

24<sup>th</sup> July, 2013

**CONFIDENTIAL**

Dear Investor

**Re: Abortion of acquisition proposal**

Cerebra Integrated Technologies Ltd has informed BSE that the Company with regards to its announcement of aborting the acquisition of Cimelia, Singapore. In this regard, the Company has issued the following information:

This is to inform the esteemed investors, shareholders that the proposal of acquisition of Cimelia Resource Recovery Pte Ltd, Singapore was aborted after serious and careful evaluation by us and also by the committed investors and advisors. Certain facts were found to be deterrent to the growth of the Company i.e. the continued losses of Cimelia. This decision was taken after careful exercise done before the intended closing.

Cerebra explains that it was a business decision to call off the acquisition of Cimelia keeping in mind investors' and shareholders' value since the Company would have probably suffered more losses post acquisition. Cerebra desires to communicate to the investors & shareholders not to panic at all since Cerebra is already in talks with committed investors who will support to set up the India E-Waste Plant.

Cerebra has made considerable progress to set up its India E-Waste Plant, like its E-Waste Recycling facility at Bangalore has also achieved ISO 9001:2008 (Quality Management System) , ISO 14001:2004 (Environmental Management System) and ISO 18001 (Occupational Health and Safety Management System – OHSAS). The E-Waste facility set up in 2010 to collect, dismantle, segregate, recycle, repair , refurbish and engage in Data Protection activities of waste electrical and electronics (WEEE) items is now ISO certified along with its manufacturing facility which had received its ISO certification in 1990s.

The certification further underlines the importance to Quality and Environmental policies that Cerebra has always considered important and has made it an inherent part of all its process and policies. Cerebra has already won customers and contracts for its E-Waste Recycling division and this certification will only enable the company to be registered as preferred vendors with major Indian and MNC companies. Cerebra has now ISO 18001 (Occupational Health and Safety Management System – OHSAS) certification to complement the ISO9001 and ISO 14001 system and will make this as one of very few companies in Asia to have all three certification for E-Waste Recycling activity.

Recently in March, 2013, Karnataka State Pollution Control Board has issued its clearance to Cerebra to establish its integrated 96,000 MT capacity E-Waste recycling plant being set up on 12 acres of land at Narsapura Industrial Area, near Bangalore. The approval is for E-Waste recycling, including processing and recovery of Precious Metals like Gold, Silver, Platinum, Palladium and Rhodium.

Cerebra plans to complete this project by December 2013 and once commissioned, would be one of the largest E-Waste recycling plants in the sub-continent. This would also probably be the only truly integrated E-Waste recovery facility facilitating complete recovery of the E-Waste, Data Wiping and Destruction Services, Repair, Refurbishing and Re-Marketing Services as also full-fledged Asset management services.

For Cerebra Integrated Technologies Ltd

  
Managing Director

Cerebra is also making the following aggressive moves in its other divisions:

Cerebra's wholly owned subsidiary Cerebra LPO India Limited has added a new client from UK. Client is a 30 year old Law firm and has been in the Legal 500 and Chambers UK consistently. Trials were successful and we have started commercial transactions for Legal Support Services which includes conveyancing process, drafting and transcription services. Cerebra today offers end-to-end conveyancing solutions to Law firms in the UK with support of Lawyers who are trained in this process. Cerebra are also supporting Indian corporate firms for legal services which include drafting of privacy policies, agreements, etc. Cerebra LPO recently has completed trials for Immigration Process for a client in USA. Needless to add, the BPO activities continue to be profitable and move on as per expectations with potential to scale up.

Meanwhile, the Company's Electronic Manufacturing Services (EMS) division is aggressively pumping energy in its marketing efforts in order to capture a considerable share of the EMS market. Today, Cerebra employs over 150 professionals today.

#### CEREBRA MIDDLE EAST – PROGRESS SINCE INCORPORATION

Cerebra Middle East has grown from strength to strength in the Middle East market since its incorporation in April 2011. Having started business at a time where the world markets were in turmoil, the company progressed remarkably through the recession and achieved revenues of USD 3.8 Million in the first year of operations and have orders on hand worth USD 3.65 Million. Following a Value Added Distribution model, Cerebra ME got into some key vendor alliances with market leaders like Fujitsu, Fibrenetix, FalconStor, Milestone, Oracle, Cannon Technologies etc distributing their products and services in the UAE, Qatar, Kuwait, KSA, Oman, Pakistan and Iraq markets. From a small team of 4 employees Cerebra ME has grown to a team of 12 professionals covering over 10 countries at present. Now Vendor portfolio has grown from 3 vendors to 10 vendors in the second year of operations, Active channel base of 80 resellers through UAE, Qatar, Kuwait, KSA, Oman Bahrain, Pakistan, Iraq, Lebanon and Afghanistan, Incorporated a separate Security Solutions business unit in 2013 to roll out products and services related to Surveillance Security through active reseller channel.

To summarise we would like to say that we have lost only time to setup the India plant but it would have been an uphill task to revive Cimelia, lot of efforts, lot of money to be pumped in and finally our investors felt that with half the money and effort put in India E waste business the returns will be very good since India is a large market. All the other business divisions are doing well and there is absolutely no cause for worry.

We have identified technology and machines for setting up the India plant which is better than what was proposed earlier from Cimelia.

Three years spent on this initiative has actually helped your management gain lot of knowledge and in-depth experience in the recycling business. Of course our acquiring Cimelia would have helped us gain Global exposure but when we weighed the pros and cons of doing this the disadvantages far outweighed the advantages and the decision was taken mainly keeping our existing shareholders in mind and not to erode their wealth and value.

For and On behalf of the Board of Directors

For Cerebra Integrated Technologies Ltd

  
Managing Director

V Ranganathan  
Managing Director