984.27
<b>Net increase/Decrease in cash and cash equivalents</b>		<b>-95.16</b>		<b>447.79</b>

See accompanying notes to Financial Statements

As per our attached report of even date  
For Ishwar & Gopal  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No. : 021748  
Firm registration No. : 001154S

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director & CFO  
DIN : 01247342

**Nutan Soudagar**  
Company Secretary  
Membership No: 26148

Place : Bengaluru  
Dated : 30-05-2019

## Cerebra Integrated Technologies Limited

### Consolidated Statement of Changes in Equity

**A) Equity Share Capital**

INR In Lakhs

Equity shares of INR 10 each issued, subscribed and fully paid	Amount
On 1st April 2017	10,848.65
Issue during the year	1,190.00
Add:- Forfeited Shares	1.02
<b>On March 31, 2018</b>	<b>12,039.66</b>
Issue during the year	80.00
<b>Balance at March 31, 2019</b>	<b>12,119.66</b>

**B) Other equity**

INR In Lakhs

Particulars	Other Equity			Other Comprehensive Income	Application money received towards share warrants	Total
	Securities premium account	Capital reserve	Retained earnings			
<b>Balance at April 1, 2017</b>	5,909.72	226.77	-40.57	455.44	-	6,551.37
Profit for the year/Additions during the Year	3,570.00	-	3,239.89	-	530.00	7,339.89
Re-measurement gains/(Losses) on defined benefit plans, net of tax	-	-	-	3.59	-	3.59
Foreign Translation Differences				-279.96	-	-279.96
<b>Balance as at March 31, 2018</b>	<b>9,479.72</b>	<b>226.77</b>	<b>3,199.32</b>	<b>179.07</b>	<b>530.00</b>	<b>13,614.88</b>
Profit for the year/Additions during the Year	256.66	-	440.09	-	-	1,146.75
Shares warrants forfeited	-	450.00	-	-	-450.00	-450.00
Issue of share capital	-	-	-	-	-80.00	-80.00
Re-Measurement of gains/(losses) on defined benefit plans, net of tax	-	-	-	2.00	-	2.00
Net(Loss)/gain on investment in equity shares/units accounted at fair Value, Net of tax	-	-	-	-	-	-
Foreign Translation Differences				513.24		513.24
<b>Balance at March 31, 2019</b>	<b>9,736.38</b>	<b>676.77</b>	<b>3,639.41</b>	<b>694.31</b>	<b>-</b>	<b>14,746.87</b>

See accompanying notes to Financial Statements

As per our attached report of even date  
For Ishwar & Gopal  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No. : 021748  
Firm registration No. : 001154S

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director & CFO  
DIN : 01247342

**Nutan Soudagar**  
Company Secretary  
Membership No: 26148

Place : Bengaluru  
Dated : 30-05-2019

## Annual Report 2018-2019

---

### 1. Corporate Information

Cerebra Integrated Technologies Limited is a public limited Company, (holding company) incorporated in India having its Registered Office at S-5, Off 3rd Cross, Peenya Industrial Area, Peenya 1st Stage Bangalore - 560 058. Cerebra group consists of the holding company and two subsidiaries namely Cerebra LPO India Limited and Cerebra Middle East FZCO.

The group is engaged in, assembling and trading of computer systems, and peripherals. The Company is also into the business of providing IT Services and e-Waste management.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 30, 2019.

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

#### A. Basis of preparation:

i. 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.

#### ii. 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.

#### iii. Principles of consolidation:

The consolidated financial statements relate to Cerebra Integrated Technologies Limited ("the Company") and its subsidiary Companies. The consolidated financial statements are prepared on the following basis:

- The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- Profit or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.
- In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- Non-controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Non-controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- The financial statements of the following subsidiary companies have been considered as per Ind AS 110 Consolidation of Financial Statements.

Name of the Enterprise	Country of incorporation	31.3.2019	31.3.2018
Cerebra LPO India Limited	India	70%	70%
Cerebra Middle East FZCO	Dubai	86.5%	90%

#### B. 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:

- Useful lives of property, plant and equipment and intangible assets:** The Group 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 and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- Impairment testing:** Property, plant and equipment and 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 Group 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 Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group 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 Group 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.

### C. 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 collectability 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 Group's right to receive the amount is established.

#### 2. Employee Benefits.

##### (i) Provident Fund

The eligible employees of the Group 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 Group 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 at 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 Group 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 Group 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.

The assets' 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 and 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 and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and 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, and 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 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 unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### **8. Inventories:**

Inventories are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. 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.

## 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 Group 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 Group 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 dilutive 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 Group and provides consistency with the Group'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 Group. 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 Group becomes a party to the contractual provisions of the financial instrument. The Group 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 Group 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 Group'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 assets' 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 Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, the Group 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 Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Group 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 Group becomes a party to the contractual provisions of the financial instrument. The Group 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.

**D. Recent accounting pronouncements:**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which 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

### 3 Property, Plant and Equipment

INR in Lakhs

Particulars	Freehold Land	Leasehold Land#	Factory Buliding <sup>^</sup>	Plant and Machinery	Office Equip-ment	Computers	Vehicles <sup>**</sup>	Electrical Installations	Furniture and Fixtures	Total
<b>Carrying Amount (Gross Block)</b>										
<b>Balance as at 1<sup>st</sup> April 2018*</b>	2.01	506.39	61.51	15.08	6.68	16.00	12.72	13.77	24.34	658.49
Additions	-	5.50	178.45	52.02	5.68	0.35	10.06	37.61	1.28	290.95
Deductions/ Adjustment	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2018</b>	2.01	511.89	239.96	67.10	12.36	16.35	22.78	51.38	25.62	949.44
Additions	-	-	-	-	0.85	-	-	-	1.64	2.50
Deductions/ Adjustment	-	-	-	-	-	-	1.62	-	-	1.62
<b>Balance as at 31<sup>st</sup> March 2019</b>	2.01	511.89	239.96	67.10	13.21	16.35	21.16	51.38	27.26	950.32
<b>Accumulated Depreciation</b>										
Balance as at 1 <sup>st</sup> April 2018	-	-	1.64	1.52	1.94	4.00	3.34	1.95	4.45	18.84
Additions	-	-	7.20	4.08	2.94	1.89	3.98	5.03	5.37	30.49
Deductions/ Adjustment	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation	-	-	-	-	-	0.03	-	-	-	0.03
<b>Balance as at 31<sup>st</sup> March 2018</b>	-	-	8.84	5.60	4.88	5.92	7.32	6.98	9.82	49.36
Additions	-	-	8.77	4.95	6.41	1.84	4.34	4.60	6.76	37.66
Deductions/ Adjustment	-	-	-	-	-	-	1.62	-	-	1.62
Exchange Fluctuation	-	-	-	-	1.30	-	-	-	-	1.30
<b>Balance as at 31<sup>st</sup> March 2019</b>	-	-	17.61	10.55	9.99	7.76	10.04	11.58	16.58	84.10
<b>Net carrying amount as at 31<sup>st</sup> March 2019</b>	2.01	511.89	222.35	56.55	3.23	8.59	11.12	39.80	10.68	866.22
<b>Net carrying amount as at 31<sup>st</sup> March 2018</b>	2.01	511.89	231.12	61.49	7.48	10.42	15.47	44.41	15.79	900.08

# Lease hold land amounting Rs. 506.39 Lakhs (31.03.2018 Rs. 506.39/- Lakhs) includes 48,564 Sq. Mtrs of land at Narsapura Industrial Area, Kolar Taluk, Kolar District, allotted by Karnataka Industrial Area Development Board (KIADB) on lease cum sale basis for setting up an e-waste recycling plant within a specified period. As per the lease cum sale agreement, KIADB has got the right to determine the lease and forfeit up to 25% of the consideration paid / enhance the compensation payable if the company fails to set up the plant with in the specified period.

<sup>^</sup> The Factory building having a carrying value of Rs. 54.48 Lakhs (31.03. 2018 Rs.57.31 Lakhs) has been mortgaged to Syndicate Bank as a Security against cash credit facility.

<sup>\*\*</sup> The vehicles of the Company having a carrying value of Rs.11.12(31.03.2018 Rs. 15.47 Lakhs) Lakhs are hypothecated to a Bank as security against term loans obtained by the Company for purchasing the said vehicles.

## Cerebra Integrated Technologies Limited

### Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

INR in Lakhs

Particulars	As at 31 <sup>st</sup> March-2019	As at 31 <sup>st</sup> March 2018
<b>4 Investment</b>		
<b>Quoted Equity Shares</b>		
Sankhya Infotech Limited*	-	-
<b>Quoted Mutual Funds</b>		
DSP Black Rock Mutual Fund (Units-31.03.2018 3042605.24))	-	681.23
HDFC Cash Management Fund Treasury Advantage Plan -(Units Nil (31.03.2018 303826.03))	-	111.16
HDFC Short Term Opportunities Fund- (Units 96630.01 (31.03.2018 568658.27))	9.90	58.26
ICICI Prudential Mutual Fund (Units 84353.47 (31.03.2018 80614.18))	8.55	8.16
Reliance Prime Debt Fund (Units 6844.47 (31.03.2018 3013681.29))	1.17	515.50
Reliance Short Tern Fund (Units Nil 31.03.2018 182287.1))	-	59.52
<b>Total</b>	<b>19.62</b>	<b>1,433.82</b>
<b>Aggregate value of Quoted Investments</b>	<b>19.50</b>	<b>1,399.26</b>
<b>Market value of Quoted Investments</b>	<b>19.62</b>	<b>1,433.82</b>
<b>Aggregate value of Unquoted Investments</b>	<b>-</b>	<b>-</b>

The company holds 200 shares in Sankhya Infotech Limited worth Rs. 2000 against which the company has made provision for diminution.

Hence the cost of carrying of the financial asset is Nil (Nil)

<b>5 Loans and Advances (Unsecured, considered good)</b>		
Security deposits	19.96	9.01
Other loans and advances	189.29	57.79
<b>Total</b>	<b>209.25</b>	<b>66.80</b>
<b>Break up of loans and advances:</b>		
considered good - secured	-	-
considered good - Unsecured	209.25	66.80
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>209.25</b>	<b>66.80</b>
Less Allowance for Doubtful Loans	-	-
<b>Total Loans and Advances</b>	<b>209.25</b>	<b>66.80</b>
<b>6 Other Financial Assets</b>		
Interest accrued but not due on deposits	17.69	13.72
<b>Total</b>	<b>17.69</b>	<b>13.72</b>
<b>7 Deferred Assets Liabilities (Net)</b>		
On account of fixed assets	-9.28	-7.37
On account of temporary disallowances	116.44	9.78
<b>Total</b>	<b>107.16</b>	<b>2.41</b>
<b>8 Other Non Current Assets</b>		
Capital advance to others (Refer Note Number 36.1 and 36.2)	2,524.80	4,306.62
Others advances	3.19	1.65
<b>Total</b>	<b>2,528.00</b>	<b>4,308.27</b>
<b>9 Inventories</b>		
Raw materials	299.60	830.30
Stock in trade	85.31	660.54
<b>Total</b>	<b>384.91</b>	<b>1,490.84</b>

Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

INR in Lakhs

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>10 Trade Receivables</b>		
Unsecured- Considered good	13,090.99	2,469.29
Unsecured- Considered doubtful	-	-
Trade Receivables which have significant increase in credit risk	20,797.28	11,488.55
Trade Receivables - Credit Impaired	710.86	28.71
<b>Sub Total</b>	<b>34,599.13</b>	<b>20,091.40</b>
Less: Allowance for Doubtful Trade Receivables	710.86	28.71
<b>Total</b>	<b>33,888.27</b>	<b>20,062.69</b>
<b>11 Cash and Cash Equivalents</b>		
<b>A) Balances with Banks</b>		
i) In Current account with scheduled bank	77.92	465.20
ii) In Foreign currency with Foreign Bank	6,928.54	6,504.41
<b>B) Cash in hand</b>		
i) In Indian rupee	6.05	9.10
ii) In Foreign currency	4.92	5.56
<b>Total</b>	<b>7,017.43</b>	<b>6,984.27</b>
<b>12 Bank balances (other than Note 11 above)</b>		
In deposits with scheduled bank (with maturity of more than three month)	639.01	537.18
<b>Total</b>	<b>639.01</b>	<b>537.18</b>
<b>13 Loans and advances</b>		
Security deposits	1.79	0.60
Earnest money deposits	142.61	68.37
<b>Total</b>	<b>144.40</b>	<b>68.97</b>
<b>Break-up of loans and advances:</b>		
Considered good - Secured	-	-
Considered good - UnSecured	144.40	68.97
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>144.40</b>	<b>68.97</b>
Less: Allowance for Doubtful Loans	-	-
<b>14 Other current assets</b>		
Prepaid expenses	7.41	10.31
Unbilled Revenue	577.27	-
Advance to Suppliers	1.99	413.59
Advance to employees	3.03	10.28
Balance with statutory / Government authorities	108.37	35.48
<b>Total</b>	<b>698.07</b>	<b>469.66</b>

## Annual Report 2018-2019

### Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

#### 15 Equity Share Capital

INR in Lakhs

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
	Number	Number
a Authorised Equity Share Capital 12,60,00,000 (12,60,00,000) Equity Shares Rs. 10 each	12,600.00	12,600.00
b Issued Subscribed and fully paid up Equity Share Capital 12,11,86,482 (12,03,86,482) Equity Share of Rs. 10 each	12,118.64	12,038.64
c Add:- Forfeited Shares	1.02	1.02
<b>Total</b>	<b>12,119.66</b>	<b>12,039.66</b>

#### d Reconciliation of No of equity share and share capital outstanding

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Number	INR in Lakhs	Number	INR in Lakhs
Opening number of share outstanding	12,03,86,482	12,038.64	10,84,86,482	10,848.64
Add: No of Shares/Share Capital issued/ subscribed during the year	8,00,000	80.00	1,19,00,000	1,190.00
Closing Number of shares outstanding	12,11,86,482	12,118.64	12,03,86,482	12,038.64

#### e Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of share holders in the Annual General Meeting. During the year, the Company has not declared any dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the equity share holders.

f Out of the total issued and paid up capital 92,16,153 (92,16,153) shares of Rs 10/- each have been allotted as fully paid up pursuant to a contract without payment received in cash

g Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholders	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares	% of holding	No. of shares	% of holding
Heshika Growth Fund	-	-	73,41,485	6.10%
Manish Lakhi	94,23,720	100.00%	-	-
Kuber Glodal Fund	1,19,00,000	126.28%	1,19,00,000	9.88%

#### 16 Other Equity

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
i) <b>Capital reserve- balance as per last financial statement</b>	<b>226.77</b>	<b>226.77</b>
Add: Additions on account of warrants forfeited	450.00	-
	<b>676.77</b>	<b>226.77</b>
ii) Security premium		
Balance as per last financial Statement	9,479.72	5,909.72
Add:- Received during the year	256.66	3,570.00
<b>Balance as on balance sheet date</b>	<b>9,736.38</b>	<b>9,479.72</b>
iii) <b>Surplus</b>		
Balance as per last financial Statement	3,199.32	-40.57
Add:- Profit for the year	440.09	3,239.89
<b>Balance as on balance sheet date</b>	<b>3,639.41</b>	<b>3,199.32</b>
iv) Other Comprehensive Income		
Balance as per last financial Statement	179.07	455.44
Add:- for the year	515.24	-276.37
<b>Balance as on balance sheet date</b>	<b>694.31</b>	<b>179.07</b>
v) Application money received towards share warrents*	-	530.00
<b>Total</b>	<b>14,746.87</b>	<b>13,614.88</b>

## Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

\*During the Financial year 2017-18 the holding company has issued 53 Lakhs share warrants to the promoters of the Company at Rs. 40 Per warrant. The company has received Rs. 10 per warrant against the same on 22<sup>nd</sup> June 2017. These warrants are convertible into one equity share of Rs 10/each at a premium of Rs 30 per share at any time within a period of 18 Months from the date of allotment on payment of balance amount of Rs.30 per warrant . On expiry of the said period only 8 lakh share warrants are converted in to equity shares and the balance amount of Rs. 450 lakhs received earlier has been forfeited and the same has been credited capital reserve.

Capital Reserve: Capital reserve represents shares and share warrants forfeited. Capital Reserve is utilised in accordance with the provisions of the Act

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.

### 17 Borrowings (Non Current)

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Term Loans from Banks - Secured	153.76	286.03
Total Long Term Borrowings	153.76	286.03
Less: Instalments of term loan payable within a year considered as other current liability: Refer Note No. 19)	89.38	187.98
<b>Total</b>	<b>64.37</b>	<b>98.05</b>

Term Loan of Rs. 10.46 Lakhs(31.03.2018 Rs. 12.85 Lakhs) availed from Indian Banks is secured against hypothecation of vehicles

Term Loan of Rs. 143.3 lakhs (31.03.2018 Rs. 273.18 Lakhs) is availed from Indian Banks is secured by personal gurantee of Mr. Asit Ahuja (Director of Cerebra Middle East FZCO) and by undated and signed cheques of AED 17,00,000

Schedule of repayment of loan is as under

Year	Amount in Lakhs	Year	INR in Lakhs
2018-19	187.98	2022-23	1.59
2019-20	89.38	2023-24	1.74
2020-21	58.17	2024-25	0.78
2021-22	2.10		

	INR in Lakhs	
<b>18 Employee Benefit Obligation</b>		
Provision for		
- Gratuity (Refer Note 43)	34.56	34.29
- Leave Benefits (Refer Note 43)	2.85	3.67
<b>Total</b>	<b>37.42</b>	<b>37.96</b>
<b>19 Borrowings</b>		
Cash Credit from Syndicate Bank*	128.33	-
Current maturities of long term debts - Refer Note 17	89.38	187.98
Loan from Directors	83.52	-
<b>Total</b>	<b>301.23</b>	<b>187.98</b>
*The Factory building having a carrying value of Rs. 54.48 Lakhs (31.03.2018 Rs. 57.31 Lakhs ) has been mortgaged to Syndicate Bank bank as a security against cash credit facilities.		
<b>20 Trade Payables</b>		
Total outstanding dues of micro enterprise and small enterprise	93.49	-
Total outstanding dues of creditors other than micro enterprise and small enterprise	16,292.91	9,041.38
<b>Total</b>	<b>16,386.40</b>	<b>9,041.38</b>

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.

## Annual Report 2018-2019

### Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

		INR in Lakhs	
Particulars		Year Ending 31 <sup>st</sup> March 2019	Year Ending 31 <sup>st</sup> March 2018
Disclosure under required under MSME Act, 2006.			INR in Lakhs
Sl. No.	Particulars	31-Mar-19	31-Mar-18
a.	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	93.49	Nil
	Interest due thereon	4.10	Nil
b.	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
c.	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;	4.10	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	4.10	Nil
e.	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.	Nil	Nil
<b>21 Other Financial Liabilities</b>			
	Liabilities for expenses	325.94	125.76
	Deposits received	3.60	-
	<b>Total</b>	<b>329.54</b>	<b>125.76</b>
<b>22 Employee Benefit Obligation (Non Current)</b>			
	Provision for		
	- Gratuity (Refer note 43)	17.41	13.98
	- Leave Benefits (Refer note 43)	0.41	0.52
	- Bonus Payable	21.83	11.27
	<b>Total</b>	<b>39.65</b>	<b>25.77</b>
<b>23 Other Current Liabilities</b>			
	Advances from customers	12.69	5.93
	Statutory liabilities	371.47	155.23
	<b>Total</b>	<b>384.16</b>	<b>161.16</b>
<b>24 Current Tax Liabilities</b>			
	Provision for tax	1,575.00	623.32
	<b>Total</b>	<b>1,575.00</b>	<b>623.32</b>
<b>25 Revenue from operations</b>			
	Sale of products	38,497.24	30,777.51
	Sale of software services	26.09	630.63
	<b>Revenue from operations (Gross)</b>	<b>38,523.33</b>	<b>31,408.14</b>

Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

INR in Lakhs

Particulars	Year Ending 31 <sup>st</sup> March 2019	Year Ending 31 <sup>st</sup> March 2018
<b>26 Other income</b>		
Interest income	36.30	45.23
Excess provision / (unclaimed credit) withdrawn	4.15	4.22
Dividend income	3.82	36.52
Profit on sale of investment	37.76	18.95
Profit on sale of Assets	1.60	-
Rent received	-	-
Net gain on foreign currency transaction	498.65	43.74
Net gain on sale, Fair valuation of Investment through profit and loss	-	34.56
<b>Total</b>	<b>582.29</b>	<b>183.23</b>
<b>27 Cost of materials consumed</b>		
Opening Stock	830.30	-
Add: Purchase during the year	1,985.84	3,420.85
Less: Closing Stock	299.60	830.30
<b>Total</b>	<b>2,516.54</b>	<b>2,590.55</b>
<b>28 Purchase of Stock-in-Trade</b>		
Purchase of goods	27,932.80	22,457.97
<b>Total</b>	<b>27,932.80</b>	<b>22,457.97</b>
<b>29 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade</b>		
Opening stock of Traded Goods	660.54	190.01
Less: Closing stock of Traded Goods	85.31	627.54
<b>Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade</b>	<b>575.23</b>	<b>-437.54</b>
<b>30 Employee Benefit Expenses</b>		
Salaries and wages	857.09	777.45
Contribution to provident & other funds	29.38	21.61
Staff Welfare expenses	16.96	10.83
<b>Total</b>	<b>903.43</b>	<b>809.89</b>
<b>31 Financial Costs</b>		
Interest on term Loan	108.26	85.63
Interest on Working Capital	20.74	-
Interest on Statutory dues	206.48	40.52
Bank Charges	40.35	44.94
<b>Total</b>	<b>375.82</b>	<b>171.08</b>
<b>32 Other Expenses</b>		
Power and Fuel	11.58	11.07
Rent	39.19	30.96
Repairs to Machinery	10.01	13.64
Repairs to Others	5.60	2.84
Insurance	20.84	19.51
Rates & Taxes, excluding taxes on income	11.64	25.77
Legal & Professional Charges	150.37	313.29
Freight & Forwarding	18.87	4.52
Travelling and Conveyance	54.13	45.42
Communication expenses	34.95	28.56
Bad advance written off	21.11	-
Trade receivables written off	1,083.13	516.86
Provision for allowance	682.15	-
Advertisement & Business promotion	81.74	715.26
Printing & Stationery	9.56	10.02
Security Charges	8.10	4.28
Sub Contract Charges	94.62	-
Net Loss on sale, fair valuation of investment through profit and loss	34.56	-
CSR Expenses	4.25	-
Miscellaneous Expenses	22.77	30.42
<b>Total</b>	<b>2,399.17</b>	<b>1,772.42</b>



**Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019**

<b>33 Exceptional Item</b>		
Bad Advances Written off (Refer Note Number: 36.2)	2,384.69	-
<b>Total</b>	<b>2,384.69</b>	<b>-</b>
<b>34 Other Comprehensive Income</b>		
Remeasured Unrealised actuarial gain/loss	3.06	3.59
<b>Total</b>	<b>3.06</b>	<b>3.59</b>
<b>Note No. 35</b>		
<b>a) Contingent Liabilities and commitments (to the extent not provided for)</b>		<b>INR In Lakhs.</b>
<b>Particulars</b>	<b>31-03-2019</b>	<b>31-03-2018</b>
Counter guarantee given to the bankers for guarantees issued on behalf of the company	239.30	264.88
Cheques Discounted	194.75	284.32
Pending capital commitments (net of advances)	-	-

**Note No. 36.1**

A) Capital Advance of Rs. 861.12 Lakhs (Refer Note No. 8) ( 31.03.2018 Rs 838.86 Lakhs) is towards purchase of land and other expenses for setting up of an E-waste plant near Chennai. The Company has later decided not to setup the plant there and initiated steps to recover the advance paid. In the opinion of the management the advance paid will be recovered in cash or in kind and hence no provision is made in the accounts.

**Note No. 36.2**

**Capital Advances includes :**

- i) Rs. Nil (Refer Note No. 8) (31.03.2018 Rs. 686.21 Lakhs) of remittance made to Enviro Hub Ltd Singapore through Cerebra E waste Rrecovery Pte Limited (a subsidiary which is liquidated subsequently). As per the Share Purchase Agreement (SPA) entered between the Company and Enviro-Hub Holdings Limited Singapore (Enviro) the subsidiary Company has remitted US\$ 12,50,000 equivalent to Rs 6,86.21 Lakhs to Enviro on 2nd February 2013 as initial deposit towards acquisition of 100% shares of Enviro's wholly owned subsidiary Cimelia Resource Recovery Pte Limited (Cimelia), a Company in the field of e waste recycling business. However during July 2013 based on the advice given by the consultants and advisors the Company decided to abort the acquisition proposal.
- ii) Rs. Nil (refer Note No. 8) (31.03.2018 Rs. 402.50 Lakhs) due from Cimelia Resource Recovery Pte Limited Singapore (Cimelia) since 24th May 2011 towards technology fee. The payment is made by allotting 23,00,000 equity shares of the Company at a premium of Rs 7.50 Per Share
- iii) Rs. Nil (31.03.2018 Rs. 630 Lakhs) due from Restorer Corp Pte Limited, formerly known as Scenic Overseas (S) Pte Limited (Scenic) since 24th May 2011 towards supply of plant and machinery for e waste recycling plant in India. The payment is made by allotting 36,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.
- iv) Rs. Nil (Refer Note No. 8) (31.03.2018 Rs. 577.50 Lakhs) due from Leytron Technology Pte Limited (Leytron) since 24th May 2011 towards installation and commissioning of the above plant. The payment is made by allotting 33,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.
- v) Rs. Nil Lakhs (Refer Note No. 8) ( 31.03.2018 Rs 88.48 Lakhs) paid for supply of plant to Scenic on 24th May 2011.
- vi) Based on the legal advise on related matters and considering the prolonged litigation and future litigations surrounding the subject matter, the Company and these three Singapore entities arrived at an amicable settlement of disputes. According to the settlement, Singapore entities agreed to give up the claim /rights over the 92,00,000 shares allotted to them and all monetary claims made by them against the Company and the Company has agreed to give up the claim over the amounts paid to them under the Master Service Agreement and claims under share purchase agreement. Further, the Company is entitled to undertake requisite steps to cancel/extinguish /annul the allotment of the said 9,20,000 shares.
- vii) The Company is in the process of initiating steps to cancel the allotment of 92,00,000 shares. The advance paid as referred above is written off during the year and shown under exceptional item.

**Note No. 36.3** Trade Receivables referred in Note No.10 includes Rs.1563.47 lakhs (31.03.2018 Rs.1548.78 Lakhs) of export trade receivable outstanding for substantial period. Based on the discussions with these parties the management is confident of recovering the dues and hence no provision has been made in the books for the same.

**Note No 36.4** Trade receivables include Rs. 12,155.37 Lakhs outstanding for more than six months and is included in Trade Receivables which have significant increase in credit risk (Refer Note No. 10). The parties have confirmed these dues and the Company is confident of recovery. Hence no provision for allowance is made for the same.

### Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

**Note No 36.5** The Company has entered into an agreement for supply of processed e waste, according to which the customer will pay only after completion of supply of an agreed minimum quantity Trade receivables includes Rs 3902.69 lakhs outstanding under this agreement. Company has procured e waste to supply the balance minimum quantity and hence confident of supplying the remaining quantity and recovering the dues. The customer has also confirmed the balance

**Note No 36.6** Loans and advances includes Rs. 595.25 Lakhs due from a subsidiary whose network is negative to the extent of Rs 696.37 Lakhs. Based on the steps taken by the said Comapay to revive its operations no provision is made for allowances

**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:

Particulars*	INR in Lakhs	
	31-03-2019	31-03-2018
Not Less than one year	15.73	59.80
Later than one year but not later than five years	5.24	7.61
Later than five years	-	-

**Expenses recognised in the Statement of Profit and Loss:**

Particulars	INR in Lakhs	
	31-03-2019	31-03-2018
Fixed Rentals	39.19	30.96
Contingent rents	-	-
<b>Total</b>	<b>39.19</b>	<b>30.96</b>

**Note No 38 Income Tax Expenses**

Particulars	Year ending 31st March, 2019	Year ending 31st March, 2018
<b>Current tax</b>		
Current tax in taxable income for the year	1,504.33	643.45
<b>Total current tax expense</b>	<b>1,504.33</b>	<b>643.45</b>
<b>Deferred tax</b>		
Deferred Tax charge/(credit)	-104.75	-2.41
MAT credit (taken)/utilized	-	91.66
<b>Total deferred income tax expense/(benefit)</b>	<b>-104.75</b>	<b>89.25</b>
<b>Total income tax expenses / Credit</b>	<b>1,399.58</b>	<b>732.70</b>

**A. Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:**

Particulars	Year ending 31st March, 2019	Year ending 31st March, 2018
Enacted income tax rate in India applicable to the company	29,120%	34.608%
Profit before tax	1,980.28	1,994.97
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	576.66	690.42
Tax effect of the amounts which are not deductible /(taxable) in calculating taxable income		
Permanent disallowances	1,004.12	64.40
Income exempted from income taxes	-1.11	-12.64
Changes in Tax Rate	-137.34	-
Other items	62.01	-9.49
<b>Total income tax expenses /(Credit)</b>	<b>1,504.34</b>	<b>732.69</b>

Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

B The movement in deferred tax assets and liabilities

INR in Lakh

Particulars	As at 31st March 2019		As at 31st March 2018	
	Deferred tax/(liabilities)	Credit)/(charge) in statement of Profit and Loss	Deferred tax / (liabilities)	Credit)/(charge) in statement of Profit and Loss
Depreciation	-9.28	-1.91	-7.37	-7.37
Expenses allowed in the year of payment	116.44	106.65	9.78	9.78
Others	-	-	-	-
<b>Sub total</b>	<b>107.16</b>	<b>104.75</b>	<b>2.41</b>	<b>2.41</b>
MAT credit entitlements	-	-	-	-
<b>Total</b>	<b>-</b>	<b>107.16</b>	<b>-</b>	<b>2.41</b>

Note No. 39

a) Financial instruments by category:

As on March 31, 2019

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
<b>Financial Assets</b>				
<b>Measured at fair value</b>				
Investments in Mutual Funds	19.62	-	-	19.62
<b>Not measured at fair value</b>				
Loans and Advances#	-	-	353.65	353.65
Trade Receivable	-	-	33,888.27	33,888.27
Cash and Cash Equivalents	-	-	7,017.43	7,017.43
Bank Balances other than those included above	-	-	639.01	639.01
Other Financial Assets	-	-	17.69	17.69
<b>Total</b>	<b>1,433.82</b>	<b>-</b>	<b>41,916.06</b>	<b>41,935.68</b>
<b>Financial Liabilities</b>				
<b>Measured at Fair Value</b>				
-	-	-	-	-
<b>Not Measured at Fair value</b>				
Borrowings	-	-	365.60	365.60
Trade Payable	-	-	16,386.40	16,386.40
Other Financial Liabilities	-	-	329.54	329.54
<b>Total</b>	<b>-</b>	<b>-</b>	<b>17,081.53</b>	<b>17,081.53</b>

As on March 31, 2018

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
<b>Financial Assets</b>				
<b>Measured at fair value</b>				
Investments in Mutual Funds	1,433.82	-	-	1,433.82
<b>Not measured at fair value</b>				
Loans and Advances	-	-	135.77	135.77
Trade Receivable	-	-	20,062.69	20,062.69
Cash and Cash Equivalents	-	-	6,984.27	6,984.27
Bank Balances other than those included above	-	-	537.18	537.18
Other Financial Assets	-	-	13.72	13.72
<b>Total</b>	<b>1,433.82</b>	<b>-</b>	<b>27,733.63</b>	<b>29,167.45</b>
<b>Financial Liabilities</b>				
<b>Measured at Fair Value</b>				
-	-	-	-	-
<b>Not Measured at Fair value</b>				
Borrowings	-	-	286.03	10.46
Trade Payable	-	-	9,041.38	8,222.28
Other Financial Liabilities	-	-	125.76	102.84
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,453.17</b>	<b>8,335.58</b>

Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

## 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 on March 31, 2019

INR in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
<b>Measured at fair value</b>				
Investments in Mutual Funds	19.62			19.62
<b>Not measured at fair value (Refer footnotes)</b>				
<b>Total</b>	<b>19.62</b>	<b>-</b>	<b>-</b>	<b>19.62</b>
<b>Financial Liabilities</b>				
<b>Measured at fair value</b>				
<b>Not measured at fair value (Refer footnotes)</b>				
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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.

As on March 31, 2018

INR in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
<b>Measured at fair value</b>				
Investments in Mutual Funds	19.62			19.62
<b>Not measured at fair value (Refer footnotes)</b>				
<b>Total</b>	<b>19.62</b>	<b>-</b>	<b>-</b>	<b>19.62</b>
<b>Financial Liabilities</b>				
<b>Measured at fair value</b>				
<b>Not measured at fair value (Refer footnotes)</b>				
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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.

As on April 1, 2017				INR in Lakhs
Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
<b>Measured at fair value</b>				
Investments in Mutual Funds	1,433.82			1,433.82
<b>Not measured at fair value (Refer footnotes)</b>				
<b>Total</b>	<b>1,433.82</b>	<b>-</b>	<b>-</b>	<b>1,433.82</b>
<b>Financial Liabilities</b>				
<b>Measured at fair value</b>				
<b>Not measured at fair value (Refer footnotes)</b>				
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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.

Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

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

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, 2018	-	
Changes:	-	
Nil	-	
Balance as on March 31, 2019	-	

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 or 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
<b>As on March 31, 2019</b>		
Exposure in US Dollars (USD)	1,440.20	8.73
Exposure in Dirhams (AED)	7,191.27	1,091.57
<b>As on March 31, 2018</b>		
Exposure in US Dollars (USD)	2,108.5	4.1
Exposure in Dirhams (AED)	5,411.2	819.1

Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

## 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	
	31-03-2019	31-03-2018
Variable Rate Borrowings	128.33	0.02
Fixed Rate Borrowings	153.76	286.01
Interest Free Borrowings	83.52	-
<b>Total Borrowings</b>	<b>365.60</b>	<b>286.03</b>

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

Details of Variable rate borrowings	Weighted Avg. Interest Rate	Outstanding Balance	INR in Lakhs
			% of Total Loan
March 31, 2019 Cash Credit from Syndicate Bank	12.50%	128.33	35.10%
March 31, 2018 Cash Credit from Syndicate Bank	11.25%	0.02	0.00

## Interest Rate Sensitivity

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

Particulars	2018-19
50 bps increase would decrease the profit before tax by	3.21
50 bps decrease would increase the profit before tax by	-3.21

As the borrowing during FY 2017-18 is insignificant the impact on change in interest rate during FY 2017-18 is immaterial

**As the Variable borrowing is insignificant there is no material impact on the profitable due to variation of interest**

## 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 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.

Details of outstanding trade receivables	INR in Lakhs	
	Upto 6 Months	More than 6 Months
As on 31-03-2019	18,234.82	15,653.45
As on 31-03-2018	7,285.51	12,777.18

## Reconciliation of loss allowance provision – Trade receivables

INR in Lakhs	
Loss Allowance as on April 1, 2018	28.71
Changes in Loss Allowance	682.15
Loss Allowance as on March 31, 2019	710.86

Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

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

Floating Rate	Amt in Lakhs	
	31-03-2019	31-03-2018
Cash Credit from Syndicate Bank	671.67	699.98

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:

Financial Liabilities	As on March 31, 2019		
	Not Later than 1 year	Between 1 & 5 years	Later than 5 Years
i) Borrowings	301.23	63.60	0.78
ii) Trade Payable	16,386.40		
iii) Other Financial Liabilities	329.54	-	-

As on March 31, 2018

Financial Liabilities	As on March 31, 2018		
	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
i) Borrowings	187.98	97.27	0.78
ii) Trade Payable	9,041.38	-	-
iii) Other Financial Liabilities	125.76	-	-

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	INR in Lakhs	
	31-03-2019	31-03-2018
Debt	940.08	668.82
Equity	25,926.45	22,052.67
Net Debt to Equity	3.63%	3.03%

Note No 42: Related Party Disclosure

a) Related Parties

Name	Nature
Kranion Technologies Private Limited	Entity in which KMP or/and his relatives are able to exercises significant influence
Srikara Finance Investment	Entity in which KMP or/and his relatives are able to exercises significant influence

b) Key Management Personal

Name	Designation
V. Ranganathan	Managing Director
P. Vishwamurthy	Whole Time Director
Shridhar S Hegde	Whole Time Director
Sureshkumar. T.S	Director
Bharath P	Relative of a Director
Medha S. Hegde	Relative of a Director

Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

c) Transaction with Related Parties		INR in Lakhs	
Particulars	Transaction	Year ended 31-Mar-2019	Year ended 31-Mar-2018
V. Ranganathan	Remuneration	25.15	25.15
	Amount received against issue of share warrants	210.00	70.00
	Shares Issued	280.00	-
	Loan given	1.52	-
	Loan repaid	1.52	-
P. Vishwamurthy	Remuneration	25.15	25.15
	Amount received against issue of share warrants	-	200.00
	Shares Forfeited	200.00	-
Shridhar S Hegde	Remuneration	25.15	25.15
	Amount received against issue of share warrants	30.00	60.00
	Shares Issued	40.00	-
	Shares Forfeited	50.00	-
	Loan given	10.62	-
Bharath P	Loan repaid	10.62	-
	Loan given	1.00	-
Medha S Hegde	Loan repaid	1.00	-
	Loan given	15.00	-
Sureshkumar. T.S	Loan repaid	15.00	-
	Loan received	10.00	-
Srikara Finance Investment	Loan received	-	12.00
Srikara Finance Investment	Loan Repaid	-	60.00
Srikara Finance Investment	Interest Paid	-	0.65

d) Balance with Related Parties		INR in Lakhs	
Particulars		31-03-2019	31-03-2018
Payable to Directors			
V. Ranganathan		1.58	1.62
Shridhar S Hegde		1.58	1.62
P. Vishwamurthy		1.58	1.62
Sureshkumar.T.S		10.00	-

## Note No 43: Employee Benefits

## Gratuity

i) Changes in present value of obligation		INR In lakhs	
Particulars		Year ended 31st March 2019	Year ended 31st March 2018
Present Value of Funded Obligation		-	-
Fair Value of plan asset		-	-
Net Fund Obligation		-	-
Present Value of unfunded defined benefit obligation		51.97	45.39
Amounts not recognised due to asset limit		-	-
Net defined liability/(asset) recognised in balance sheet		51.97	45.39
Net defined liability/(asset) Bifurcated as follows			
Current Liability		17.41	13.84
Non-current Liability		34.56	31.55



Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

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

INR In lakhs

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Current Service Cost	6.75	2.46
Past Service Cost	-	12.06
Administration Expenses	-	-
Interest on net defined benefit liability/(Asset)	3.00	2.13
(Gain)/Losses on settlement	-	-
Total expenses to be charged to profit or loss account	9.75	16.65

iii) Amount recorded in Other Comprehensive Income

INR In lakhs

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening amount recognized in OCI outside profit and loss account	1.60	3.07
Remeasurements during the period due to		
Changes in financial assumptions	0.33	1.26
Changes in demographic assumptions	-0.00	-
Experience adjustments	-3.39	0.20
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognize the effect of asset ceiling	-	-
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>-1.46</b>	<b>1.60</b>

iv) Movement in Benefit Obligation

INR In lakhs

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening of defined benefit obligation	45.39	30.20
Current service cost	6.75	2.46
Past service cost	-	12.06
Interest on defined benefit obligation	3.00	2.13
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	0.33	-1.26
Actuarial loss / (gain) arising from change in demographic assumptions	-0.00	-
Actuarial loss / (gain) arising on account of experience changes	-3.39	-0.20
Benefits paid	-0.12	-
Liabilities assumed / (settled)*	-	-
Liabilities extinguished on settlements	-	-
<b>Closing of defined benefit obligation</b>	<b>51.97</b>	<b>45.39</b>

Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

## v) Key Assumptions

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Discount Rate(p.a.)	7.65%	7.80%
Salary Escalation Rate(p.a.)	7.00%	7.00%
<b>Demographic Assumptions</b>		
Retirement Age	58 Years	58 Years
Mortality Table	Indian Assured Lives Morality Table (2012-14)	Indian Assured Lives Morality Table( 2006-08)
<b>Leaving service rates</b>		
<b>Age</b>		
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 44: Segment Reporting

Particulars	31.03.2019	31.03.2018
<b>Segment Revenue</b>		
a. Hardware including trading of refurbished computer accessories	34,362.03	31,350.91
b. Ewaste Powdering and Refining Division	4,135.21	-
c. IT Services	26.09	57.23
<b>Total</b>	<b>38,523.33</b>	<b>31,408.14</b>
Less Inter segment revenue	-	-
Net sales/Income from Operations	38,523.33	31,408.14
<b>Segment Results</b>		
a. Hardware including trading of refurbished computer accessories	3,973.59	4,374.08
b. Ewaste Powdering and Refining Division	1,471.70	-
c. IT Services	-704.50	-13.06
<b>Total</b>	<b>4,740.79</b>	<b>4,361.02</b>
Less i. Interest	375.82	171.08
Add ii. Other Un-allocable Expenditure Net of Un-allocable income	-	-
Profit before Tax (before other comprehensive income)	4,364.96	4,189.93
<b>Segment Assets</b>		
a. Hardware including trading of refurbished computer accessories	41,518.63	35,616.97
b. Ewaste Powdering and Refining Division	5,036.27	-
c. IT Services	3.90	721.73
<b>Segment Liabilities</b>		
a. Hardware including trading of refurbished computer accessories	18,646.22	9,971.88
b. Ewaste Powdering and Refining Division	645.27	-
c. IT Services	700.27	712.27

## Annual Report 2018-2019

### Notes forming part of Financial Statements As At 31<sup>st</sup> March 2019

During year under review the Group has earned revenue from operations amounting to 10 per cent or more of an entity's revenues from two customers.

**Note No 45 : Trade receivables amounting Rs. 11,497.90 Lakhs, loans and advances amounting Rs. 353.65 Lakhs and trade payables amounting Rs. 2,681.36 Lakhs are subject to confirmation.**

#### Note No 46: Earnings Per Share

SI No	Particulars	Year ended 31st March 2019	Year ended 31st March 2018
A)	<b>Basic Earnings Per Share</b>		
	Profit after tax	440.09	3,239.89
	Weighted number of equity shares considered for calculation of basic earnings per share	12,06,07,852	11,77,13,057
	Earnings Per share- Basic	0.32	2.75
B)	<b>Diluted Earnings per share</b>		
	Profit after tax	440.09	3,239.89
	Adjustments	-	-
	Diluted Earnings	440.09	3,239.89
	Weighted number of equity shares considered for calculation of diluted earnings per share	12,06,07,852	11,87,40,386
	Earnings Per share- Diluted	0.32	2.73

**Note No 47: Figures in bracket relates to previous year.**

As per our attached report of even date

For Ishwar & Gopal  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No. : 021748  
Firm registration No. : 001154S

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director & CFO  
DIN : 01247342

**Nutan Soudagar**  
Company Secretary  
Membership No: 26148

Place : Bengaluru  
Dated : 30-05-2019

**FORM NO. MGT-11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]

Name of the Company: Cerebra Integrated Technologies Limited  
CIN: L85110KA1993PLC015091  
Registered Office: S5, Off 3<sup>rd</sup> Cross, Peenya Industrial Area, Peenya I Stage, Bangalore -560 058

Name of the member(s) :
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of ..... Shares of the above named Company, hereby appoint.

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature: ....., or failing him

3. Name:

Address:

E-mail Id:

Signature: .....

## Annual Report 2018-2019

---

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company, to be held on Wednesday, 25<sup>th</sup> September, 2019 at 10:00 AM at the Registered Office of the Company at S5, Off 3<sup>rd</sup> Cross, Peenya Industrial Area, Peenya I Stage, Bangalore-560 058 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution Nos.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company including Audited Balance Sheet as at 31<sup>st</sup> March, 2019, 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 a Director in place of Mr. Vishwamurthy Phalanetra (holding DIN: 01247336), who retires by rotation and is eligible for re-appointment.

### SPECIAL BUSINESS:

1. Re-appointment of Mr. Pazayanur Eswaran Krishnan (holding DIN: 01897686), as an Independent Director.
2. Appointment of Mr. Mandya Venkatachar Seshadri Vasan (holding DIN: 01088868), as Director of the Company.
3. Appointment of Mr. Mandya Venkatachar Seshadri Vasan (holding DIN: 01088868) as an Independent Director of the Company.
4. Increase in the limits of the Borrowing powers.
5. Power to hypothecate.
6. Approval of Reduction of Share Capital.
9. Approval of Cerebra Integrated Technologies Limited Employee Stock Option Scheme, 2019.
10. Approval of Material Related Party Transaction entered into for appointment to office of place of profit with Mr. P. Bharat (Chief Operating Officer).

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ September, 2018

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## Form No. MGT-12

## Polling Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1) of the Companies (Management and Administration) Rules, 2014]

<b>Name of the Company: Cerebra Integrated Technologies Limited</b>				
Registered Office: S5, Off 3 <sup>rd</sup> Cross, Peenya Industrial Area, Peenya I Stage, Bangalore-560 058				
<b>BALLOT PAPER</b>				
Sl. No.	Particulars	Details		
1.	Name of the First Named Shareholder (In block letters)			
2.	Postal address			
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)			
4.	Class of Share			
I hereby exercise my vote in respect of Resolutions enumerated below by recording my assent or dissent to the said Resolutions in the following manner:				
Sl. No.	Item No.	No. of Shares held by me	I assent to the Resolutions	I dissent from the Resolutions
<b>ORDINARY BUSINESS</b>				
1.	To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company including Audited Balance Sheet as at 31 <sup>st</sup> March, 2019, 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 Director in place of Mr. Vishwamurthy Phalanetra (holding DIN: 01247336) who retires by rotation and is eligible for re-appointment			
<b>SPECIAL BUSINESS</b>				
3.	Re-appointment of Mr. Pazayanur Eswaran Krishnan (holding DIN: 01897686), as an Independent Director			
4.	Appointment of Mr. Mandya Venkatachar Seshadri Vasam (holding DIN: 01088868), as Director of the Company			
5.	Appointment of Mr. Mandya Venkatachar Seshadri Vasam (holding DIN: 01088868), as Independent Director of the Company			
6.	Increase in the limit of Borrowing powers			
7.	Power to hypothecate			
8.	Approval of reduction of Share Capital			
9.	Approval of Cerebra Integrated Technologies Limited Employee Stock Option Scheme, 2019			
10.	Approval of Material Related Party Transaction entered into for appointment to office of place of profit with Mr. P. Bharat (Chief Operating Officer).			

Place:

Date:

(Signature of the Shareholder)

(Signature of the Scrutinizer)

## CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

Regd Off.: # S-5, Off 3<sup>rd</sup> Cross, 1<sup>st</sup> Stage, Peenya Industrial Area, Bangalore - 560 058

Telephone: 91 - 80 - 22046969 Email: investors@cerebracomputers.com. Web: www.cerebracomputers.com

### ATTENDANCE SLIP

**25<sup>th</sup> ANNUAL GENERAL MEETING, WEDNESDAY, 25<sup>TH</sup> SEPTEMBER 2019 AT 10:00 AM**

(This attendance slip duly filled in to be handed over at the entrance of the Meeting hall)

Name of the attending Member (in block letters): .....

Members' Folio Number:.....

Client I.D. No.: .....

D.P.I.D. No.: .....

Name of the Proxy (in Block Letters, to be filled in if the proxy attends instead of the members)  
.....

No. of Shares held:.....

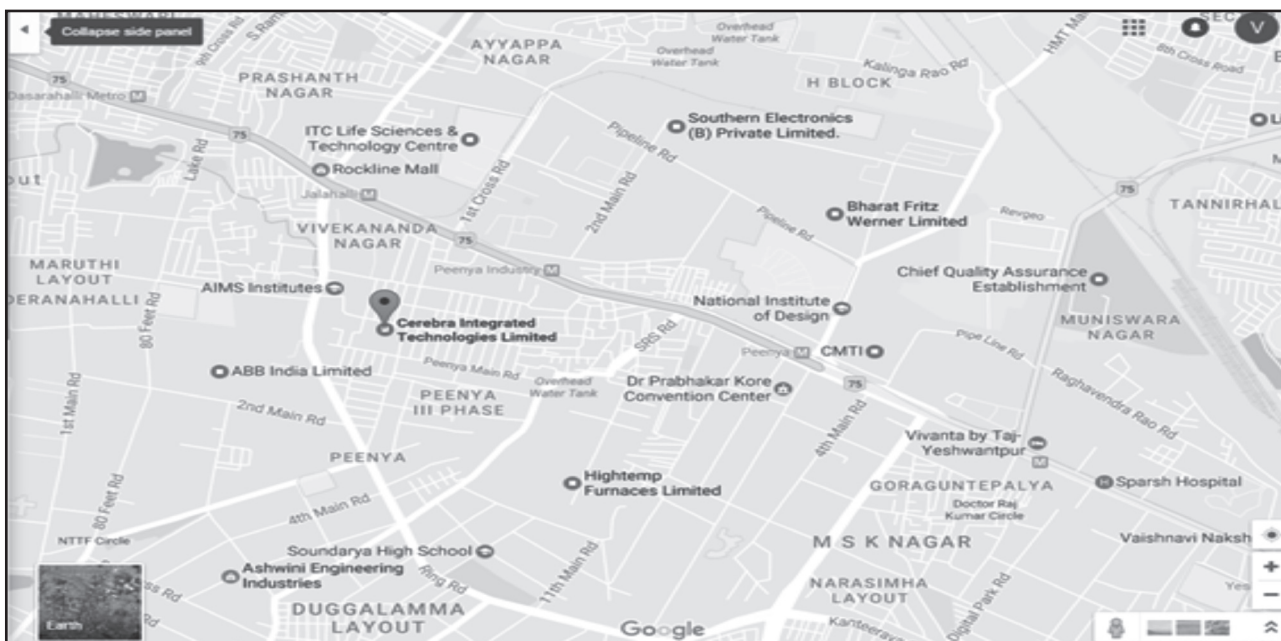
I hereby record my presence at the Twenty Fifth (25<sup>th</sup>) Annual General Meeting of the Company held on Wednesday, 25<sup>th</sup> September 2019, at 10:00 A.M. at the Registered Office of the Company at S5, Off 3<sup>rd</sup> Cross, Peenya Industrial Area, Peenya I Stage, Bangalore -560 058

To be signed at the time of handing over the slip

### ROUTE MAP for the Venue of Meeting:

Route Map Link:

<https://www.google.co.in/maps/place/Cerebra+Integrated+Technologies+Limited/@13.0338544,77.5201989,15z/data=!4m5!3m4!1s0x0:0x7fa21f368d1fb5918m2!3d13.0338544!4d77.5201989>



**REDUCE | REUSE | RECYCLE**



**E-Waste Recycling facility at Narasapura is Certified for  
ISO 9001:2015 (Quality Management System)  
ISO 14001:2015 (Environmental Management System) and  
ISO 18001:2007 (Occupational Health and Safety Management System - OHSAS)**





# CEREBRA GREEN



YOUR E-WASTE SOLUTIONS EXPERT

## CUSTOMER EXPERIENCE CENTERS



## CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

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

Telephone: 91-80-22046969 / Fax : 91-80-22046980

Email: [investors@cerebracomputers.com](mailto:investors@cerebracomputers.com)

Web: [www.cerebracomputers.com](http://www.cerebracomputers.com)

MUMBAI | PUNE | NEW DELHI | CHENNAI | HYDERABAD | BENGALURU