



20TH ANNUAL REPORT

(2013-2014)

Cerebra Integrated Technologies Limited



www.cerebracomputers.com

BOARD OF DIRECTORS

V. Ranganathan	- Managing Director
Gururaj K. Upadhy	- Director Technical (Up to 14/02/2014)
Shridhar S. Hegde	- Whole-time Director
P. Vishwamurthy	- Whole-time Director
T. S. Suresh Kumar	- Director
P. E. Krishnan	- Director
S. Gopalakrishnan	- Director

REGISTERED OFFICE, FACTORY AND WORKSTATION

#S-5, Off 3rd Cross, I Stage
Peenya Industrial Area
Bangalore - 560 058
Tel: 91 - 80 - 28370282/84
Fax: 91 - 80 - 28372609
Web: www.cerebracomputers.com
Email: info@cerebracomputers.com

CORPORATE OFFICE AND ITES FACILITIES

26/4, 'A' Block, 2nd Floor
Industrial Suburb, Rajajinagar
Bangalore- 560 055

SUBSIDIARY COMPANIES

The Company has following subsidiaries:

1. Cerebra LPO India Limited.
2. Geeta Monitors Private Limited.
3. Cerebra Middle East FZCO, Dubai, UAE.
4. Cerebra E Waste Recovery Pte Ltd, Singapore

STATUTORY AUDITORS

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

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Pvt. Ltd.
Plot No 17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Fax - 040-23420814, 23420833
Phone: 040- 4465 5000, 44655185

BANKERS

Bank of India

ENLISTMENTS

Bombay Stock Exchange Limited (BSE)
National Stock Exchange of India Limited (NSE)

DEPOSITORIES

National Securities Depository Limited
Central Depository Services Limited

MESSAGE FROM THE DESK OF MANAGING DIRECTOR

Dear Stakeholder,

Greetings from Cerebra!

It is always a great pleasure to touch base with all of you and meet some of you and brief on the happenings in your Company. I had the pleasure of wishing you all a very Happy New year personally till last year; but now I need to look for another opportunity to do this since we have now shifted our year end from September to March 31st complying with the new Company Law.

The year, though turbulent with bleak economic scenario persisting saw your Company maintaining its performance for two quarters. The future seems to be quite bright with political stability and the economy promising to revive. I am reasonably confident of maintaining our growth rate and also outperforming for the current year. Despite the downtrend in the economy and the business scenario, your Company achieved a consolidated top line of Rs 13128.12 Lakhs and a profit of 143.29 Lakhs for the period of six months. I take this opportunity to commend the different division heads for their untiring efforts.

As mentioned in my previous communication to you, we are working on setting up our E waste plant in Narsapura, near Bangalore and we have taken steps to complete the same very soon. There has been delay due to reasons beyond control. We propose to set up this world class plant on our own. You will appreciate that we have started doing business in E waste and have achieved a modest turnover with good profits. This is only pilot tasks undertaken with various sectors to prove our projections and the result as you all can appreciate, is very encouraging. Needless to add, the Management is fully focused on setting this plant soon.

The LPO division is continuing to perform with the revised strategy and is generating encouraging results. Our hardware division continues to be the mainstay of the Company and will remain so during the next few years.

We have increased our exports in the SMT division and have a list of satisfied and repeat customers outside India. Our strategy is to focus on Exports for manufacturing thereby catering to a growing list of customers who are all looking to use India as an electronic manufacturing hub. Our profits in this division are very good and we hope to increase this in the coming years.

Our Dubai subsidiary, Cerebra Middle East has been growing rapidly and is outperforming themselves month after month. Our head count over there has increased and we have now covered the entire MENA region with loyal resellers across the region. We are moving into the Kingdom of Saudi Arabia during the current year with another subsidiary. More details on this will follow in the days to come.

Your Directors have covered all divisions in greater detail under the relevant sections.

We take this opportunity to thank you all, employees, partners, vendors, bankers and the Government of India and Karnataka for their support without which we would not have achieved any of the things mentioned in this report.

Warm Regards

V Ranganathan
Managing Director

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

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

Telephone: 91 - 80 - 28370282/84

Email: investors@cerebracomputers.com

Web: www.cerebracomputers.com

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Company will be held at 10 a.m on Monday, the 29th day of the September, 2014 at the Corporate Office of the Company situated at 26/4, 'A' Block, 4th Floor, Industrial Suburb, Sandal Soap Factory Metro Station, Rajajinagar, Bangalore - 560 055 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the 6 months' period ended on that date along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. V. Ranganathan (DIN: 01247305), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Shridhar S. Hegde (DIN: 01247342), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Messrs Ishwar & Gopal, Chartered Accountants, to hold the Office of Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. T. S. Suresh Kumar (DIN: 00674759), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. S. Gopalakrishnan (DIN: 01898255), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

ISSUE OF GLOBAL DEPOSITORY RECEIPTS (GDRs) / AMERICAN DEPOSITORY RECEIPTS (ADRs) / FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs) / EQUITY SHARES / WARRANTS AND / OR INSTRUMENTS CONVERTIBLE INTO EQUITY SHARES FOR AN AGGREGATE SUM UP TO US\$ 16 MILLION (APPROXIMATELY RS. 96 CRORES).

"RESOLVED THAT in accordance with the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 as also of any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India, Securities and Exchange Board of India ("SEBI") and all other appropriate authorities concerned and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of

Directors of the Company ("**Board**") (which terms shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board of Directors to offer, issue, and allot Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Foreign Currency Convertible Bonds (FCCBs) / Equity shares / warrants and / or instruments convertible into Equity shares optionally or otherwise (hereinafter referred to as "Securities") subscribed in foreign currency to permitted investors (whether institution and / or incorporated bodies and / or individual or otherwise, and whether or not such investors are members of the Company) for an aggregate sum up to US\$ 16 million (United States Dollars Sixteen Millions) or equivalent in Indian and / or any other currency (ies) inclusive of such premium as may be permitted by the Ministry of Finance / such other authorities, to all eligible investors including Foreign / Resident / (whether Institutions, Incorporated Bodies, / Foreign Institutional Investors / QIBs / Banks and / or otherwise, whether or not such investors are members, promoters, directors or their relatives / associates, of the Company) through Public Issue(s), Private Placement(s), preferential allotment(s) by way of cash or stock swap or towards acquisition of business on a back-to-back basis or a combination thereof at such time or times in such tranche or tranches at such price or prices at a discount or premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors, wherever necessary in consultation with the Lead Managers, Underwriters, advisors or including by way of Initial Public Offer in US or other countries, so as to enable the Company to get listed at any Stock Exchange in India and / or Luxembourg / London / New York / Singapore / Hong Kong Stock Exchange and / or any of the Overseas Stock Exchanges.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable and to settle any questions, difficulty or doubts that may arise in regard to the offer, issue and allotment of securities.

RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination of terms in accordance with the international practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payment whatsoever and all such terms as are provided in international offering of this nature including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the securities.

RESOLVED FURTHER THAT the Board be and is hereby also authorized subject to approval of the appropriate authorities to secure the entire or any part of the issue by creation of the mortgage / charge on the company's immovable and movable properties present and future, such charge to rank either pari-passu with or second, subsequent subservient and subordinate to all the mortgages / charges created / to be created by the Company for all existing and future borrowings and facilities whatsoever subject to compliance with the provisions of Companies Act, 1956 and Foreign Exchange Management Act, 1999 read with the relevant rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute arrangements / agreements with Lead Managers / Underwriters / Guarantors / Depository (ies) / Custodians / Advisors and all such agencies as may be involved or concerned and to remunerate all such Lead Managers. Underwriters, Stabilising Agents and all other Advisors and Agencies by way of commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any or the like.

RESOLVED FURTHER THAT any securities that are not subscribed in issues mentioned above, may be disposed off by the board in its absolute discretion in such manner, as the board may deem fit and as permissible by the law.

RESOLVED FURTHER THAT the Company and / or any agency or body authorized by the Company may issue Securities mentioned herein above representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability of free transferability thereof as per the prevailing practices and regulations in the capital markets both Indian and International.

RESOLVED FURTHER THAT the Securities issued in International offering shall be deemed to have been made abroad in the markets and / or in the place of issue of the Securities in International markets and shall be governed by English or American law or any other law as may be decided by the Board as the case may be.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the mode and the terms of issue and allot such number of Securities as may be issued and allotted upon conversion of any Securities referred to in the paragraph(s) above as may be necessary in accordance with the terms of offering and all such shares shall rank *pari passu* with the then existing Equity Shares of the Company in all respects, excepting such rights on dividend and / or any other clause as may be provided under the terms of issue and in the offer document.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to accept any modifications in the proposals as may be required by the authorities involved in such issues but subject to such conditions as the SEBI / GOI / RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 61 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the Authorized Share Capital of the Company be and is hereby increased by Rs. 60,00,00,000 (Rupees Sixty Crores only) from the existing Rs. 50,20,00,000/- (Rupees Fifty Crores Twenty Lakhs only) divided into 5,02,00,000 (Five Crores Two Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 110,20,00,000/- (Rupees One Hundred Ten Crores and Twenty Lakhs only) divided into 11,02,00,000 (Eleven Crores Two Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each and that this change be incorporated in the Memorandum and Articles of Association."

9. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13 (1) of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the Memorandum of Association of the Company be and is hereby altered in the following manner:

a) By deleting the existing Clause III (C)

b) By deleting the existing Clause IV and by substituting the following new Clause IV as hereunder:

- IV The Liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

c) By deleting the existing Clause V and by substituting the following new Clause V as hereunder:

- V. Rs. 110,20,00,000/- (Rupees One Hundred Ten Crores and Twenty lakhs only) divided into 11,02,00,000 (Eleven Crores Two Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each."

10. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of Association of the Company be and are hereby replaced, altered, modified and revised as per the new set of Articles of Association ("New Articles") and that the New Articles be and are hereby approved and adopted as the Articles of Association of the Company with effect from the date hereof, and they be the regulations of the Company in place, in substitution and to the entire exclusion of the existing Articles of Association.

RESOLVED FURTHER THAT the any one Director of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution, including filing any necessary forms with the Registrar of Companies."

By Order of the Board

Place : Bangalore
Date : 14th August, 2014

V. Ranganathan
Managing Director

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 pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 5, 6, 7, 8, 9 and 10 is annexed herewith.
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 Computershare 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:

Karvy Computershare Private Limited,
(Unit: Cerebra Integrated Technologies Limited),
Plot No 17 to 24, Vittal Rao Nagar,
Madhapur,
Hyderabad - 500 081.

8. 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.
9. The Company's Shares are traded in electronic form with ISIN No. INE345B01019.
10. The Register of Members and the Share Transfer Books will remain closed on 29th September 2014 in connection with the Annual General Meeting.
11. Members are kindly requested to bring Annual Report 2013-14 along with them to the Annual General Meeting., since extra copies will not be supplied at the Meeting.
12. As regards to re-appointment of Mr. V. Ranganathan (DIN: 01247305) referred to, in item No.2 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. V Ranganathan:

Date of Birth: 12.11.1963

Qualification: B.E

Expertise: Managing Director

No. of Board Meetings attended during the 6 months' period: 02 (Two held)

Name of the Company/Firms
Kranion Technologies Pvt Ltd
Cerebra LPO India Limited

Nature of Interest
Director
Director

13. As regards to re-appointment of Mr. Shridhar S. Hegde (DIN: 01247342) referred to in item No. 3 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. Shridhar S Hegde

Date of Birth: 27.01.1961

Qualification: BSc

Expertise: Wholetime Director

No. of Board Meetings attended during the 6 months' Period: 02 (Two held)

Name of the Company/Firms

Cerebra LPO India Limited

Nature of Interest

Director

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 20th Annual General Meeting to be held on 29th day of the September, 2014 at 10 AM. The Company has engaged the services of Karvy Computershare Pvt Limited to provide the e-voting facility.

The instructions for E-voting are as under:

- 1) To use the following URL for e-voting:
<https://evoting.karvy.com>
- 2) Enter the login credentials i.e., user id and password mentioned below this communication. Your Folio No/ DP ID Client ID will be your user ID.
- 3) After entering the details appropriately, click on LOGIN.
- 4) 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.
- 5) You need to login again with the new credentials.
- 6) On successful login, the system will prompt you to select the EVENT i.e., **Cerebra Integrated Technologies Limited**.
- 7) 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.
- 8) Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- 9) 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.
- 10) 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 or scrutinizer@cerebracomputers.com.
- 11) Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
- 12) The Portal will remain open for voting from: **Tuesday, 23rd of September, 2014 (9:00 am) and ends on Thursday, 25th of September, 2014 (6:00 pm).**

- 13) 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 Mr. Varghese P A of Karvy Computershare Pvt Ltd at 040 44655000 or at 1800 345 4001 (toll free).
- 14) 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 Sr. No. (1) to (12) as mentioned in above, to cast your vote.
- 15) 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.

16. The voting period begins on **Tuesday, 23rd of September, 2014 (9:00 am) and ends on Thursday, 25th of September, 2014 (6:00 pm)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014, 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.
17. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://evoting.karvy.com> under help section or contact Mr. Varghese P A of Karvy Computershare Pvt Ltd at 040 44655000 or at 1800 345 4001 (toll free).
18. 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 22nd August, 2014.
19. Mr. Parameshwar G. Bhat, Practicing Company Secretary, Bangalore has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
20. The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of atleast 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.
21. The results of the e-voting along with the Scrutinizer's Report shall be placed on the Company's website (www.cerebracomputers.com) and on the website of Karvy within two days of passing of the resolutions at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
22. Pursuant to Section 205A (5) of the Companies Act, 1956, as amended, any money transferred to Unpaid Dividend Account and remaining unclaimed for a period of 7 (seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, and thereafter, the Shareholders shall not be able to claim any Unpaid Dividend from the said fund or from the Company. This information is included for the benefit of the Shareholders for future purposes.
23. 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 Computershare Pvt. Ltd.
Plot No 17 to 24 Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Fax - 040-23420814
Phone: 040- 4465 5000, 44655185

24. 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 : 14th August, 2014

V. Ranganathan
Managing Director

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 5:

Mr. T. S. Suresh Kumar (DIN: 00674759): As regards appointment of Mr. T. S. Suresh Kumar 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:

Name: Mr. T S Suresh Kumar
Date of Birth: 03.05.1967
Qualification: BSc
Expertise: Independent Director
No. of Board Meetings attended during the 6 months' period: 02 (Two held)

None of the Directors except Mr. T. S. Suresh Kumar himself/any Key Managerial Personnel is interested or concerned in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 6:

Mr. S. Gopalakrishnan (DIN: 01898255): As regards appointment of Mr. S. Gopalakrishnan as an Independent Director referred to, in item No.6 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. S. Gopalakrishnan:
Date of Birth: 08.09.1967
Qualification: BCom
Expertise: Independent Director
No. of Board Meetings attended during the 6 months' period: 2 (Two Held)

None of the Directors except Mr. S. Gopalakrishnan himself/ any Key Managerial Personnel is interested or concerned in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item no. 7:

In order to cater to fund requirement for establishing the one of the largest E Waste recycling plant and expansion of its activities in India including acquisitions abroad, it is proposed to increase the paid-up capital by offering ADRs and / or GDRs and / or FCCBs for an aggregate sum up to US\$ 16 million or equivalent in Indian and / or any other currency (ies) inclusive of such premium as may be permitted by the Ministry of Finance / such other authorities, to all eligible investors including Foreign / Resident / (whether Institutions, Incorporated Bodies, / Foreign Institutional Investors / QIBs / Banks and / or otherwise, whether or not such investors are members, promoters, directors or their relatives / associates, of the Company) through Public Issue(s), Private Placement(s), preferential allotment(s) by way of cash or stock swap or towards acquisition of business on a back-to-back basis or a combination thereof at such time or times in such tranche or tranches at such price or prices at a discount or premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors, wherever necessary in consultation with the Lead Managers, Underwriters, advisors or including by way of Initial Public Offer in US or other countries, so as to enable the Company to get listed at any Stock Exchange in India and / or Luxembourg / London / New York / Singapore / Hong Kong Stock Exchange and / or any of the Overseas Stock Exchanges. This is an enabling resolution to authorise the Board to find the best possible way to raise funds to meet the new expansion plans. The Board or any Committee formed in this regard would decide the issue ratio and the size of the GDR / ADR / FCCB issue within the limit approved by the shareholders in this meeting. This resolution shall be subject to the approval of various statutory authorities, if applicable.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers and Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

Pursuant to Section 62 of the Companies Act, 2013 and the regulations relating to sponsored offerings of GDRs/ ADRs and FCCBs framed under the Foreign Exchange Management Act, 1999, the above proposal require consent of the members by way of a special resolution. Accordingly, the resolution is proposed for the approval of shareholders in this regard and to authorize the Board to carry out various deeds and things for giving effect to this resolution.

Your Directors recommend the passing of this resolution.

None of the Directors of the Company is concerned or interested in the above resolutions except to the extent of their holding of equity shares in the Company.

Item no. 8 & 9:

Your Company has undertaken aggressive measures to expand its business as can be confirmed from the financials and the contents of the Directors' Report.

Considering the growth potential, the need for additional Working Capital has been re-estimated by the Management. From time to time, fund needs are to be met without disrupting the day to day operations and the expansion programs.

Your Directors have therefore proposed to infuse more funds in to the Company with flexibility to accept the funds on need basis and at short notice.

This would require increase of the Authorised Share Capital and the consequential alterations in the Memorandum of Association of your Company; all these need your approvals.

The resolution set out in the Notice is recommended for the approval of the shareholders.

The Directors recommend the resolution for your approval.

None of the Directors/Key Managerial Personnel is interested or concerned in the resolution except to the extent of their shareholdings.

Item no. 10:

You may kindly note that Capital clause in the Articles of Association needs to be changed consequence to increase in the Authorized Capital of the Company.

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There is a need to align the articles with new Companies Act, 2013. The new set of Articles of Association of the Company will be effective from the date of this Annual General Meeting.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, amendment of Articles of Association requires approval of the Shareholders by way of Special Resolution. Accordingly, this matter has been placed before the Shareholders for approval. The Board therefore, submits the resolution for your consideration and recommends it to be passed as a Special Resolution. A copy of the existing as well as new Articles of Association of the Company is available for inspection at the Registered Office of the Company during working hours on any working day.

None of the Directors/Key Managerial Personal is in any way interested or concerned in the resolution.

By Order of the Board

Place : Bangalore
Date : 14th August, 2014

V. Ranganathan
Managing Director

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

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

Telephone: 91 - 80 - 28370282/84

Email: investors@cerebracomputers.com

Web: www.cerebracomputers.com

DIRECTORS' REPORT

Your Directors present their Twentieth Annual Report together with the audited Balance Sheet and the Statement of Profit and Loss for the six months' period ended 31st March, 2014. As notified by MCA Circular No. 1/19/2013-CL-V dated 04.04.2014, the Company has followed the Companies Act, 1956, in respect of the report.

FINANCIAL RESULTS:

(Rs. in lakhs)

Particulars	2013-14 (for six months)	2012-13 (for 12 months)
Total Income	13128.12	23205.11
Total Expenditure	12921.57	22615.33
Operating Profits (PBITD)	371.30	821.90
Interest	117.70	116.81
Depreciation	47.05	115.31
Profit Before Extra Ordinary Income	206.55	589.78
Tax Expense	25.07	33.37
Profit after Current Tax	181.48	556.41
Minority Interest	38.19	20.09
Profit available for appropriations	143.29	536.32

REVIEW OF OPERATIONS & GROWTH OPPORTUNITIES:

Perhaps the Shareholders have widely observed global economic impact and rising of the Euro debt crisis leading to recessionary trends in the Corporate Sector. Given the circumstances, your Company was still able to overcome some of these hurdles and has achieved better performance. Your Company continued to focus on the hardware business and this segment turned out to be a major revenue earner this year too.

The team from E-Waste Recycling Division is being expanded. Your Company is the only company in India to be given the license to set up an Integrated E-Waste Recycling Facility with a processing capacity of 96,000 MT per annum. This license has been obtained from the Karnataka State Pollution Control Board (KSPCB), Bangalore. The temporary E-Waste facility is doing very well and the Company has successfully added many new customers and contracts and the preferred E-Waste Management partners for companies including large MNC's.

The Directors report that the Company continues to be debt free.

SUBSIDIARY COMPANIES

The Company has following subsidiaries:

1. Cerebra LPO India Limited.
2. Geeta Monitors Private Limited.
3. Cerebra Middle East FZCO, Dubai.
4. Cerebra E Waste Recovery Pte Ltd. Singapore

The Ministry of Corporate Affairs, Government of India has issued Circular granting general exemption to Companies under Section 212(8) of the Companies Acts, 1956 ('the Act') from attaching the document referred to in Section 212(1) of the Act pertaining to its subsidiaries. However, certain information as required is furnished in Annexure.

More details on the subsidiaries are exhibited in the Management Discussion elsewhere in this Report.

ITES DIVISION:

Cerebra LPO – Medical Transcription Services has added new departments to its existing transcription work from different hospitals in the UK and USA. For the six months it has delivered around 4 Million lines earning about 7.5 Million rupees in revenues. New departments added were Gastroenterology & Academic Surgery.

Immigrations cases were taken up and executed as per client requirements. Efforts are on to strike additional partnerships for the division. Overall the subsidiary performed well by adding new clients & departments.

ESD Division: Cerebra has been since many years implementing various IT based projects for many startups and established companies. We study customers IT requirements, identify pain points and accordingly design and plan their IT H/W & S/W infrastructure which includes networking, servers, storage, endpoints, operating systems, application software and ensure successful implementation. Many small and medium size enterprises lack proper IT infrastructure and rely more on AMC providers for their IT requirements which get fulfilled on a short term basis. Cerebra can successfully help bridge this gap with its technical competencies and strategic tie-ups with leading MNC technology vendors. Cerebra can design, implement and maintain IT infrastructure for SMEs as well as large enterprises successfully.

During the financial year 2013-2014, our continued focus on research labs, airports, defense, PSUs, PSBs, etc has been fruitful with Cerebra successfully executing large orders from these sectors. We have also been successful in closing deals in the higher education segment both in government as well as private institutions. Cerebra is considered as a preferred vendor by many of these organizations. Cerebra has also strengthened its relationships with leading MNC OEM Brands and established ourselves as a key player especially in education, defense, space & research lab segments while we stay focused on making a mark in other state & central government departments/bodies/PSUs.

EMS (MANUFACTURING) DIVISION – Cerebra has added many new customers and the current customers from Canada have been extremely happy with the services and have trebled the order for the current year too. The Company is currently the Top Vendor in the annual listing of a Singapore Based company with a global footprint comprising of Americas, Europe, Asia Pacific, Middle East and Africa and is the only Indian company to be rated as the Best Supplier currently by this company. Domestically, the Company has confirmed orders for the next 6 months and your Company's SMT/EMS division is expected to be one of the star performers in the Cerebra group. The Company is looking at moving on to a bigger facility and also plans to add a second assembly line.

E-WASTE DIVISION – Very soon expected to start the factory construction and every effort is being put in this direction. Currently repair and refurbishment and E-Waste shredding activity is being carried out. The Board is pleased to report that the Company has now added more new customers and has registered/collected E-Waste.

Geeta Monitors Pvt. Ltd (GMPL), popularly known as **Geeta Electronics** has been going through change in structure to adapt to the market situations and its mission to become a pure SI company in next 2 years. Some of the key initiatives which were put in place to adapt to the vision were. While the run rate business of hardware continue through the committed resellers, the Company also thought that solution and service based business should be taken up priority with the end enterprise customer is the way forward which otherwise was predominately addressing the SME and SMB segment. GMPL has successfully executed few major orders on Storage products.

Cerebra M E FZCO - Cerebra Middle East has witnessed a tremendous growth during this period both in terms of a massive increase in revenue as well as an expansion of its channel partner base in the Middle East.

CME has successfully executed a Data Center contract for 2.3 Million USD CME's focus continues to be in the areas for the new financial year are going to be channel growth, channel enablement, loyalty programs and a substantial increase in its vendor and solutions portfolio. 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.

DIVIDEND:

Your Directors regret to inform you that no dividend is recommended for the 6 months period ended 31st March 2014 considering the aggressive expansion programs in different verticals and the need of capital needs – both capex and opex.

DIRECTORS:

Mr. V Ranganathan Managing Director and Mr. Shridhar S. Hegde Director, retire by rotation. In accordance with the Companies Act, 2013 and Articles of Association of the Company and being eligible, offer themselves for re-appointment.

In terms of the requirements of the Companies Act, 2013, appointment of Mr. T. S. Suresh Kumar and Mr. S. Gopalakrishnan as Independent Directors are proposed under Special Business.

FIXED DEPOSITS:

Your Company has neither accepted nor renewed any Fixed Deposits during the period ended 31st March, 2014.

AUDIT COMMITTEE:

Audit Committee constituted by the Board of Directors with requisite composition to fall in line with the prevailing laws continued to discharge its functions during the year under report.

AUDITORS:

Messrs Ishwar & Gopal, Chartered Accountants, the existing Auditors, have expressed their willingness to get reappointed at the ensuing Annual General Meeting.

The Board of Directors recommends their appointment.

AUDITORS' REPORT:

Regarding emphasis matter of Auditors Report dated 29th May 2014, suitable views are explained in the note no. 12 of the notes to accounts.

Your Directors report that Hon'ble Additional City Civil Court Bangalore, has issued an interim injunction order from exercising their rights of alienating, encumbering or creating any manner of charge or third party rights with regard to the allotment of 2300000 Shares to Cimelia Resource Recovery Pte Limited, 3600000 Shares to Restorer Corp Pte. Ltd (Formerly known as Scenic Overseas (S) Pte Ltd) and 3300000 Shares to Leytron Technology Pte Ltd at a premium of Rs. 7.50 per Share on the grounds of non performance of their obligations under the Master Services Agreements signed with them for setting up the E Waste Recycling Plant in India.

Regarding the trade receivables the management is hopeful of recovering the amount from debtors and hence no provision has been made.

PARTICULARS OF EMPLOYEES:

There was no employee drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

There was no complaint lodged by any woman employee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, with the Company during the period under report.

DEPOSITORY SYSTEMS:

Your Company continues with an arrangement with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of your Company's securities in accordance with the provisions of the Depositories Act 1995, which are fully operational and members may avail of such facilities. With this, the members have an option / discretion to hold their demat shares in the Company through National Securities Depositories Limited and/or Central Depository Services (India) Limited.

COMPLIANCE OF STOCK EXCHANGE FORMALITIES:

Your Company has fully complied with the Listing formalities of all the Stock Exchanges where the Company's shares are listed. Your Directors have taken necessary action in connection with the Guidelines/Regulations issued by Securities and Exchange Board of India (SEBI) on Insider Trading.

ACCOUNTING STANDARDS:

The Company has followed the mandatory Accounting Standards for preparation of Financial Statements for the period ended 31st March, 2014.

CORPORATE GOVERNANCE:

The Company has complied with all the recommendations of Corporate Governance Code as provided in Clause 49 of the Listing Agreement. A detailed report on Corporate Governance has been included separately in the Annual Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company is committed to transparency, good Internal Controls and risk Management. It has established Adequate System of Internal Control commensurate with size of the business.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is Nil.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings: Rs.4.64 Lakhs

Foreign Exchange Outgo: Rs.0.93 Lakhs

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DIRECTORS' RESPONSIBILITY STATEMENT:

As per Section 217(2AA) of the Companies (Amendment) Act, 2000 your Directors hereby confirm that –

- In the preparation of these annual accounts, the applicable accounting policies and standards are followed, as issued by the Institute of Chartered Accountants of India (ICAI) and the requirements of the Companies Act, 1956, to the extent applicable. No material departures are noticed from the prescribed accounting standards;
- The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company as at the end of the period ended March 31, 2014 and of the "Profit/(Loss)" of the Company for that year;
- The accounts for the period ended 31.03.2014 have been prepared on a system of historical cost, on a going concern and on accrual basis;
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud, errors and other irregularities;
- Financial Statements have been audited by Messrs Ishwar & Gopal, Chartered Accountants, Bangalore, being the Statutory Auditors of the Company.

UNUSUAL ITEMS AFTER THE YEAR END DATE:

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and for the financial year in which this report is made.

ACKNOWLEDGEMENTS:

Your Directors thank the Shareholders/Investors for their response and confidence, Customers, Vendors, Bankers, Channel Partners, Software Technology Park of India, the various Central Government Departments and State Government Departments for their invaluable co-operation and support for your Company's survival.

For and on behalf of the Board

Place: Bangalore
Date: 14th August 2014

V Ranganathan
Managing Director

Shridhar S. Hegde
Whole time Director

DETAILS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES 2013-14

(in Rs.)

Particulars	Cerebra LPO India Limited	Cerebra Middle East FZCO, Dubai	Geeta Monitors Private Limited	Cerebra E Waste Recovery Pte Ltd, Singapore
Share Capital	5,00,000	12,23,103	4,99,99,500	44
Reserves	2,06,63,640	1,81,53,458	4,72,83,022	1265229.24
Details of Investment	3,50,000	11,00,793	4,28,39,580	42839580
Total Assets	7,94,37,607	13,06,83,192	30,44,02,528	68656908
Total Liabilities	7,94,37,607	13,06,83,192	30,44,02,528	68656908
Turnover	78,39,948	33,20,16,260	36,37,22,459	0
Profit before tax	(32,84,116)	1,55,64,415	83,56,554	-34018
Provision for tax	-	0	25,07,369	0
Profit after tax	(32,84,116)	1,55,64,415	58,49,185	-34018
Proposed Dividend	Nil	Nil	Nil	Nil

REPORT ON CORPORATE GOVERNANCE (In terms of recommendations by SEBI)**INTRODUCTION:**

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.

I. BOARD OF DIRECTORS:

A. The Board of Directors of the Company has 3 Executive and 3 Non-Executive Independent Directors.

After due circulation of agenda and notes thereon, the Board of Directors have 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 details of the Directors' attendance at the Meetings of the Board of your Company during the 6 months' period ended 31.03.2014 are given below:

(Amount in Rs.)

Sl. No.	Name	Designation	No. of Board Meetings held	No. of Board Meetings Attended
Executive/Wholetime Directors				
	Messrs			
1.	V Ranganathan	Managing Director	02	02
2.	Gururaj K Upadhya**	Whole Time Director	02	01
3.	Shridhar S Hegde	Whole Time Director	02	02
4.	P Vishwamurthy	Whole Time Director	02	02
Non Executive and Independent Directors				
5.	Suresh Kumar TS	Director	02	02
6.	PE Krishnan	Director	02	02
7.	S Gopalakrishnan	Director	02	02

** Mr. Gururaja K Upadhya ceased as Director Technical and Director from 14.2.2014.

All the Directors including Chairman of the Audit Committee except and Mr. P E Krishnan, attended the Nineteenth Annual General Meeting.

The Board has taken effective steps to incorporate the changes required as per the Companies Act, 2013.

II. AUDIT COMMITTEE:

The functions of Audit Committee are as follows:

- To oversee the Company's financial reporting process and disclosure of its financial information;
- To recommend the appointment of statutory auditors and fixation of the audit fee;
- To review and discuss with the auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit function, major accounting policies, practices and entries;
- Compliance with accounting standards;
- Compliance with the Stock Exchange and legal requirements concerning financial statement and related party transactions, if any;
- To review the Company's financial and risk management policies;
- Discuss with the internal auditors any significant findings for follow-up thereon;
- To review the quarterly, half yearly and annual financial statement before submission to the Board of Directors.

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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 Directors:

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 Audit Committee for the 6 months' period ended 31.03.2014 are as follows:

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

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.

III REMUNERATION COMMITTEE:

The functions of Remuneration Committee are as follows:

- To review, assess and recommend the appointment of executive and non-executive Director from time to time;
- Periodically review the remuneration package of the executive Directors and recommend suitable revision to the Board;
- To recommend compensation to the non-executive Directors in accordance with the provisions of the Companies Act, 1956;
- To consider and recommend Employee Stock Option Schemes from time to time and to administer and supervise the same.

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

The Remuneration Committee consists of the following Directors:

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 Remuneration Committee for the 6 months' period ended 31.03.2014 are as follows:

SI No.	Name	No. of meetings held during the year	No. of meetings attended during the year
	Messrs		
1.	S. Gopalakrishnan	NIL	NIL
2.	T.S. Suresh Kumar	NIL	NIL
3.	P.E. Krishnan	NIL	NIL

**Remuneration Committee was renamed as Nomination and Remuneration Committee in compliance with Section 178 of Companies Act, 2013.*

Details of Remuneration of Directors:

(Amount in Rs.)

Sl. No.	Name	Designation	Salary(in Rs)	Sitting fee*
Executive/Wholetime Directors				
	Messrs			
1.	V Ranganathan	Managing Director	600000	NIL
2.	Gururaja K Upadhya	Whole Time Director	450000	NIL
3.	Shridhar S Hegde	Whole Time Director	600000	NIL
4.	P Vishwamurthy	Whole Time Director	600000	NIL
Non Executive and Independent Directors				
5.	Suresh Kumar TS	Director	NIL	NIL
6.	PE Krishnan	Director	NIL	NIL
7.	S Gopalakrishnan	Director	NIL	NIL

Note: No sitting fee was paid to the Directors.

IV. INVESTORS' GRIEVANCES COMMITTEE:

The functions of Investors Grievances 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 Investors' Grievance Committee consists of the following:

1. Mr. S. Gopalakrishnan – Chairman
2. Mr. TS Suresh Kumar – Member
3. Mr. P.E. Krishnan – Member

The Sub-Committee duly appointed by 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 Practicing Company Secretary to review the procedures followed by the RTA. No major grievance of any investor was pending as on 31-03-2014.

None of the Directors of the Company was members in more than 10 committees nor acted as Chairman of more than five committees across all companies in which they were Directors. During 2013-14, no transactions of material nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the Company.

**Investors Grievance was renamed as Stakeholders' Relationship Committee in compliance with Section 178 of Companies Act, 2013.*

V. MANAGEMENT:

Clause 49 of the Listing Agreement with the Stock Exchanges states the following as regards the Management.

The Company agrees that as part of the Directors' Report or as an addition there to, a Management Discussion and Analysis report should form part of the annual report to the Shareholders. This Management Discussion & Analysis should include discussion on the following matters within the limits set by the Company's competitive position:

- i. Industry structure and developments
- ii. Opportunities and Threats
- iii. Segment wise or Product-wise performance
- iv. Outlook
- v. Risks and concerns
- vi. Internal control systems and their adequacy
- vii. Discussion on financial performance with respect to operational Performance
- viii. Material developments on the Human Resources/ Industrial Relations front, including number of people employed

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A 'Management Discussion and Analysis of Results of Operations and Financial Condition' report is included hereunder.

The report contains all the information specified above.

The Company has a policy under which all the Directors of the Company are required to disclose all material financial and commercial transactions where they have a personal interest to the Board. All the related party transactions are disclosed as note no. 9 under Notes to Accounts.

COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:

Mr. Shridhar S Hegde continues to be the Compliance Officer of the Company. Address of the Registered Office of the Company shall be the address for correspondence.

Details of Annual General Meeting (AGM):

Year	Location	Date	Time
2010-11	Registered Office of the Company	17.12.2011	11 AM
2011-12	Registered Office of the Company	29.12.2012	11 AM
2012-13	Registered Office of the Company	31.12.2013	11 AM

Means of Communication:

Quarterly results are forwarded to the Stock Exchanges, Published in English and Kannada Newspapers and are made available to the investors.

GENERAL SHAREHOLDERS' INFORMATION:

The following information would be useful to the Shareholders:

1. Annual General Meeting Date and Time: 29.09.2014 at 10 AM
2. Financial Calendar: 01.10.2013 to 31.03.2014
3. Book Closure Date: 29.09.2014
4. Listing on Stock Exchange at:
 - a. Bombay Stock Exchange Limited (BSE)
 - b. National Stock Exchange of India Limited (NSE)

5. Depositories:

National Securities Depository Limited

Central Depository Services Limited

Stock Code: BSE – 532413

NSE: Cerebraint

Demat arrangement with NSDL and CDSL: INE345B01019.

6. Registrars & Share Transfer Agents:

Karvy Computershare Private Limited,

Plot No 17 to 24 Vittal Rao Nagar

Madhapur Hyderabad - 500 081

Phone: 040 - 23420818 - 824 Fax - 040-23420814

Email: shobha.anand@karvy.com

7. Stock Market Data:**BSE Limited****Scrip Code:** 532413 **Company:** CEREBRA INT**For the Period:** October 2013 to March 2014

Month	Open Price	High Price	Low Price	Close Price
October 2013	8.38	11.3	7.37	9.1
November 2013	9.55	9.95	8.02	9.36
December 2013	9.81	10.3	8.38	8.99
January 2014	9.1	9.39	7.5	7.55
February 2014	7.5	8.1	6.73	6.85
March 2014	7.08	8.1	5.7	6.29

National Stock Exchange of India Limited, (NSE)
CEREBRAINT

Month	Open Price	High Price	Low Price	Close Price
October 2013	7.9	11	7.3	9.95
November 2013	9.85	10	7.6	9.95
December 2013	9.7	10.1	8.5	9.3
January 2014	9.1	9.3	7.35	7.4
February 2014	7.9	7.95	6.65	6.95
March 2014	6.4	7.5	5.55	5.95

8. 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.

9. Distribution of Shareholding as at March 31, 2014:

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
0-5000	6076	74.726357	1032298	10322980	2.15%
5001 - 10000	728	8.953388	626149	6261490	1.30%
10001 - 20000	444	5.460583	730037	7300370	1.52%
20001 - 30000	196	2.410528	513862	5138620	1.07%
30001 - 40000	94	1.156069	340662	3406620	0.71%
40001 - 50000	103	1.266757	494586	4945860	1.03%
50001 - 100000	184	2.262944	1445414	14454140	3.01%
100001 & Above	306	3.763375	42909674	429096740	89.22%
TOTAL	8131	100%	48092682	480926820	100.00%

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10. Categories of Shareholding as at March 31, 2014:

Category	No. of shares held	% of holding
<u>Promoters Holding:</u>		
i. Indian Promoters	3442982	7.16
ii. Foreign Promoters	0	0
Sub Total	3442982	7.16
<u>Non-Promoters Holding:</u>		
i. Mutual Fund and UTI	0	0
ii. Banks, Financial Institutions and Insurance companies	0	0
iii. Bodies Corporate	16780563	34.89
iv. Indian Public	18109474	37.66
v. NRIs/OCBs	550692	1.15
vi. Foreign Collaborators	9200000	19.13
vii. Others – Clearing Members	8971	0.01
Sub Total	44649700	92.84
Grand Total	48092682	100

11. Dematerialization of shares and liquidity as at 31-03-2014: Control Report as on 31-03-2014

Description	No of Holders	Shares	% To Equity
PHYSICAL	1629	7237827	15.05
NSDL	4469	31658121	65.83
CDSL	2033	9196734	19.12
Total	8131	48092682	100.00

Comparative position as on 31-03-2014

Description	No of Holders	Shares	% to Equity
PHYSICAL	1629	7237827	15.05
ELECTRONIC FORM	6502	40854855	84.95
Total	8131	48092682	100.00

12. Number of days taken for dematerialization: 15 Days from the date of physical documents received

13. Dematerialization requests from 01-10-2013 to 31-03-2014:

SL. No.	Depositories	No. of Cases	No. of Shares	% of Shares
1.	NSDL	8	1200	0.00
2.	CDSL	2	200	0.00

14. Postal Ballot:

No Resolution was passed during the year attracting Postal Ballot and no resolution attracting Postal Ballot is recommended at this meeting.

15. Report on Corporate Governance:

This report together with the information given in Directors Report constitutes a detailed compliance report on Corporate Governance during the current year.

16. Disclosures regarding suspense account pursuant to SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009:

As per the above mentioned Circular, Clause 5A stands for shares issued pursuant to the public issues or any other issue which remain unclaimed and are lying in the escrow account and any unclaimed benefits like Dividend, Bonus Shares etc., which are to be credited to the Demat Suspense Account. This being the first year after the circular coming into force from April 2009, your Company is taking steps to streamline all the requirements.

For and on behalf of the Board

Place: Bangalore
Date: 14th August 2014

V Ranganathan
Managing Director

Shridhar S Hegde
Whole time Director

Certification by CEO (Managing Director)

I, V. Ranganathan, Managing Director of Cerebra Integrated Technologies Limited, certify that;

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements give a true and fair view of the state of affairs of the company and the results or operations and cash flows. These statements have been prepared in conformity in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by
 - a. The Company during the year, which are fraudulent, illegal and violative of the Company code of conduct.
3. We accept overall responsibility for the Company's internal control system for financial reporting. The Auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and Audit Committee
 - a. Any significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year.
 - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such instances.

Place : Bangalore
Dated : 14th August 2014

V. Ranganathan
Managing Director

CERTIFICATE**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER
CLAUSE 49 OF THE LISTING AGREEMENTS**

To
The Members of
Cerebra Integrated Technologies Limited
Bangalore

I have examined the compliance of the conditions of Corporate Governance by Cerebra Integrated Technologies Limited for the period ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's 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 above mentioned Listing Agreement.

I state that in respect of investors' grievances received during the period ended 31st March, 2014, no investor grievances are pending against the Company as on period ended 31st March, 2014, as per the records maintained by the Registrar and Share Transfer Agent and the Company.

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 : 14th August 2014

Vijayakrishna K T
Practicing Company Secretary
FCS-1788
CP-980

Forward looking statement

In this annual report, we have mentioned certain forward looking information to enable investors to comprehend our business model and future prospects and make informed investment decisions. This annual report and other communications from us, oral or written, may include certain forward looking statements that set out certain anticipated results based on management's assumptions and plans. Even though the management believes that they have been prudent in making such assumptions, we cannot guarantee that these forward looking statements will be realized. We undertake no obligation to update forward looking statements. The achievement of results is subject to various risks, known and unknown. We request readers to bear this in mind while reading this report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Report on the Financial Statements

- 1 We have audited the accompanying financial statements of Cerebra Integrated Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Profit and Loss Account, of the profit for the period ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Emphasis of Matter

- 7 **Without qualifying our report, we draw attention to:**

- a. **Share application Money and advance to a wholly owned subsidiary amounting to Rs.6,73,91,635/-(refer Note 2 B (11) to account) utilized towards payment of initial deposit for acquisition of company which was aborted subsequently.**
- b. **Capital advances amounting to Rs 16,98,48,000 (refer Note 2B(12) and Trade receivables and advances amounting to Rs 10,46,07,626 (refer note 2B(13) to accounts) outstanding for substantial period ,pending recovery/adjustments.**

Report on Other Legal and Regulatory Requirements

- 8 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 9 **As required by section 227(3) of the Act, we report that:**
 - a. we have 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 appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for Ishwar & Gopal,
Chartered Accountants
Firm's Registration Number : 001154S

K V Gopalakrishnayya
Partner
Membership Number 021748
Place of Signature : Bangalore
Date: 29.05.2014

ANNEXURE TO AUDITORS' REPORT AS REFERRED TO IN CLAUSE 9 OF OUR REPORT TO THE MEMBERS OF CEBRA INTEGRATED TECHNOLOGIES LIMITED

- i. a. The Company has maintained records showing full particulars, including quantitative details and the situation of its fixed assets on the basis of available information.
- b. All the assets have not been physically verified by the management during the period but there is a program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its business. According to the information and explanation given to us, no discrepancies were noticed on such verification.
- c. During the period under review, the Company has not disposed off substantial part of the assets and the going concern status of the Company is not affected.
- ii. a. Inventories were physically verified during the period by the management. In our opinion, the frequency of verification is reasonable;
- b. In our opinion and according to the information and explanations given to us the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business;
- c. The discrepancies between the physical stocks and the book records arrived at on an annual reconciliation, wherever applicable, as noticed on physical verification were not material and have been properly dealt with in the books of account.
- iii. a. According to information and explanation given to us, the Company has granted interest free unsecured advances to four subsidiaries covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved at any time during the period was Rs. 16,25,56,241/- and period end balance was Rs. 16,25,56,241/-.
- b. As per the information and explanation given to us, there are no terms and conditions attached to these loans. Hence we are not able to express an opinion as to whether the terms and conditions on which the said advances have been granted by the Company are prima facie, prejudicial to the interest of the Company.
- c. As per the information and explanation given to us, there are no stipulations as to repayment of principal or interest, we are not able to express an opinion as to whether the payment of principal and interest was regular;
- d. In respect of the aforesaid loans, we are not able to express an opinion as to whether reasonable steps have been taken by the Company for recovery of principal and interest;
The Company has not taken loans from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence clause 4 (iii) (e) to (g) of the Companies Auditor's Report Order, 2003 (as amended) is not applicable to the Company for the period under review.
- iv. In our opinion and according to the information and explanations given to us, the internal control procedures need to be strengthened to make it commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts and arrangements and exceeding the value of Rs. Five Lakhs in respect of any party during the period. Accordingly, the provisions of clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- vi. The Company has not accepted any deposits from public and hence the provisions of section 58A and 58AA of the companies Act, 1956 and rules framed there under during the period under review. We have been informed that no order has been passed by the Company Law Board.
- vii. In our opinion, the Company's internal audit system needs to be strengthened to make it commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the Company.
- ix. a. The Company has been regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty and other material statutory dues applicable except as detailed in clause (b) below.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and cess were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable except for sales tax and excise duty.

Name of the Statute	Nature of the dues	Amounts in INR	Period to which it relates	Due Date	Date of Payment
Income Tax Act, 1961	Income tax	899,914	2001-02	Various dates	Not paid as on the date of this report
Central Excise Act, 1944	Excise Duty	28,09,259	2002-2003	Various dates	Not paid as on the date of the report
The Maharashtra Value Added Tax Act, 2002	Sales tax	5,61,421	2010-11 to 2012-13	Various dates	Not paid as on the date of this report

- c. According to the information and explanation given to us, there are no disputed dues of income tax, wealth tax, customs duty, sales tax, excise duty and cess which have not been deposited with the relevant authorities on account of any dispute.
- x. The accumulated losses of the Company did not exceed 50% of the net worth of the Company at the end of the financial period. The Company has not incurred cash losses during the financial period covered by our audit and in the immediately preceding financial period.
- xi. Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions / banks / debenture holders.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clauses 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments during the period under audit. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. As far as we could ascertain, the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvi. In our opinion and according to the information and explanation given to us the Company has not availed any term loans during the period under review.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xix. According to the information and explanations given to us, the Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 regarding creation of securities are not applicable.
- xx. The Company has not raised any monies by way of public issue during the period. Accordingly, the provisions of paragraph 4(xx) of the Companies (Auditor's Report) Order, 2003 regarding end use of money are not applicable.
- xxi. According to the information and explanations given to us, no frauds on or by the Company that causes material misstatements to financial statements have been noticed or reported during the period.

for Ishwar & Gopal,
Chartered Accountants
Firm's Registration Number : 001154S

K V Gopalakrishnayya
Partner
Membership Number 021748
Place: Bangalore
Date: 29.05.2014

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

BALANCE SHEET AS AT 31st March 2014

Amount in Rupees

PARTICULARS	Note No	As at 31-March-2014		As at 30-Sep-2013	
EQUITY AND LIABILITIES					
Shareholders' funds					
a. Share Capital	3	481,028,320		481,028,320	
b. Reserves and Surplus	4	408,248,416		399,527,149	
c. Money received against share warrants		-	889,276,736	8,668,603	889,224,072
Non-current liabilities					
a. Long Term borrowings	5	532,083		704,894	
b. Long term provisions	6	1,779,365	2,311,448	2,148,124	2,853,018
Current Liabilities					
a. Trade payables	7	500,201,717		94,071,369	
b. Other Current liabilities	8	11,877,648		10,852,188	
c. Short term provisions	9	2,749,318	514,828,683	9,511,808	114,435,365
TOTAL			1,406,416,867		1,006,512,455
ASSETS					
Non-current assets					
a. Fixed Assets					
Tangible Assets	10	65,757,932		66,890,788	
b. Non-current investments	11	44,290,417		44,290,417	
c. Long term loans & advances	12	399,383,369		401,626,990	
d. Other non current assets	13	165,100	509,596,818	190,100	512,998,295
Current Assets					
a. Current Investments	14	293,223		284,359	
b. Inventories	15	10,799,418		10,087,702	
c. Trade receivables	16	763,772,000		365,565,416	
d. Cash & Cash equivalents	17	14,710,198		40,043,668	
e. Short term loans & advances	18	97,846,610		67,833,954	
f. Other Current assets	19	9,398,600	896,820,049	9,699,061	493,514,160
TOTAL			1,406,416,867		1,006,512,455
Significant accounting policy and additional information	1 & 2				

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants

For & on behalf of the Board

K.V.Gopalakrishnayya
Partner
Membership No : 021748
Firm registration No : 001154S
Bangalore,
Date : 29.05.2014

V. Ranganathan
Managing Director

Shridhar.S.Hegde
Whole time Director

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31st March 2014

Amount in Rupees

Particulars	Note No.	For the period ended 31st-Mar-2014 (6 months)		For the year ended 30th-Sep-2013 (12 months)	
Income:					
Revenue from operations	20		611,684,228		1,228,370,043
Other Income	21		1,477,678		14,735,014
Total Revenue			613,161,906		1,243,105,057
Expenses:					
Cost of materials consumed	22		884,659		696,039
Purchase of Stock-in-Trade	23		594,262,444		1,163,799,766
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	24		-		147,739
Employee benefits expense	25		6,151,775		17,845,377
Financial costs	26		433,507		1,188,675
Depreciation and amortization expense	27		961,215		2,061,310
Other expenses	28		10,415,643		27,286,892
Total Expenses			613,109,243		1,213,025,798
Profit before tax			52,663		30,079,259
Tax expense / (Credit):					
Current tax			617,549		2,903,869
MAT Credit Entitlement (including Rs. Nil (Rs. 6425363/-) related to previous year)			(617,549)		(8,548,880)
Profit after Tax for the Year			52,663		35,724,270
Earning per equity share of Rs 10/ each					
(1) Basic			0.00		0.74
(2) Diluted			0.00		0.74
Significant accounting policy and additional information	1 & 2				

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants

For & on behalf of the Board

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

V. Ranganathan
Managing Director

Shridhar.S.Hegde
Whole time Director

Bangalore,
Date : 29.05.2014

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31st March 2014

Particulars	Amount in Rupees	
	For the period ended 31st-March-2014 (6 months)	For the year ended 30th-Sep-2013 (12 months)
A. Cashflow from operating activities		
Net Profit before tax and extraordinary items	52,663	30,079,259
Adjustments for:		
Depreciation (net)	961,215	2,061,310
Interest expenditure	433,507	1,188,675
Interest income	(421,207)	(1,914,230)
Dividend Income	(8,863)	(634,617)
Foreign Exchange (gain)/loss	-	(10,956,455)
Bad debts written off	5,847,986	907,723
Loss on discard of fixed assets	194,270	41,146
Operating Profit /(Loss) before working capital changes	7,059,570	20,772,811
Adjustment for changes in :		
Increase in Inventories	(711,716)	(2,852,714)
Increase in Trade & other receivables	(382,155,210)	681,924,425
Increase in Trade & Other Payable	406,774,396	(721,291,154)
	<u>23,907,470</u>	<u>(42,219,443)</u>
Cash generated from operations	30,967,040	(21,446,632)
Income tax paid (net)	(7,367,387)	804,416
Net Cash flow before extraordinary items	23,599,653	(20,642,216)
Net cashflow from Operating Activities	23,599,653	(20,642,216)
B. Cash Flow from Investing activities		
Interest Income	1,339,217	1,382,132
Dividend income	-	634,617
Investment in Subsidiary	-	(13,462,456)
Purchase of fixed assets including capital WIP & capital advances	(19,270,190)	(8,620,697)
Sale of fixed assets	-	289,448
Purchase of investments	-	(44)
Sale of Investments	25,000	30,834,611
Net cash used in Investing Activities	(17,905,973)	11,057,611
C. Cashflow from Financing Activities		
Advance to Subsidiary	(30,420,833)	(43,263,766)
Increase in borrowings	(172,810)	(433,952)
Interest paid	(433,507)	(1,188,675)
Net Increase / (Decrease) in Cash & Cash equivalents (A+B+C)	(25,333,470)	(54,470,998)
Cash & Cash equivalents		
Opening Balance	40,043,668	94,514,666
Closing Balance	14,710,198	40,043,668
Net Increase / (Decrease) in Cash and Cash equivalents	(25,333,470)	(54,470,998)

As per our Report of even date
For Ishwar & Gopal,
Chartered Accountants

For on behalf of the Board

K V Gopalakrishnayya
Partner
M No 021748
Firm Registration No 001154S

V. Ranganathan
Managing Director

Shridhar S Hegde
Whole time Director

Place: Bangalore
Date: 29.05.2014

1. CORPORATE INFORMATION:

Cerebra Integrated Technologies Limited (the Company) was incorporated under the Companies Act, 1956 with registered office at Bangalore, India. The company is listed on Bombay Stock Exchange & National Stock Exchange. The company is primarily engaged in Manufacturing, Trading of Computer Systems, and Peripherals. The company is also in to the business of providing I T Services and e-Waste management.

2. A. SIGNIFICANT ACCOUNTING POLICIES:

a) SYSTEM OF ACCOUNTING:

The Accounts have been prepared and presented in accordance with Indian Generally Accepted Accounting Practices (GAAP) under the historical cost convention on the accrual basis of accounting following. GAAP comprises of mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified) and Companies Act, 1956, to the extent applicable and guidelines issued by the Securities Exchange Board of India (SEBI). The accounting policies have been consistently applied by the Company. The financial statements are prepared in Indian Rupees.

b) USE OF ESTIMATES:

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognized in the period in which the estimates are revised and in any future period affected.

c) TANGIBLE ASSETS, INTANGIBLE ASSETS AND CAPITAL WIP:

Fixed assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization.

d) DEPRECIATION:

Depreciation has been provided on assets on straight line method in accordance with the provisions of Schedule XIV of the Companies Act, 1956 Depreciation on additions/deletion during the year has been provided for on pro-rata basis. Assets purchased/installed during the year costing less than Rs. 5000/-are fully depreciated.

e) INVESTMENTS:

Long term investments are stated at cost less diminution other than temporary decline in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

f) RETIREMENT AND OTHER TO EMPLOYEE BENEFITS:

i. **Short term employee benefits:** All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and expected cost of bonus, are recognized in the period in which employee renders the related service.

ii. **Post employee benefits:**

Defined Contribution plans: The state governed provident fund scheme, and insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related services.

Defined benefits Plans: The employee gratuity fund scheme is a defined benefits plan. Wherever applicable, the present value of obligations under defined benefit plans is determined based on actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation.

The obligation is measured in the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yield on the Government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

The obligations for long term employee benefits such as long term compensated absences, etc. is recognized in the similar manner as in the case of defined benefit plans mentioned above.

g) REVENUE RECOGNITION:

i. Revenue from sale of goods is recognized when significant risk and rewards of the ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to the customers. Sales include applicable

excise duty but exclude sales tax. Warranty charges forming part of the sales are not recognized separately and expenditure incurred in this regard is accounted when incurred.

- ii. Income from IT services is recognized upon completion of milestones wherever payments are linked to such milestones. In cases where payments are based on completion of each man-hour, man-days, man-month of service rendered, revenue is recognized upon respective completion of the same.

h) INVENTORY:

Inventories are valued at lower of cost or net realizable value and cost is determined on FIFO basis.

i) FOREIGN CURRENCY TRANSACTIONS:

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates closely approximating those prevailing on the date of transaction.

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at period end are restated at the closing rate. The difference arising from the restatement is recognized in the statement of profit and loss.

j) ACCOUNTING FOR CLAIMS & CONTINGENCIES:

All known liabilities of material value have been provided for in the accounts except liabilities of contingent in nature, which have been disclosed at their estimated value in the notes to account in accordance with accounting standard (As 29). As regards, provisions, it is only that obligation arising from past events existing independently of enterprise's future actions that are recognized as provisions. Contingent liabilities are not recognized but are disclosed in the additional information. Contingent assets are neither recognized nor disclosed in the financial statement.

k) IMPAIRMENT OF ASSETS:

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for short-term receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognized in the statement of profit and loss. If at the balance sheet date there is any indication that if a previously assessed impairment loss no longer exists, the recognized impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

l) EARNINGS PER SHARE

Basic Earnings per share are calculated by dividing net profit or loss for the year attributable to equity share holders (after deducting attributable taxes and dividend on cumulative preference shares for the year) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Taxes:

Income tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes has been computed after considering Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward and set off against future tax liabilities computed under regular tax provisions. Accordingly, MAT credit has been recognized, wherever applicable on the balance sheet date which can be carried forward for a period prescribed under the tax regulations.

Deferred tax:

Deferred tax asset are not recognized in view of prudence in respect of unabsorbed losses / depreciation and other benefits as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

n) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from regular revenue generating, financing, and investing activities of the company are segregated.

B. ADDITIONAL INFORMATION:

(Amounts are in INR unless otherwise stated)

a) Employee benefits:**1. Gratuity****Change in present value obligation:**

Particulars	Period ended 31-Mar-2014	Year ended 30-Sep-13
Present Value of Funded Obligation	0	0
Fair Value of plan asset	0	0
Present Value of unfunded obligation	17,54,576	21,52,492
Unrecognized Past service cost		0
Amount not recognized as an asset		0
Net liability	17,54,576	21,52,492
Amounts in balance sheet		
Liability	17,54,576	21,52,492
Asset		0
Net liability is bifurcated as follows		
Current liability	83,019	1,01,151
Non-Current liability	16,71,557	20,51,341
Net liability	17,54,576	21,52,492

Expense recognized in the statement of profit and loss

Particulars	Period ended 31-Mar-2014	Year ended 30-Sep-13
Current Service Cost	60,471	2,50,728
Interest on defined benefit obligation	1,02,252	2,00,230
Expected return on Plan assets	-	-
Net Actuarial (gains)/Loss recognized in the year	(5,60,639)	(5,08,616)
Total included in employee benefit expenses	(3,97,916)	(57,658)
Actual return on Plan Assets	-	-
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	21,52,492	22,10,150
Current Service Cost	60,471	2,50,728
Interest Cost	1,02,252	2,00,230
Actuarial Losses / (Gain)	(5,60,639)	(5,08,616)
Closing Defined Benefit Obligation	17,54,576	21,52,492
Expected employer contribution next year	83,019	1,01,151

Economic Assumption

Particulars	Percentage
Discounting rate	9.20%
Salary escalation rate	7.00%

Demographic Assumption

Retirement age	58 years
Mortality table	LIC(1994-96) mortality table
Leaving service rates	
Age(years)	Rates
21-30	15%
31-34	10%
35-44	5%
45-50	3%
51-54	2%
55-57	1%

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b) Leave salary:

Particulars	Period ended 31-Mar-2014	Year ended 30-Sep-13
Present Value of Funded Obligation	-	-
Fair Value of plan asset	-	-
Present Value of unfunded obligation	1,25,294	1,11,829
Amount in balance sheet		
Liability	1,25,294/-	1,11,829
Asset	-	-
Net liability is bifurcated as follows		
Current liability	17,486	15,046
Non-current liability	1,07,808	96,783
Net Liability	1,25,294	1,11,829
Expenses recognized in the statement of profit and loss	13,465	(75,749)

- 2) Value of Import on CIF basis
 - a) Trading goods Rs. 39,19,696/- (PY Rs. 56,96,795/-)
- 3) Earning in foreign exchange
 - a) Export sales – Hardware Rs. NIL (PY Rs. 1,62,816)
 - b) Export –Software services Rs. 4,63,836/- (PY Rs. 2,92,09,129/-)
- 4) Expenditure in Foreign currency

Foreign Travel Rs. 34,122/-(7,71,370)

Others -59,089/-(11,33,296)

5) Earning per share

Sl. No.	Particulars	Period ended 31-Mar-2014	Year ended 30-Sep-13
1.	Profit after tax considered for calculation of basic and diluted earnings per share	52,665	3,57,24,270
2.	Weighted average number of equity shares considered for calculation of basic earnings per share	4,80,92,682	4,80,92,682
3.	Weighted average number of equity shares considered for calculation of diluted earnings per share	4,80,92,682	4,80,92,682
4.	Earnings per share – Basic	0.0010	0.74
5.	Earnings per Share – Diluted	0.0010	0.74

6. Directors Remuneration:

Particulars	Period ended 31-Mar-2014	Yearended 30-Sep-13
Salary	22,50,000	48,00,000
Contribution to Provident Fund	1,35,000	2,62,030
Total	23,85,000	50,62,030

- 7) Balances of Sundry Debtors, Advances given to parties, Sundry Creditors and advances received from parties are subject to confirmation.
- 8) Due to Micro, small & medium enterprises
As per the records maintained by the company there are no dues to the Micro, small & medium enterprises as on the date of balance sheet.

9) **Related Party Disclosure**

Cerebra LPO India Limited	Subsidiary
Cerebra Middle East FZCO	Subsidiary
Geeta Monitors Private Limited	Subsidiary
Cerebra E-Waste Recovery Pte Ltd.	Subsidiary

Key Management Personnel

Name	Designation
V Ranganathan	Managing Director
K Gururaj Upadya	Director
P Vishwamurthy	Director
Shridhar S Hegde	Whole time Director

The Company has the following transactions with related parties:

Transaction during the year:

Particulars	Period ended 31-Mar-2014	Year ended 30-Sep-13
V Ranganathan Remuneration paid	6,36,000	13,15,000
Gururaj K Upadya Remuneration paid	4,50,000	13,15,000
P Vishwamurthy Remuneration paid	6,36,000	13,15,000
Shridhar S Hegde Remuneration paid	6,36,000	13,15,000

Balance with Related parties:

Particulars	Period ended 31-Mar-2014	Year ended 30-Sep-13
i. Cerebra LPO India Limited - Balance Receivable	5,34,14,633	4,45,62,599
ii. Cerebra Middle East FZCO - Balance Receivable	4,17,49,973	1,95,96,059
iii. Geeta Monitors Private Limited - Balance Payable - Balance Receivable	31,63,458 -	29,56,022 38,52,169
iv. Cerebra Ewaste Recovery Pte Limited, Singapore - Balance Receivable	6,73,91,635	6,79,76,747

- 10) Lease hold land amounting Rs.5,06,39,394/- (PY- Rs.5,06,39,394/-) 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.
- 11) Share application money amounting **Rs 1,34,62,456** (Previous year 1,34,62,456) and advance to a Subsidiary amounting Rs 5,45,14,291 (Previous Year Rs 5,45,14,291) relates to remittance made to Cerebra E waste recovery Pte Limited. As per the Share Purchase Agreement (SPA) entered between the Company and Enviro-Hub Holdings Limited Singapore (Enviro) the subsidiary Company remitted US\$ 12,50,000 equivalent to Rs 6,79,76,747 (Previous Year Rs 6,79,76,747) 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 the acquisition. The Company is negotiating with Enviro seeking refund the initial deposit and is confident of amicable settlement of the matter. Considering the opinion of the consultants no provision is made in the accounts towards this advance.

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12) Capital advance includes :

- (i) Rs. 4,02,50,000 (Previous Year Rs 4,02,50,000) was advanced to Cimelia Resource Recovery Pte Limited Singapore (Cimelia) on 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.
- (ii) Rs. 6,30,00,000 (Previous Year Rs. 6,30,00,000) was advanced to Restorer Corp Pte Limited, formerly known as Scenic Overseas (S) Pte Limited (Scenic) on 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.
- (iii) Rs. 5,77,50,000 (Previous Year Rs. 5,77,50,000) was advanced to Leytron Technology Pte Limited (Leytron) on 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.
- (iv) All the above allotments were made based on the approvals obtained from the FIPB, Government of India, and the Bombay Stock Exchange Ltd, Mumbai.
- (v) Rs. 88,48,000 (Previous Year Rs. 88,48,000) represents balance in advance account from Scenic. US \$ 2,25,000 was advanced to Scenic on 24th May 2011 towards supply of plant and machinery against which mobile shredder valued US \$ 25,000 was supplied by them so far.
- (vi) Further, the Company has obtained an interim injunction order from Honorable Addl. City Civil Court Bangalore restraining the above mentioned parties from alienating, encumbering or creating any manner of charge or third party rights over the shares allotted to them as detailed above.
- (vii) Considering the above, no provision is made in the accounts towards these advances.

13) Trade Receivables includes Rs 10,46,07,626/- (P.Y 7,54,70,660/-) outstanding for substantial period. No provision has been made in the books.

14) Operating Leases:

The Company has taken various premises under cancelable leases. These lease agreements are normally renewed on expiry.

The lease agreements provide an option to the Company to renew the lease period at the end of the non-cancelable period. There are no exceptional / restrictive covenants in the lease agreements.

Contingent rent recognized in the profit & Loss Account NIL

Obligation under Leases

Particulars	Period ended 31-Mar-2014	Year ended 30-Sep-13
Lease rent recognized during the year	2,62,402	20,73,700
Within one year of the Balance Sheet date	5,40,504	5,29,596
Due in a period between one year and five years	17,89,137	23,96,750
Due after five years	Nil	Nil

15) Details of non-resident share holders:

Particulars	Period ended 31-Mar-2014	Year ended 30-Sep-13
Number of Non-resident share holders	33	33
Number of shares held by non-resident share holders	96,93,891/-	96,93,891/-
Amount remitted during the year in foreign currency on account of Dividends	Nil	Nil

16) The figures of the current period represent the performance of the Company is for a period of six months i.e., from 1st October 2013 to 31st March 2014 and are not comparable with the previous year figures. Figures in bracket relate to previous year. Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st March 2014

Amount in Rupees

Note No.	Particulars	As at 31-03-2014		As at 30-09-2013	
3	Share Capital	Number	Amount in INR	Number	Amount in INR
	Authorised				
	a. Equity Shares	50,200,000	502,000,000	50,200,000	502,000,000
	b. Issued				
	Equity Shares	48,092,682	480,926,820	48,092,682	480,926,820
	Subscribed and fully paid up				
	Equity Shares	48,092,682	480,926,820	48,092,682	480,926,820
	Add: Forfeited Shares-originally paid for 20300 shares		101,500		101,500
	Total		481,028,320		481,028,320

c. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Number	Amount in INR	Number	Amount in INR
Equity Shares				
Outstanding at the beginning of the period	48,092,682	480,926,820	48,092,682	480,926,820
Outstanding at the end of the period	48,092,682	480,926,820	48,092,682	480,926,820

d 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.

e 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 paying received in cash

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

Name of the Shareholder	No. of shares held	% of holding	No. of shares held	% of holding
Restorer Corp Pte Limited [Formerly: Scenic overseas(s) Pte Ltd. Singapore]	3,600,000	7.49	3,600,000	7.49
Leytron Technology Pte Ltd. Singapore	3,300,000	6.86	3,300,000	6.86
Lpp Developers Pvt. Ltd.	2,700,000	5.61	2,700,000	5.61

4 RESERVES & SURPLUS

Capital Reserve

Balance as per last financial statement	14,008,622		14,008,622	
Add : Forfeiture of warrant application money received	8,668,603		-	
Balance as at the end of the year		22,677,225		14,008,622

Securities Premium Account

Balance as per last balance sheet		563,652,876		563,652,876
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Surplus / (Deficit) in Statement of Profit & Loss

Balance as per last financial statement	(178,134,349)		(213,858,619)	
Profit for the year	52,663		35,724,270	
Net surplus / (Deficit) in statement of Profit & Loss		(178,081,685)		(178,134,349)

Total Reserves & Surplus

	408,248,416		399,527,149	
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NOTES TO THE FINANCIAL STATEMENTS AS AT 31st March 2014

Amount in Rupees

Note No.	Particulars	As at 31-03-2014	As at 30-09-2013
5	LONG TERM BORROWINGS		
	Term Loans		
	- From Banks - Secured	881,212	980,758
	Less: Instalments of term loan payable within a year considered as current liabilities	349,129	275,864
	Net Long term borrowings	532,083	704,894
	Term loan from banks is secured by hypothecation of vehicles		
	Schedule of repayment of loan is as under		
	Year	Amount in INR	
	2014-15	349,129	
	2015-16	337,767	
	2016-17	194,316	
6	LONG TERM PROVISIONS		
	Provision for		
	- Gratuity	1,671,557	2,051,341
	- Leave Benefits	107,808	96,783
		1,779,365	2,148,124
7	TRADE PAYABLES		
	Due to Micro, Small and Medium Enterprises	-	-
	Due to other than Micro, Small and Medium Enterprises	497,038,259	91,115,347
	Dues to a Subsidiary	3,163,458	2,956,022
		500,201,717	94,071,369
8	OTHER CURRENT LIABILITIES		
	Current maturities of long term debts	349,129	275,864
	Advances from Customers	586,725	779,270
	Statutory Liabilities	3,428,072	4,522,782
	Liabilities for expenses	5,433,145	4,936,872
	Due to directors	2,080,577	337,400
		11,877,648	10,852,188
9	SHORT TERM PROVISIONS		
	Provision for		
	- Bonus	119,013	115,973
	- Gratuity	83,019	101,151
	- Leave Benefits	17,486	15,046
	- Income Tax (Net of advance Tax)	2,529,800	9,279,638
		2,749,318	9,511,808
11	NON CURRENT INVESTMENTS		
	a. Investment in subsidiaries [Trade]		
	Cerebra LPO India Limited		
	35,000 (35,000) Equity Shares of Rs. 10 each	350,000	350,000
	Geeta Monitors Private Limited		
	25,49,975 (25,49,975) Equity Shares of Rs. 10 each	42,839,580	42,839,580
	Cerebra Middle East FZCO		
	9 (9) Shares of par value AED 10,000 each	1,100,793	1,100,793
	Cerebra Singapore E-waste		
	1 (1) Share at Par value of SGD 1	44	44
	b. Investment in other equity instruments [Non Trade]		
	Sankhya Infotech Limited		
	200 (200) Equity Shares of Rs. 10 each	2,000	2,000
	Less : Provision for diminution	2,000	2,000
		44,290,417	44,290,417
	Basis of valuation : Investments are stated at cost.		
	Aggregate amount of quoted investments and market value thereof	Nil	Nil
	Aggregate amount of unquoted investments	44,290,417	44,290,417
	Aggregate provision for diminution in value of investments	2,000	2,000

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Note No. 10

Sl. No.	Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		As at 1.10.2013	Additions	Exchange Fluctuation/ Other Adjustment	Deletions	As at 31.03.2014	As at 1.10.2013	for the year	Exchange Fluctuation/ Other Adjustment	Deletions	As at 31.03.2014	As at 31.03.2014	As at 30.09.2013
	Tangible assets												
i	Land	200,900				200,900	-			-		200,900	200,900
ii	Lease hold land	50,639,394				50,639,394	-			-		50,639,394	50,639,394
iii	Factory Building	4,638,187				4,638,187	1,941,465	77,246		2,018,711		2,619,476	2,696,722
iv	Plant & Machinery	25,881,504				23,342,854	17,787,883	566,362		16,009,865		7,332,989	8,093,621
v	Computer/Printers/Software	9,683,536	22,629			2,689,155	8,667,919	122,015		1,772,924		916,231	1,015,617
vi	Vehicles	2,251,686				2,251,686	941,998	103,748		1,045,746		1,205,940	1,309,688
vii	Furniture & Fixtures	4,660,851				2,145,096	3,013,785	67,706		2,515,755		1,579,360	1,647,066
viii	Electrical Installations	1,641,031				1,449,366	353,251	24,138		185,724		1,263,642	1,287,780
ix	Equipments given on lease					-		-		-		-	-
	TOTAL	99,597,089	22,629	-	12,263,080	87,356,638	32,706,301	961,215		21,598,706		65,757,932	66,890,788
	Intangibles assets												
	Software					-				-		-	-
	TOTAL	-	-	-	-	-	-			-		-	-
	Previous year	99,814,433	207,736	-	425,080	99,597,089	30,739,477	2,061,310	-	94,486	32,706,301	66,890,788	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st March 2014

Note No.	Particulars	Amount in Rupees	
		As at 31-03-2014	As at 30-09-2013
12	LONG TERM LOANS AND ADVANCES		
	Capital Advances	308,226,567	288,979,006
	Advance to a Subsidiary	53,929,179	54,514,291
	Share Application Money Pending Allotment	13,462,456	13,462,456
	Security Deposits Considered Good	3,490,850	4,074,360
	Other Loans & Advances	20,274,317	40,596,877
		<u>399,383,369</u>	<u>401,626,990</u>
13	OTHER NON CURRENT ASSETS		
	- Times Shares	165,100	190,100
		<u>165,100</u>	<u>190,100</u>
14	CURRENT INVESTMENTS		
	Investments in Mutual Funds		
	LIC MF Savings Plus Fund		
	25,135.226 (25,135.226) units of Rs. 10.0118	293,223	284,359
		<u>293,223</u>	<u>284,359</u>
	Aggregate Net Asset Value of NAV of investment in Mutual Funds	<u>293,397</u>	<u>284,431</u>
15	INVENTORIES		
	Raw Materials	10,651,679	9,939,963
	Stock in Trade	147,739	147,739
		<u>10,799,418</u>	<u>10,087,702</u>
16	TRADE RECEIVABLES		
	[Unsecured]		
	Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
	Considered Good	761,005,665	226,613,658
	Others	2,766,335	138,951,758
		<u>763,772,000</u>	<u>365,565,416</u>
17	CASH AND CASH EQUIVALENTS		
	Cash in Hand	346,882	193,081
	Foreign Currency on hand	145,912	158,712
	Cheques in Hand	-	24,896,066
	Balance with banks		
	- in Current Account	5,981,534	6,816,939
	- in Deposit Account	1,132,682	875,682
	- in Margin deposit Account	7,103,188	7,103,188
		<u>14,710,198</u>	<u>40,043,668</u>
18	SHORT TERM LOANS AND ADVANCES		
	[Considered Good]		
	Advance to Subsidiaries	95,164,605	64,158,659
	Other Loans & Advances		
	Prepaid Expenses	154,298	384,613
	Advance to Suppliers	535,511	69,961
	Balance with statutory / Government authorities	1,989,490	3,207,703
	Advance to employees	2,706	13,018
		<u>97,846,610</u>	<u>67,833,954</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st March 2014

Amount in Rupees

Note No.	Particulars	As at 31-03-2014	As at 30-09-2013
19	OTHER CURRENT ASSETS		
	MAT Credit Entitlement	9,166,429	8,548,880
	Interest accrued but not due on deposits	232,171	1,150,181
		<u>9,398,600</u>	<u>9,699,061</u>
	CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
	Counter guarantee given to the bankers for guarantees issued	7,103,188	7,103,188
	COMMITMENTS		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	6,676,984
20	Revenue from Operations		
	Sale of Products	609,784,118	1,195,400,782
	Sale of Services	2,801,080	34,450,039
	Revenue from operations (Gross)	612,585,198	1,229,850,821
	Less: Excise Duty	900,970	1,480,778
	Revenue from operations (Net)	<u>611,684,228</u>	<u>1,228,370,043</u>
	Details of Sales		
	Revenue from Trading of Computers & Accessories	607,621,650	1,192,723,791
	Sale of refurbished e-Waste	1,261,499	1,226,324
		<u>608,883,149</u>	<u>1,193,950,115</u>
	Details of Services Rendered		
	Sale of Software Services	2,801,080	34,419,928
		<u>2,801,080</u>	<u>34,419,928</u>
21	Other Income		
	Interest on Bank Deposits	421,207	1,914,230
	Dividend on Current Investments	8,863	634,617
	Net gain on foreign currency transaction and translation	-	10,956,455
	Excess Provision / (Unclaimed Credit) Withdrawn	819,832	817,328
	Others	227,776	412,384
		<u>1,477,678</u>	<u>14,735,014</u>
22	Cost of materials consumed		
	Opening stock	9,939,963	6,939,511
	Add: Purchase during the period	1,596,375	3,696,491
		11,536,338	10,636,002
	Less: Closing stock	10,651,679	9,939,963
	Consumption	884,659	696,039
23	Purchase of Stock-in-Trade		
	Purchase of Goods	594,262,444	1,163,799,766
		<u>594,262,444</u>	<u>1,163,799,766</u>
24	Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade		
	Opening stock of Traded Goods	147,739	295,478
	Less: Closing stock of Traded Goods	147,739	147,739
	Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	<u>-</u>	<u>147,739</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st March 2014

Amount in Rupees

Note No.	Particulars	For the year ended 31-03-2014	For the year ended 30-09-2013
25	Employee Benefit Expenses		
	Salaries and Wages	5,625,291	16,503,932
	Contribution to Provident & Other Funds	319,667	864,603
	Staff Welfare expenses	206,817	476,842
		<u>6,151,775</u>	<u>17,845,377</u>
26	Financial Costs		
	Interest Expense	61,794	145,741
	Interest on Income Tax	-	712,067
	Other Borrowing Costs	371,713	330,867
		<u>433,507</u>	<u>1,188,675</u>
27	Depreciation and amortisation expenses		
	Depreciation of tangible assets	961,215	2,061,310
		<u>961,215</u>	<u>2,061,310</u>
28	Other Expenses		
	Consumables	-	10,910
	Power and Fuel	131,673	382,224
	Rent	262,402	2,073,700
	Repairs & Maintenance to Machinery	35,448	246,735
	Donation	-	321,300
	Repairs & Maintenance Others	116,492	36,347
	Insurance	26,296	39,970
	Rates & Taxes, excluding taxes on income	1,449,086	197,109
	Remuneration to Auditors	137,472	245,484
	Professional Charges	835,420	13,016,154
	Freight & Forwarding	352,312	521,510
	Bad Debts written off	5,847,986	4,870,904
	Less: Provision for doubtful debts withdrawn	-	3,963,181
	Travelling and Conveyance	<u>267,494</u>	<u>2,762,343</u>
	Communication expenses	150,405	362,529
	Labour Charges	34,510	149,816
	Advertisement	182,253	3,629,115
	Net loss on foreign currency transaction and translation	53,899	-
	Brokerage & commission	-	1,406,332
	Printing & Stationery	61,418	124,590
	Loss on sale / discard of fixed asset	194,270	41,146
	Miscellaneous	276,807	811,855
		<u>10,415,643</u>	<u>27,286,892</u>
	Remuneration to Auditor		
	Audit fees	75,000	125,000
	Tax Audit fees	50,000	50,000
	Certification	-	50,000
	Reimbursement of expenses	12,472	20,484
		<u>137,472</u>	<u>245,484</u>

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

Report on the Financial Statements

- 1 We have audited the accompanying financial statements of Cerebra Integrated Technologies Limited ("the Company"), and its subsidiaries (collectively referred to as "group") which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15 / 2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Consolidated Statement of Profit and Loss Account, of the profit for the period ended on that date; and
- c. in the case of the Consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

Emphasis of Matter

- 7 **Without qualifying our report, we draw attention to:**

- a. **Long term loans and advances include Rs.6,73,91,635/- advances due from a Company which have not been recovered / adjusted for substantial period (refer 2 (l) of notes to accounts).**
- b. **Capital advances amounting to Rs 16,98,48,000 (refer Note 2(m)) and Trade receivables and advances amounting to Rs 10,46,07,626 (refer note 2(n) to accounts) outstanding for substantial period, pending recovery/adjustments.**

8 Other Matters

We did not audit the financial statements of 1 subsidiary whose financial statements reflect total assets of Rs. 30,44,02,528 as at 31st March 2014 and revenue of Rs. 36,37,22,459/- for the period then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us for the purpose of consolidation and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of such other auditors. We have relied on the unaudited financial statements of 2 subsidiaries, whose financial statement reflect total assets (net) of Rs. 19,93,40,100 as at 31st March 2014 and total net revenues of Rs. 33,20,16,260 for the period then ended. These unaudited financial statements as approved by the respective Board of directors of these companies have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of the subsidiary is based solely on such approved unaudited financial statements. Our opinion is not qualified in respect of other matters.

for Ishwar & Gopal,
Chartered Accountants
Firm Registration No.: 001154S

K. V. Gopalakrishnayya
Partner
Membership No.: 021748
Place of Signature : Bangalore
Date: 29.05.2014

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2014

Amount in Rupees

PARTICULARS	Note No	As at 31.3.2014		As at 30.9.2013	
EQUITY AND LIABILITIES					
Shareholders' funds					
a. Share Capital	3	481,028,320		481,028,320	
b. Reserves and Surplus	4	447,090,814		420,787,102	
c. Money received against share warrants		-	928,119,134	8,668,603	910,484,025
Minority Interest			55,955,183		52,136,661
Non-current liabilities					
a. Long Term borrowings	5	16,353,668		12,036,057	
b. Deferred tax liabilities (Net)	6	413,441		709,237	
c. Long term provisions	7	2,101,233	18,868,342	2,461,020	15,206,314
Current Liabilities					
a. Short term borrowings	8	37,198,757		36,163,977	
b. Trade payables	9	689,398,414		223,751,063	
c. Other Current liabilities	10	39,826,390		51,594,810	
d. Short term provisions	11	10,220,768	776,644,329	21,996,956	333,506,806
TOTAL			1,779,586,988		1,311,333,806
ASSETS					
Non-current assets					
a. Fixed Assets					
i. Tangible Assets	12	82,398,602		86,764,168	
ii. Intangible Assets	13	-		-	
b. Non-current investments	14	6,670		6,670	
c. Long term loans & advances	15	402,716,842		404,264,395	
d. Other non current assets	16	165,100	485,287,214	190,100	491,225,333
Current Assets					
a. Current Investments	17	293,223		284,359	
b. Inventories	18	127,909,622		137,364,748	
c. Trade receivables	19	1,107,152,243		603,093,789	
d. Cash & Cash equivalents	20	20,498,112		55,882,596	
e. Short term loans & advances	21	29,047,974		10,583,974	
f. Other Current assets	22	9,398,600	1,294,299,774	12,899,007	820,108,473
TOTAL			1,779,586,988		1,311,333,806
Significant accounting policy and additional information	1 & 2				

As per our Report of even date:

For Ishwar & Gopal,
Chartered Accountants

For & on behalf of the Board

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

V. Ranganathan
Managing Director

Shridhar.S.Hegde
Wholetime Director

Place: Bangalore
Date : 29.05.2014

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Consolidated Statement of Profit and Loss Account for the period ended 31st March 2014

Amount in Rupees

Particulars	Note No,	for the Period ended 31st-Mar-2014 (6 Months)	for the year ended 30th-Sep-2013 (12 Months)
Revenue from operations	23	1,304,689,573	2,307,445,434
Other Income	24	8,122,710	13,065,498
Total Revenue		1,312,812,283	2,320,510,932
Expenses:			
Cost of materials consumed	25	884,659	696,039
Purchase of Stock-in-Trade	26	1,197,622,674	2,133,752,008
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	27	10,166,843	(16,600,237)
Employee benefits expense	28	36,437,630	61,379,295
Financial costs	29	11,769,816	11,681,173
Depreciation and amortization expense	30	4,705,007	11,530,863
Other expenses	31	30,570,155	59,093,408
Total Expenses		1,292,156,784	2,261,532,548
Profit before tax		20,655,499	58,978,385
Tax expense / (credit):			
Current tax		3,717,549	12,746,265
MAT Credit Entitlement (including Rs. Nil (Rs. 6425363/-) related to previous year)		(617,549)	(8,548,880)
Deferred Tax		(592,631)	(859,910)
Total		2,507,369	3,337,475
Profit after tax for the year		18,148,130	55,640,910
Less: Minority Interest		3,818,522	2,009,142
Profit for the Year		14,329,608	53,631,768
Earning per equity share:			
(1) Basic		0.30	1.12
(2) Diluted		0.30	1.12

As per our Report of even date:
For Ishwar & Gopal,
Chartered Accountants

For & on behalf of the Board

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

V. Ranganathan
Managing Director

Shridhar.S.Hegde
Wholetime Director

Place: Bangalore
Date : 29.05.2014

CEREBRA INTEGRATED TECHNOLOGIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31st MARCH 2014

Amount in Rupees

Particulars	For the period ended 31-Mar-2014 (6 Months)	For the Year ended 30-Sep-2013 (12 Months)
A. Cashflow from operating activities		
Net Profit before tax and minority interest	20,655,499	58,978,384
Adjustments for:		
Depreciation (net)	4,944,832	11,530,863
Interest expenditure	11,769,816	11,681,173
Interest income	(421,207)	(1,947,445)
Dividend Income	(8,863)	(634,617)
Provision for doubtful debts	6,744	-
Foreign Exchange (gain)/loss	-	(8,618,295)
Loss on sale of fixed assets	194,270	41,146
	16,485,590	12,052,822
Operating Profit /(Loss) before working capital changes	37,141,089	71,031,207
Adjustment for changes in :		
Increase in Inventories	9,455,126	(19,600,689)
Decrease in Trade & other receivables	(516,760,725)	596,555,930
Increase in Trade & Other Payable	474,787,136	(644,267,001)
	(32,518,463)	(67,311,760)
Cash generated from operations	4,622,627	3,719,446
Income tax paid (net)	(18,213,314)	(8,101,771)
Net Cash flow before extraordinary items	(13,590,687)	(4,382,325)
Net cashflow from Operating Activities	(13,590,687)	(4,382,325)
B. Cash Flow from Investing activities		
Interest Income	1,339,218	1,415,347
Dividend income	-	634,617
Purchase of fixed assets including capital WIP & capital advances	(19,761,633)	(79,168,437)
Sale of fixed assets	2,789	1,889,448
Sale of Investments	-	30,834,611
	(18,419,627)	(44,394,414)
Net cash used in Investing Activities		
C. Cashflow from Financing Activities		
Foreign Currency Translation	3,043,252	6,244,862
Increase in borrowings	5,352,392	928,655
Interest paid	(11,769,816)	(11,681,173)
	(3,374,170)	(4,507,656)
Net Increase / (Decrease) in Cash & Cash equivalents (A+B+C)	(35,384,484)	(53,284,395)
Cash & Cash equivalents		
Opening Balance	55,882,596	109,166,991
Closing Balance	20,498,112	55,882,596
Net Increase / (Decrease) in cash and cash equivalents	(35,384,484)	(53,284,395)

As per our Report of Even Date
for Ishwar & Gopal
Chartered Accountants

for and on behalf of the Board of Directors

K V Gopalakrishnayya
Partner
M No 021748
Firm Registration No 001154S
Place: Bangalore
Date:29.05.2014

V. Ranganathan
Managing Director

Shridhar S Hegde
Whole time Director

1. SIGNIFICANT ACCOUNTING POLICIES:

a) SYSTEM OF ACCOUNTING:

The Accounts have been prepared and presented in accordance with Indian Generally Accepted Accounting Practices (GAAP) under the historical cost convention on the accrual basis of accounting following. GAAP comprises of mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified) and Companies Act, 1956, to the extent applicable and guidelines issued by the Securities Exchange Board of India (SEBI). The accounting policies have been consistently applied by the Company. The financial statements are prepared in Indian Rupees.

b) PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements have been prepared on the following basis:

- i. The consolidated financial statements include the financial statements of Cerebra Integrated Technologies Ltd and all its subsidiaries, which are more than 50% owned or controlled. The financial statements of the Parent Company and its majority owned / controlled subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-Company balances / transactions and resulting unrealized gain / loss.
- ii. The consolidated financial statements include the share of profit / loss of associate companies, which are accounted under the 'Equity method', wherein, the share of profit / loss of the associate Company has been added / deducted to / from the cost of investment.
- iii. Minority interest in the net assets of consolidated subsidiaries consists of:
 - a) The amount of equity attributable to the minorities at the dates on which investment in a subsidiary is made; and
 - b) The minority's share of movements in equity since the date of parent-subsidiary relationship came into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiaries is absorbed by the Company.
- iv. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances except for deviations mentioned under the respective accounting policies.

c) USE OF ESTIMATES:

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognized in the period in which the estimates are revised and in any future period affected.

d) TANGIBLE ASSETS, INTANGIBLE ASSETS AND CAPITAL WIP:

Fixed assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization.

Cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.

e) DEPRECIATION:

Depreciation has been provided on assets on straight line method in accordance with the provisions of Schedule XIV of the Companies Act, 1956 except that in the case of Geeta Monitors Private Limited and Cerebra Middle East FZCO. Depreciation on additions/deletion during the year has been provided for on pro-rata basis. Assets purchased/installed during the year costing less than Rs. 5000/- are fully depreciated.

In respect of Geeta Monitors Private Limited, depreciation is provided at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956 under written down value method.

In respect of Cerebra Middle East FZCO, depreciation is provided under straight line method at the rate of 10% as per local laws.

f) INVESTMENTS:

Long term investments are stated at cost less other than temporary decline in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) RETIREMENT AND OTHER TO EMPLOYEE BENEFITS:

- i. **Short term employee benefits:** All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and expected cost of bonus, are recognized in the period in which employee renders the related service.

ii. Post employee benefits:

Defined Contribution plans: The state governed provident fund scheme, insurance scheme, and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related services.

Defined benefits Plans: The employee gratuity fund schemes and other defined benefits plans. Wherever applicable, the present value of obligations under defined benefit plans is determined based on actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation.

The obligation is measured in the present value of the estimated future cash flows except in case of Geeta Monitors Private Limited and Cerebra Middle East FZCO. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yield on the Government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

In respect of Geeta Monitors Private Limited, gratuity liability is computed on an estimated basis.

The obligations for long term employee benefits such as long term compensated absences, etc. is recognized in the similar manner as in the case of defined benefit plans mentioned above.

In respect of Cerebra Middle East FZCO, employee benefits are recognized as per local laws.

h) REVENUE RECOGNITION:

- i. Revenue from sale of goods is recognized when significant risk and rewards of the ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to the customers. Sales include applicable excise duty but exclude sales tax. Warranty charges forming part of the sales are not recognized separately and expenditure incurred in this regard is accounted when incurred.
- ii. Income from IT services is recognized upon completion of milestones wherever payments are linked to such milestones. In cases where payments are based on completion of each man-hour, man-days, man-month of service rendered, revenue is recognized upon respective completion of the same.

i) INVENTORY:

Inventories are valued at lower of cost or net realizable value. In respect of traded stock cost is computed under first in first out (FIFO) method whereas for Raw Materials the same is computed under weighted average method.

j) FOREIGN CURRENCY TRANSACTIONS:

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates closely approximating those prevailing on the date of transaction. The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at period end are restated at the closing rate. The difference arising from the restatement is recognized in the statement of profit and loss.

Financial statements of foreign subsidiary are classified as non integral foreign operations and are incorporated in the financial statements using the following procedures for translation.

- a. the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation should be translated at the closing rate;
- b. income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions using the average rate for the year; and
- c. all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

k) ACCOUNTING FOR CLAIMS & CONTINGENCIES:

All known liabilities of material value have been provided for in the accounts except liabilities of contingent in nature, which have been disclosed at their estimated value in the notes to account in accordance with accounting standard (AS 29). As regards, provisions, it is only that obligation arising from past events existing independently of enterprise's future actions that are recognized as provisions. Contingent liabilities are not recognized but are disclosed in the additional information. Contingent assets are neither recognized nor disclosed in the financial statement.

l) IMPAIRMENT OF ASSETS:

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for short-term receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognized in the statement of profit and loss. If at the balance sheet date there is any indication that if a previously assessed impairment loss no longer exists, the recognized impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

m) EARNINGS PER SHARE

Basic Earnings per share are calculated by dividing net profit or loss for the year attributable to equity share holders (after deducting attributable taxes and dividend on cumulative preference shares for the year) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) Taxes:**Income tax:**

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes has been computed after considering Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward and set off against future tax liabilities computed under regular tax provisions. Accordingly, MAT credit has been recognized, wherever applicable on the balance sheet date which can be carried forward for a period prescribed under the tax regulations.

Deferred Tax

Deferred tax on account of timing differences, between taxable income and accounting income is recognized using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is certainty that these would be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written off to reflect the amount that is reasonable/virtually certain (as the case may be) to be realized.

Deferred tax asset are recognized in view of prudence in respect of unabsorbed losses / depreciation and other benefits only to the extent there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

o) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from regular revenue generating, financing, and investing activities of the company are segregated.

2. ADDITIONAL INFORMATION:

(Amounts are in INR unless otherwise stated)

a) The enterprises considered in the consolidated financial statements are:

Name of the enterprise	Country of incorporation	Voting power	
		As on 31-03-2014	As on 30-Sep-2013
Cerebra LPO India Limited	India	70%	70%
Cerebra Middle East FZCO	Dubai	90%	90%
Geeta Monitors Private Limited (effective from 3rd August 2011)	India	51%	51%
Cerebra E-Waste Recovery Pte Limited (incorporated on 18.01.2013)	Singapore	100%	100%

b) Segment wise business performance:

Business Segment: The Company's operating businesses are organised and managed separately according to the nature of products and services, with each segment representing a strategic business unit that offers different products / services. The two identified segments are hardware trading and software services.

Secondary Segment: The analysis of Geographical segment is based on the geographical location of the customers.

Annual Report 2013-2014

Segment Information

Amounts in Rupees

Particulars	31-03-2014	30-09-2013
i. Primary segment report by business segment		
I. Segment revenue		
a. Hardware	1,30,50,17,335	2,25,76,78,660
b. Software	77,94,948	6,28,32,272
Total	1,31,28,12,283	2,32,05,10,932
II. Segment result		
Profit/(loss) before tax & interest		
a. Hardware	3,58,66,285	1,39,08,804
b. Software	(34,40,970)	3,33,87,756
Total	3,24,25,315	4,72,96,560
III. Segment assets		
a. Hardware	1,59,37,42,835	1,17,01,33,688
b. Software	18,58,44,150	14,12,00,118
Total	1,77,95,86,986	1,31,13,33,806
IV. Segment Liabilities		
a. Hardware	1,69,94,12,250	1,170,133,688
b. Software	8,01,74,736	141,200,118
Total	1,77,95,86,986	1,311,333,806
V. Capital expenditure		
a. Hardware	5,14,072	11,69,363
b. Software	-	1,91,534
Total	5,14,072	13,60,897
VI. Depreciation		
a. Hardware	43,62,143	1,07,72,614
b. Software	3,42,864	758,249
Total	47,05,007	11,530,863

ii. Secondary Segment reporting by geographical segment

Segment wise Revenue	31-Mar-14	30-Sep-13
a. Revenue from customers outside India	33,20,16,260	58,98,25,267
b. Revenue from customers in India	98,07,96,023	1,73,06,85,665
Total	1,31,28,12,283	2,32,05,10,932

d) Earnings per share:

Sl. No	Particulars	31-Mar-14	30-Sep-13
1	Profit after tax considered for calculation of basic and diluted earning per share	1,43,29,609	53,631,767
2	Weighted average number of equity shares considered for calculation of basic earnings per share	48,092,682	48,092,682
3	Weighted average number of equity shares considered for calculation of diluted earnings per share	48,092,682	48,092,682
4	Earnings per share- Basic	0.30	1.12
5	Earnings per share- Diluted	0.30	1.12

e) Due to Micro, small & medium enterprises

As per the records maintained by the company there are no dues to the Micro, small & medium enterprises as on the date of balance sheet.

f) Related Party Disclosure

Key Management Personnel

Name	Designation
V Ranganathan	Managing Director
Shridhar S Hegde	Whole time Director
K Gururaj Upadya	Director
P VishwaMurthy	Director

I) The Company has following transactions with related parties:

Particulars	2013-14	2012-13
Remuneration to Directors		
V Ranganathan	6,36,000	13,15,000
Shridhar S Hegde	6,36,000	13,15,000
Gururaj K Upadya	4,50,000	13,15,000
P Vishwamurthy	6,36,000	13,15,000

II) Balances payable to related parties

Particulars	2013-14	2012-13
V Ranganathan	18,60,351	84,300
Shridhar S Hegde	81,990	84,300
Gururaj K Upadya	Nil	84,500
P Vishwamurthy	1,38,235	84,300

- j. Lease hold land amounting Rs.5,06,39,394/- (PY- Rs.5,06,39,394/-) 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.
- k. Balances of Sundry Debtors, Advances given to parties, Sundry Creditors and advances received from parties are subject to confirmation.
- l. As per the Share Purchase Agreement (SPA) entered between the Company and Enviro-Hub Holdings Limited Singapore (Enviro) the subsidiary Company remitted US\$ 12,50,000 equivalent to Rs 6,79,76,747 (Previous Year Rs. 6,79,76,747) 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 the acquisition. The Company is negotiating with Enviro seeking refund the initial deposit and is confident of amicable settlement of the matter. Considering the opinion of the consultants no provision is made in the accounts towards this advance.
- m. Capital advance includes :
- Rs. 4,02,50,000 (Previous Year Rs 4,02,50,000) was advanced to Cimelia Resource Recovery Pte Limited Singapore (Cimelia) on 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.
 - Rs. 6,30,00,000 (Previous Year Rs. 6,30,00,000) was advanced to Restorer Corp Pte Limited, formerly known as Scenic Overseas (S) Pte Limited (Scenic) on 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..
 - Rs. 5,77,50,000 (Previous Year Rs. 5,77,50,000) was advanced to Leytron Technology Pte Limited (Leytron) on 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.
- All the above allotments were made based on the approvals obtained from the FIPB, Government of India, and the Bombay Stock Exchange Ltd, Mumbai. The Company has obtained an interim injunction order from Honorable Addl. City Civil Court Bangalore restraining the above mentioned parties from alienating, encumbering or creating any manner of charge or third party rights over the shares allotted to them as detailed above. Hence no provision is made in the accounts.
- Rs 88,48,000 (Previous Year Rs. 88,48,000) represents balance in advance account from Scenic. US \$ 2,25,000 was advanced to Scenic on 24th May 2011 towards supply of plant and machinery against which mobile shredder valued US \$ 25,000 was supplied by them so far.
- n. Trade Receivables and advances include Rs.18,31,99,988/- (Previous Year Rs.14,65,56,431/- outstanding against export of software products and legal process outsourcing services for substantial period. No provision has been made in the books.
- o. The figures of the current period represent the performance of the Company is for a period of six months i.e, from 1st October 2013 to 31st March 2014 and are not comparable with the previous year figures. Figures in bracket relate to previous year. Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st March 2014

Amount in Rupees

Note No.	Particulars	As at 31-03-2014		As at 30-09-2013	
		Number	Amount in INR	Number	Amount in INR
3	Share Capital				
	Authorised				
	a Equity Shares	50,250,000	502,500,000	50,250,000	502,500,000
	b Issued				
	Equity Shares	48,092,682	480,926,820	48,092,682	480,926,820
	Subscribed and paid fully				
	Equity Shares	48,092,682	480,926,820	48,092,682	480,926,820
	Add: Forfeited Shares- originally paid for 20300 shares	-	101,500	-	101,500
	Total		481,028,320		481,028,320

c. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares				
Outstanding at the beginning of the period	48,092,682	480,926,820	48,092,682	480,926,820
Outstanding at the end of the period	48,092,682	480,926,820	48,092,682	480,926,820

d 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.

e 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 paying received in cash

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

Name of the Shareholder	No. of shares held	% of holding	No. of shares held	% of holding
Restorer Corp Pte Ltd [Formerly: Scenic Overseas(s) Pte Ltd. Singapore]	3,600,000	7.49	3,600,000	7.49
Leytron Technology Pte. Ltd. Singapore	3,300,000	6.86	3,300,000	6.86
LPP Developers Pvt. Ltd.	2,700,000	5.61	2,700,000	5.61

4 RESERVES & SURPLUS

Capital Reserve				
Balance as per last financial statement	15,595,565		15,595,565	
Add : On forfeiture of warrant application money received	8,668,603		-	
Balance as at the end of the year		24,264,168		15,595,565
Securities Premium Account				
Balance as per last financial statement		563,652,876		563,652,876
Foreign Currency Translation Reserve				
Balance as per last Balance Sheet	7,503,080		1,258,218	
Add / (Less): Effect of foreign exchange rate variations during the year	3,305,500	10,808,580	6,244,862	7,503,080
Surplus / (Deficit) in Statement of Profit & Loss				
Balance as per last financial statement	(165,964,419)		(219,596,186)	
Profit for the year	14,329,608		53,631,768	
Appropriations				
Net surplus / (Deficit) in statement of Profit & Loss Account		(151,634,811)		(165,964,418)
Total Reserves & Surplus		447,090,814		420,787,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st March 2014

Amount in Rupees

Note No.	Particulars	As at 31-03-2014	As at 30-09-2013
5	LONG TERM BORROWINGS		
	Term Loans		
	- From Banks - Secured *	881,212	980,758
	- From Financial institutions	13,373,480	-
	Loans and Advances from Others	<u>14,948,590</u>	<u>11,331,163</u>
	Total Long term borrowings	<u>29,203,282</u>	<u>12,311,921</u>
	Less: Instalments of term loan payable within a year considered as other current liability	<u>12,849,614</u>	<u>275,864</u>
	Net Long term borrowings	<u>16,353,668</u>	<u>12,036,057</u>
	Term loan from a bank is secured by hypothecation of vehicles		
	Schedule of repayment of loan is as under		
	2014-15	349,129	
	2015-16	337,767	
	2016-17	194,316	
6	DEFERRED TAX ASSETS / (LIABILITIES)		
	On account of		
	Carry forward losses	(937,479)	(937,479)
	Temporary disallowances under Income Tax	(921,415)	1,489,283
	Difference in written down value of Fixed Assets	<u>2,272,335</u>	<u>157,433</u>
		<u>413,441</u>	<u>709,237</u>
7	LONG TERM PROVISIONS		
	Provision for		
	- Gratuity	1,848,524	2,241,128
	- Leave Benefits	<u>252,709</u>	<u>219,892</u>
		<u>2,101,233</u>	<u>2,461,020</u>
8	SHORT TERM BORROWINGS		
	Loans repayable on demand		
	Working Capital Borrowings from Banks (Secured)	<u>37,198,757</u>	<u>36,163,977</u>
		<u>37,198,757</u>	<u>36,163,977</u>
	Working capital loan is secured by the hypothecation of book debts & stock, repayable on demand.		
9	TRADE PAYABLES		
	Due to Micro, Small and Medium Enterprises	-	-
	Due to other than Micro, Small and Medium Enterprises	<u>689,398,414</u>	<u>223,751,063</u>
		<u>689,398,414</u>	<u>223,751,063</u>
10	OTHER CURRENT LIABILITIES		
	Current maturities of long term debts	12,849,614	275,864
	Other payables	-	-
	Advances from Customers	5,704,958	32,204,756
	Dues to statutory authorities	9,135,255	7,173,459
	Liabilities for expenses	10,055,987	11,603,331
	Due to directors	<u>2,080,577</u>	<u>337,400</u>
		<u>39,826,391</u>	<u>51,594,810</u>
11	SHORT TERM PROVISIONS		
	Provision for		
	- Bonus	336,820	257,353
	- Gratuity	505,728	118,864
	- Leave Benefits	45,203	38,651
	- Income Tax (Net of advance Tax)	<u>9,333,017</u>	<u>21,582,088</u>
		<u>10,220,768</u>	<u>21,996,956</u>

CEREBRA INTEGRATED TECHNOLOGIES LIMITED													
Note No. 12													
Sl. No.	Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		As at 01.10.13	Additions	Exchange Fluctuation / Other Adjustment	Deletions	As at 31.03.2014	As at 1.10.2013	or the year	Exchange Fluctuation / Other Adjustment	Deletions	As at 31.03.2014	As at 31.03.2014	As on 30.09.2013
	Tangible assets												
i	Land	200,900	-	-	-	200,900	-	-	-	-	-	200,900	200,900
ii	Lease hold land	50,639,394	-	-	-	50,639,394	-	-	-	-	-	50,639,394	50,639,394
iii	Factory Building	4,638,187	-	-	-	4,638,187	1,941,465	77,246	-	-	2,018,711	2,619,476	2,696,722
iv	Plant & Machinery	33,428,914	-	-	2,538,650	30,890,264	24,872,138	593,155	-	2,344,382	23,120,911	7,769,353	8,556,776
v	Computer/Printers/Software	52,048,339	144,616	7,519	7,017,010	45,183,464	35,912,491	3,841,622	(34,469)	7,015,893	32,703,750	12,479,714	16,135,848
vi	Vehicles	3,178,842	-	-	-	3,178,842	1,781,614	116,765	-	-	1,898,379	1,280,463	1,397,228
vii	Furniture & Fixtures	8,735,956	369,456	14,911	2,515,755	6,604,568	4,622,323	197,929	(45,602)	2,514,081	2,260,570	4,343,998	4,113,633
viii	Electrical Installations	3,509,242	-	-	191,665	3,317,577	805,859	51,197	-	191,665	665,391	2,652,186	2,703,383
ix	Equipments given on lease	1,859,011	-	-	-	1,859,011	1,538,727	66,917	(159,752)	-	1,445,892	413,119	320,284
	TOTAL	158,238,785	514,072	22,430	12,263,080	146,512,207	71,474,617	4,944,832	(239,823)	12,066,021	64,113,605	82,398,602	86,764,168
	Previous year	159,110,709	1,360,897	207,741	2,025,080	158,238,785	60,114,476	11,452,744	1,883	94,486	71,474,617		
13	Intangibles assets												
	Software	390,597	-	-	-	390,597	390,597	-	-	-	390,597	-	-
	TOTAL	390,597	-	-	-	390,597	390,597	-	-	-	390,597	-	-
	Previous year	390,597				390,597	312,478	78,119			390,597		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st March 2014

Amount in Rupees

Note No.	Particulars	As at 31-03-2014	As at 30-09-2013
14	NON CURRENT INVESTMENTS[NonTrade]		
	Sankhya Infotech Limited		
	200 (200) Equity Shares of Rs. 10 each	2,000	2,000
	Less : Provision for diminution	2,000	2,000
	Reliance Power Limited	-	-
	10 (10) Shares of Rs. 10 each	6,670	6,670
		6,670	6,670
15	LONG TERM LOANS AND ADVANCES		
	[Unsecured, Considered Good]		
	Capital Advances	376,847,797	357,600,236
	Security Deposits	5,461,182	6,067,282
	Other Loans & Advances	20,407,862	40,596,877
		402,716,841	404,264,395
16	OTHER NON CURRENT ASSETS		
	- Times Shares	165,100	190,100
		165,100	190,100
17	CURRENT INVESTMENTS		
	LIC MF Savings Plus Fund		
	25,135.226 (25,135.226) units of Rs. 10.0118	293,223	284,359
		293,223	284,359
	Basis of Valuation		
	Aggregate amount of quoted investments and market value thereof	293,223	284,359
	NAV of investment in Mutual Funds	293,397	284,431
	Aggregate provision for diminution in value of investments	-	-
18	INVENTORIES		
	Raw Materials	10,651,679	9,939,963
	Stock in Trade	117,257,943	127,424,785
		127,909,622	137,364,748
19	TRADE RECEIVABLES		
	[Unsecured]		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Considered Good	879,478,610	320,336,797
	Considered Doubtful	6,744	-
		879,485,354	320,336,797
	Less: Provision for doubtful debts	6,744	-
	Others	879,478,610	320,336,797
		227,673,633	282,756,992
		1,107,152,243	603,093,789
20	CASH AND CASH EQUIVALENTS		
	Cash in Hand	838,666	1,007,025
	Foreign Currency in hand	165,105	178,380
	Balance with banks		
	in Current Account	10,504,983	21,616,425
	in Deposit Account	1,886,170	1,081,512
	Cheques, drafts on hand	-	24,896,066
	In Margin Deposit Account	7,103,188	7,103,188
	(pledged with banks against bank guarantee)		
		20,498,112	55,882,596

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st March 2014

Amount in Rupees

Note No.	Particulars	As at 31-03-2014	As at 30-09-2013
21	SHORT TERM LOANS AND ADVANCES		
	Advance Income Tax (net of provision for taxation)	7,803,577	5,260,048
	Prepaid Expenses	379,544	400,192
	Advance to Suppliers	18,474,606	1,495,961
	Balance with statutory / Government authorities	2,036,517	3,221,156
	Employee Advances	353,730	206,617
		<u>29,047,974</u>	<u>10,583,974</u>
22	OTHER CURRENT ASSETS		
	Discount / Commission Receivable	-	3,199,945
	MAT Credit Entitlement	9,166,429	8,548,880
	Interest accrued but not due on deposits	232,171	1,150,182
		<u>9,398,600</u>	<u>12,899,007</u>
	CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
	Guarantees issued by Bankers	7,103,188	7,103,188
	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	6,676,984
23	Revenue from Operations		
	Sale of Products	1,247,941,088	2,211,647,618
	Sale of Services	57,649,455	97,278,595
	Revenue from operations (Gross)	<u>1,305,590,543</u>	<u>2,308,926,212</u>
	Less: Excise Duty	900,970	1,480,778
	Revenue from operations (Net)	<u>1,304,689,573</u>	<u>2,307,445,434</u>
	Details of Products Sold		
	Revenue from Trading of Computers & Accessories	1,246,679,589	2,210,421,294
	Sale of refurbished e-Waste	1,261,499	1,226,324
		<u>1,247,941,088</u>	<u>2,211,647,618</u>
	Details of Services Rendered		
	Sale of Software Services	49,862,139	69,430,658
	Medical Transcription	7,532,923	14,419,745
	LPO Services	254,393	13,428,192
		<u>57,649,455</u>	<u>97,278,595</u>
24	Other Income		
	Interest Income on Bank Deposits	421,207	1,947,445
	Dividend Income on Current Investments	8,863	634,617
	Net gain / (loss) on foreign currency transaction and translation	-	8,618,295
	Other non-operating income (net of expenses)	-	-
	Excess Provision / (Unclaimed Credit) Withdrawn	827,464	933,085
	Others	2,291,144	932,054
	Prior year adjustments	<u>4,574,032</u>	<u>-</u>
		<u>8,122,710</u>	<u>13,065,498</u>
25	Cost of materials consumed		
	Opening stock	9,939,963	6,939,511
	Add: Purchase during the period	1,596,375	3,696,491
		<u>11,536,338</u>	<u>10,636,002</u>
	Less: Closing stock	10,651,679	9,939,963
	Consumption	<u>884,659</u>	<u>696,039</u>
26	Purchase of Stock-in-Trade		
	Purchase of Goods	1,197,622,674	2,133,752,008
		<u>1,197,622,674</u>	<u>2,133,752,008</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st March 2014

Amount in Rupees

Note No.	Particulars	For the year ended 31-03-2014	For the year ended 30-09-2013
27	Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade		
	Inventories at the end of the year		-
	Finished Goods	117,257,943	127,424,785
	Inventories at the beginning of the year		
	Finished Goods	127,424,786	110,824,548
	Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	10,166,843	(16,600,237)
28	Employee Benefit Expenses		
	Salaries and Wages	35,146,030	58,712,759
	Contribution to provident & Other Funds	640,239	1,325,946
	Staff Welfare expenses	651,361	1,340,590
		36,437,630	61,379,295
29	Financial Costs		
	Interest Expense	3,357,940	8,987,962
	Interest on Income Tax	-	1,443,903
	Other Borrowing Costs	8,411,876	1,249,308
		11,769,816	11,681,173
30	Depreciation and amortisation expenses		
	Depreciation of tangible assets	4,944,832	11,452,744
	Excess provision related to earlier years withdrawn	(239,823)	0
	Amortisation of intangible assets	-	78,119
		4,705,007	11,530,863
31	Other Expenses		
	Consumables	-	10,910
	Power and Fuel	318,178	707,904
	Rent	2,887,502	6,379,317
	Repairs to Machinery	83,999	232,944
	Repairs to Others	302,732	425,860
	Insurance	51,031	1,203,173
	Rates & Taxes, excluding taxes on income	2,780,258	2,153,882
	Remuneration to Auditors	271,252	324,155
	Professional Charges	3,486,386	16,906,697
	Freight & Forwarding	356,008	1,513,510
	Provision for Doubtful debts / advances	6,744	-
	Bad Debts written off	6,835,107	4,870,904
	Less: Provision for doubtful debts withdrawn	-	3,963,181
	Travelling and Conveyance	1,457,856	4,033,461
	Communication expenses	1,303,601	1,892,727
	Commission	7,510,508	12,715,159
	Labour Charges	34,510	149,816
	Advertisement / Sales Promotion	946,273	6,708,669
	Net loss on foreign currency transaction and translation	1,083,885	-
	Office Expenses	38,520	255,097
	Printing & Stationery	90,202	349,327
	Donation	-	321,300
	Loss on sale / discard of fixed asset	194,270	41,146
	Miscellaneous	531,334	1,860,632
		30,570,155	59,093,408
	Remuneration to Auditor		
	As auditor		
	Audit fees	195,000	175,000
	Tax Audit fees	60,000	75,000
	VAT audit fees	-	50,000
	Reimbursement of expenses / Service Tax	16,252	24,155
		271,252	324,155

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CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

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

Telephone: 91 - 80 - 28370282/84 Email: investors@cerebracomputers.com

Web: www.cerebracomputers.com

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: #S-5, off 3rd Cross, I Stage, Peenya Industrial Area, 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:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company, to be held on Monday, 29th September 2014 at 10 am at the Corporate Office of the Company situated at 26/4, 'A' Block, 4th Floor, Industrial Suburb, Sandal Soap Factory Metro Station, Rajajinagar, Bangalore- 560 055 and at any adjournment thereof in respect of such resolutions as are indicated below:

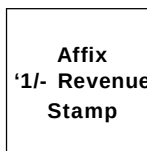
Resolution No.

ORDINARY BUSINESS:

1. Adoption of Financial Statements for the period ended 31st March, 2014.
2. Re-appoint Mr. V. Ranganathan, as Managing Director, who retires by rotation.
3. Appointment of Mr. Shridhar S. Hegde, Whole time Director, who retires by rotation.
4. Appointment of Auditors of the Company.

SPECIAL BUSINESS:

5. Appointment of Mr. T. S. Suresh Kumar as an Independent Director.
6. Appointment of Mr. S. Gopalakrishnan as an Independent Director.
7. Issue of Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Foreign Currency Convertible Bonds (FCCBs) / Equity Shares / Warrants and / or instruments convertible into equity shares for an aggregate sum up to us \$ 16 million (approximately Rs. 96 Crores)
8. Increase in Authorized Capital.
9. Alteration in Memorandum of Association.
10. Adoption of new set of Articles of Association.



Signed this..... day of..... 2014

Signature of shareholder

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.

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

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

Telephone: 91 - 80 - 28370282/84

Email: investors@cerebracomputers.com

Web: www.cerebracomputers.com

Form No. MGT-12**Polling Paper**

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

Name of the Company: Cerebra Integrated Technologies Limited

Registered office: #S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore - 560 058

BALLOT PAPER

S 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 Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
----	----------	--------------------------	----------------------------	-------------------------------

ORDINARY BUSINESS

1.	Adoption of Financial Statements for the period ended 31st March, 2014.			
2.	Re-appointment of Mr. V. Ranganathan as Managing Director who retires by rotation			
3.	Appointment of Mr. Shridhar S. Hegde, Whole Time Director who retires by rotation.			
4.	Appointment of Auditors of the Company.			

SPECIAL BUSINESS

5.	Appointment of Mr. T. S. Suresh Kumar as an Independent Director.			
6.	Appointment of Mr. S. Gopalakrishnan as an Independent Director.			

7. Issue of Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Foreign Currency Convertible Bonds (FCCBs) / Equity Shares / Warrants and / or Instruments Convertible Into Equity Shares For an Aggregate sum up to US\$ 16 Million (Approximately Rupees 96 Crores).
8. Increase in Authorized Capital.
9. Alteration in Memorandum of Association.
10. Adoption of new set of Articles of Association.

Place

Date:

(Signature of the scrutinizer)

(Signature of the shareholder)

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

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

Telephone: 91 - 80 - 28370282/84 Email: investors@cerebracomputers.com

Web: www.cerebracomputers.com

ATTENDANCE SLIP

(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 Twentieth Annual General Meeting of the Company held on Tuesday, 29th September, 2014, at 10.00 Am at the Corporate Office of the Company situated at 26/4, 'A' Block, 4th Floor, Industrial Suburb, Sandal Soap Factory Metro Station, Rajajinagar, Bangalore- 560 055.

To be signed at the time of handing

Signature of Member / Proxy

Notes



Cerebra Integrated Technologies Limited

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

Ph: 91-80-2204 6969 Fax: 2204 6980

E-mail: investors@cerebracomputers.com

www.cerebralpo.com www.cerebra-me.com

REGD. OFFICE :

S5, Off 3rd Cross, Peenya Industrial Area,
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E-mail : info@cerebracomputers.com

CIN : L85110KA1993PLC015091

REF: CITL/SE/030/2014-15

Friday, 05 September 2014

The Manager - Listing
BSE Limited, (Bombay Stock Exchange)
Phiroze Jeejeebhoy Towers
Dalal Street, FORT,
MUMBAI - 400 001.

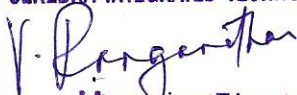
FORM A

Dear Sir,

1.	Name of the Company	Cerebra Integrated Technologies Limited
2.	Annual financial statements for the year ended	31 st March 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Repetitive for the second time

For Cerebra Integrated Technologies Limited

For **CEREBRA INTEGRATED TECHNOLOGIES LTD.**


Managing Director

V Ranganathan
Managing Director