

REGD. OFFICE:

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

Tel : +91-80-22046969-78

Fax : +91-80-22046980

Web : www.cerebracomputers.com

E-mail : info@cerebracomputers.com

CIN: L85110KA1993PLC015091

REF: CITL/NSE/029 /2018-19

Tuesday, September 18, 2018

Listing Department,
National Stock Exchange of India Limited
5th Floor, Exchange Plaza,
Bandra (E), MUMBAI-400 051

Dear Sir/Madam

Sub: **Copy of Annual Report**

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the adopted copy of Annual Report of 24th Annual General Meeting of the Company held on 18th September, 2018 at #S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore-560 058 as per the Companies Act, 2013.

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

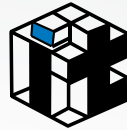
Thanking you

Yours faithfully

For Cerebra Integrated Technologies Limited



Shridhar S Hegde
Whole Time Director
DIN: 01247342



CEREBRA®

Total I.T. Solutions

An ISO 9001 : 2015 Company

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

24th ANNUAL REPORT
2017-18

Marching towards the green growth

BOARD OF DIRECTORS

V. Ranganathan	-	Managing Director
Shridhar S. Hegde	-	Whole-Time Director
P. Vishwamurthy	-	Whole-Time Director
Preethi Javali	-	Non-Executive Director
T.S. Suresh Kumar	-	Independent Director
P.E. Krishnan	-	Independent Director
S. Gopalakrishnan	-	Independent Director
Riyaz Suterwalla	-	Non-Executive and Non Independent Director

Company Secretary and Compliance Officer

Nutan Soudagar

REGISTERED OFFICE AND FACTORY

#S-5, off 3rd Cross, 1st Stage,
Peenya Industrial Area,
Bangalore - 560 058
Tel: 91 - 80 - 22046969
Fax : 91 - 80 - 22046980
Web: www.cerebracomputers.com
Email: info@cerebracomputers.com
investors@cerebracomputers.com

E-WASTE RECYCLING UNIT

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

SUBSIDIARY COMPANIES

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

STATUTORY AUDITORS

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

SECRETARIAL AUDITOR

Parameshwar G Bhat
Practising Company Secretary
Bangalore

INTERNAL AUDITORS

Murugendrappa & Co.
Chartered Accountants
Bangalore

REGISTRARS & SHARE TRANSFER AGENTS

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

BANKERS

Bank of India
Syndicate Bank

ENLISTMENTS

BSE Limited
National Stock Exchange of India Limited (NSE)

DEPOSITORIES

National Securities Depository Limited
Central Depository Services India Limited

FROM THE DESK OF MANAGING DIRECTOR

Dear Stakeholder,

Greetings from Team Cerebra!

It is that time of the year which we all look forward to. It is time again to meet all of you and brief you personally on the exciting journey we have been having.

For the year under report, your Company's performance surpassed the expectations with a turnover of Rs. 31430 Lakhs and an EBITDA of Rs. 4208 Lakhs. This is an all time high so far in our last 27 years of existence as Cerebra and we hope to improve this in the coming years.

The e-Waste business as expected and projected is growing very well. We now have a PAN India presence in term of Collection of E-waste from large corporates and the Government both State and Central.

Our refurbished business is also doing well and growing by leaps and bounds. We have a reseller network across the country and the refurbished products have been well received. Very soon we plan to refurbish mobiles also. This will be a very large market and it will take your Company to the next level.

We have started construction of the next factory. The demand has been very good and the Government of India's (GOI) E-waste handling rules are supporting us very well. The GOI has defined the Extended Producer Responsibility and thereby ensuring that all the producers of Electronic products including white goods collect what they have sold a few years back and hand it over to a licensed recycler like us. To handle white goods which all of you are aware, has been sold in large numbers over a period of time and we have embarked on setting up a large facility. We have also recruited an experienced head to take care of this business. We are on the job of recruiting a large team and has also used technology wherein the consumer will soon be able to log onto our site and sell, donate, his electronic waste from across the country. This site will also be used for selling our refurbished products.

Further, we have all the necessary certifications from quality certifying agencies who have audited our process and procedures followed right from the collection point to the factory.

The rest of the hardware business is doing well including our Dubai Subsidiary. Your Directors and the CEOs of the respective divisions have covered this in greater detail elsewhere in this report and as a Company we are the only one who can give a total 360 degree process for hardware products i.e. manufacturing, selling, maintaining, buy back as e-waste, refurbish and finally recycler and recover all metals and plastic thereby ensuring none of these products go into the landfill or is improperly handled.

We have approached the GOI to grant us a few subsidies and tax exemptions to able us to expand into newer areas of recycling and as a Company that will be our focus. We believe this focus will add a huge value for our shareholders, investors and all members of Cerebra family.

We take this opportunity to thank you all Shareholders, employees, vendors, bankers, advisors, Government of Karnataka, the Government of India and our esteemed customers for supporting and helping us to reach here and we are sure it will continue to take Cerebra to a bigger heights and achievements.

With warm regards,

V Ranganathan
Managing Director
DIN: 01247305

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

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

Telephone: 91-80-28370282/84 Email: info@cerebracomputers.com Web: www.cerebracomputers.com

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on Tuesday, 18th September, 2018 at 10:00 A.M. at the Registered Office of the Company at #S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore-560 058 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report.
2. To appoint Mr. Shridhar S. Hegde (holding DIN: 01247342), Wholtime Director and who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mr. Riyaz Suterwalla (DIN: 07866056) as Director

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 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) and the Articles of Association of the Company, Mr. Riyaz Suterwalla (DIN: 07866056), who was appointed as Additional Director of the Company by the Board of Directors at its Meeting held 14th September, 2017 in terms of Section 161(1) of the Companies Act, 2013 and who holds office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

4 To alter the Articles of Association of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Articles of Association of the Company be and are hereby altered as follows:

By replacing the existing Article 3 as follows:

SHARE CAPITAL

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

By order of the Board

For Cerebra Integrated Technologies Limited

Place : Bangalore
Date : 13th August, 2018

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY APPOINTED NEED NOT BE A MEMBER. THE DULY FILLED IN PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto.
3. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by an Attendance Slip, which is forwarded as detachable part of Annual Report. Members are requested to affix their signature at the place provided in the Attendance Slip and hand it over at the entrance.
4. Members, who hold Shares in dematerialized form, are requested to bring in their Client ID and DP ID nos. for easier identification of attendance at the Meeting and those who hold Shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting.
5. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least 7 days prior to the Meeting, so that, the required information can be made available at the Meeting.
6. Members holding Shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agent, Karvy 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.
8. Pursuant to SEBI circular dated 20th April, 2018, Members whose ledger folios do not have or having incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the details to the RTA/to the company for registration in the folio. As per the records with RTA, your folio needs to be updated with the PAN / complete Bank details so that the investments held by you will be fully protected with proper KYC compliance.
9. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot number 31 & 32
Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad-500 032, India
Phone: 040 - 91 40-67161564 Fax 9140-23420814
Email: shobha.anand@karvy.com
10. Listing fees have 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.
11. The Company's Shares are traded in electronic form with ISIN No. INE345B01019.
12. The Register of Members and the Share Transfer Books will remain closed on 18th September, 2018 in connection with the Annual General Meeting.
13. Members are kindly requested to bring Annual Report 2017-18 along with them to the Annual General Meeting, since extra copies will not be supplied at the Meeting.
14. To support the 'Green Initiative', the Members who have not registered their e-mail address are requested to register the same with Karvy Depositories.

As regards re-appointment of Mr. Shridhar S. Hegde (holding DIN: 01247342) referred to, in item No. 2 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Particulars	Details
Name	Mr. Shridhar S. Hegde
Date of Birth	27th January, 1961
Date of Appointment	18th July, 1996
Qualifications	Bachelor of Science
Expertise in specific functional area	Finance
Directorships held in other Companies (excluding foreign companies)	Cerebra LPO India Limited
Membership / Chairmanships of Committees of other public companies (included only Audit and Shareholders / Investors Grievance Committee)	Nil
No. of Board Meetings attended during the financial year	6 (six)

15. 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 24th Annual General Meeting to be held on Tuesday, 18th September, 2018 at the Registered Office of the Company at #S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore-560 058. The Company has engaged the services of Karvy Computershare Private Limited to provide the e-voting facility.

The instructions for E-voting are as under:

- i. To use the following URL for e-voting: <https://evoting.karvy.com>
- ii. Enter the login credentials (i.e., User ID and password mentioned below). Event No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering the details appropriately, click on LOGIN.
- iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e., Cerebra Integrated Technologies Limited.
- vii. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / Against as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option ABSTAIN in case you wish to abstain from voting.
- viii. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
- ix. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- x. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail parameshwar@vjkt.in or scrutinizer@cerebracomputers.com.
- xi. Once you have cast your vote on a Resolution you will not be allowed to modify it subsequently.
- xii. The Portal will remain open for voting from: Friday the 14th September, 2018 (9:00 AM) and ends on Monday the 17th September, 2018 (5:00 PM).

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available at the download section of <https://evoting.karvy.com> or contact Mrs. Shobha An and / Mr. Sridhar Balamurli of Karvy Computershare Private Limited at 040-67162222 or at Tel No. 1800 345 4001 (toll free).

- xiii. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case a Member receives physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company/Depository Participants]:

- (i) User ID and initial password as provided overleaf.
- (ii) Please follow all steps from Sl. Nos. (1) to (12) as mentioned in above, to cast your vote.

- xiv. 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.

- xv. The voting period begins on Friday the 14th September, 2018 (9:00 AM) and ends on Monday the 17th September, 2018 (5:00 PM).
- xvi. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday the 11th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter once the vote on a Resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

xvii. The voting rights of the Shareholders shall be in proportion to their Shares of the Paid-up Equity Share Capital of the Company as on the cut-off date i.e., Tuesday the 11th September, 2018.

Mr. Parameshwar G. Bhat, Practising Company Secretary, Bangalore has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

xviii. The Scrutinizer shall within a period of not exceeding Forty Eight (48) hours from the conclusion of the voting at the Annual General Meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to Managing Director or designated Director of the Company.

xix. The results of Annual General Meeting shall be declared within Forty Eight hours from the conclusion of the Annual General Meeting. The e-voting along with the Scrutinizer's Report shall be placed on the Company's website (www.cerebracomputers.com) and on the website of Karvy. The results will also be communicated to the Stock Exchanges where the Shares of the Company are listed.

xx. Further, members may note the following:

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

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

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

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

By order of the Board

Place : Bangalore
Date : 13th August, 2018

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 3:

Appointment of Mr. Riyaz Suterwalla (DIN: 07866056) as Director

At the Meeting of the Board held on 14th September, 2017, Mr. Riyaz Suterwalla was inducted as Additional Director of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, he will hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of requisite amount i.e. Rs. 1,00,000/- (Rupees One Lakh only) pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Riyaz Suterwalla for the office of Director of the Company.

Brief profile of Mr. Riyaz Suterwalla is as follows:

Mr. Riyaz Suterwalla is a qualified Chartered Accountant from the Institute of Chartered Accountants of England and Wales. He comes from a long established and reputed family business house in London, UK. Mr. Riyaz Suterwalla started his career at Arthur Andersen UK in London where he enjoyed a rapid rise through the ranks in the Energy, Infrastructure and Utilities audit division and he was subsequently employed by Messrs Deloitte and Touche LLP, London Office.

He was involved in the planning, implementation and control of audit and other business engagements (in particular due diligence), managing teams, decision making and principal source of contact with the senior client personnel and handled key clients like Sky UK Limited, Balfour Beatty PLC, Senopr PLC, Abbot Laboratories, Chloride plc and Metronet Rail to name a few.

He achieved a first class joint honours degree in International Management with French from the University of Manchester, Institute of Science and Technology.

Mr. Riyaz Suterwalla retains the position of Director on the Board of numerous companies and is responsible for driving businesses forward whilst ensuring the appropriate legal frameworks are in place. He is also tasked with creating and managing a portfolio of investments (properties, equities and derivatives) in the UK and UAE while determining the Company's strategic objectives and policies.

He lives in Dubai with his wife and two young children.

Following are the information pertaining to Director seeking re-appointment at the 24th Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2:

Name	Mr. Riyaz Suterwalla
Date of Birth	27th February, 1974
Date of Appointment	14th September, 2017
Qualifications	- Chartered Accountant from the Institute of Chartered Accountants of England and Wales. - Degree in International Management with French from the University of Manchester Expertise in specific functional area planning, implementation and control of audit and other business engagements (in particular due diligence), managing teams, decision making
Directorships held in other Public Companies (excluding foreign companies)	NIL
Membership / Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	NIL
Number of Shares held in the Company	NIL

Your Board recommends the Ordinary Resolution as set out in Item no. 3 for the approval of the Members.

Except Mr. Riyaz Suterwalla, none of the Directors, Key Managerial Personnel of the Company or their relatives, is concerned or interested financially or otherwise in the said Resolution.

ITEM NO. 4:

To alter the Articles of Association of the Company

Article no. 3 of the Articles of Association of the Company as explained in the Resolution No. 4 needs to be modified. The proposed new draft Articles of Association are kept available for the inspection during office hours at the Registered Office of the Company up to the date of the Meeting.

Your Board recommends the Special Resolution as set out in Item no. 4 for the approval of the Members.

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

By order of the Board

Place : Bangalore
Date : 13th August, 2018

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

Annual Report 2017-2018

BOARD'S REPORT

To the Members

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Financial Statements for the 24th financial year ended 31st March, 2018.

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

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Gross Income	31,613.58	25,232.62
Profit Before Interest and Depreciation	4,391.51	1,474.31
Finance Charges	171.08	146.53
Gross Profit	4,220.43	1,327.78
Provision for Depreciation	30.49	17.01
Profit before exceptional and extraordinary items and tax	4,189.94	1,310.77
Exceptional Items	0	0
Provision for Tax	732.70	96.02
Net Profit After Tax	3,457.24	1,214.76
Other Comprehensive Income	3.08	-27.19
Total Comprahensive Income	3,460.32	1,187.55
Total Comprehensive Income Attributable to		
a) Owners	3,242.33	1,100.63
b) Non-Controlling Interest	217.99	86.93
Earnings per Equity Share of Rs 10/- each		
Basic	2.75	1.12
Diluted	2.73	1.12

1. PERFORMANCE OF THE COMPANY:

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

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

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

Cerebra has recently completed execution of a few prestigious projects related to modernisation and augmentation of IT infrastructure in police, courts, revenue and treasury departments across the state.

With incremental focus and engagement in network security, backup and security & surveillance opportunities, the Company is looking to further strengthen the offerings.

ELECTRONIC MANUFACTURING SERVICES:

Performance of the division is very good and has added new customers this year also and retained existing clients who have consistently increased the current orders. This division is currently rated as one of the Top Vendors. Domestic market has increased and the division has confirmed orders. Your Company is already looking to expand by adding one or two SMT lines in the upcoming financial year which will automatically increase production.

E-WASTE RECYCLING BUSINESS:

The plant is fully functional and is processing E-waste. A new line of business EPR or Extended Producer Responsibility - Organisation has been added to the current portfolio wherein Cerebra will be the Producer Responsibility Organization for large and medium manufacturers of IT Products, White Goods such as TV, Fridge, Washing Machines and other electrical and electronic products. Cerebra has applied for a i.e., producers license with the Central Pollution Control Board (CPCB) and is awaiting its authorisation. Cerebra is gearing up its marketing efforts

and building a large infrastructure for collection of WEEE and white goods by appointing both channel and dealer network and also collects direct through its representatives. It is in talks with large logistics and reverse logistics providers for collection PAN India and transportation of goods to its state of the art facility at Narasapura, Kolar District.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Cerebra Middle East FZO Dubai

Cerebra Middle East has seen an encouraging growth in FY 17-18 both in terms of a 29% increase in revenue as well as an expansion of its channel partner base in the Middle East. CME closed the financial year with a revenue of USD 20.8 Millions as against USD 16.3 Millions last year with a Net Profit Ratio of 14.1 %. Being focused on profitability and market expansion, the last year there was an increase in channel partner to about 150 partners though UAE, Kuwait, Qatar, Saudi Arabia, Oman, Egypt, Central & Eastern Africa. CME also increased its vendor portfolio by onboarding market leaders like Rassilient and Promise into its Surveillance Security product portfolio along with Actifio in its ICT portfolio. The Security Solutions division launched 3 years ago is now rolling out best in class solutions in the Surveillance Security domain through the region. CME's services initiative C:\Serve performed beyond expectations. CME now has a vast experience in providing top class contingent workforce management services and exceeding client expectations through highly effective processes for recruiting, screening, testing, and consultant management. Many clients of your Company regularly seek advice for making changes to their internal IT Staffing and Vendor Management Programs. Over the years, your Company formulated strategies, processes and in-house IT systems - enabling our sourcing engine to mature into one of the strongest in the line of business. CME has also appointed a professional to take expand Cerebra's Electronic Waste & Recycling business into Middle East and Africa.

In the financial year 2017-18, CME not only increased its footprint in the Middle Eastern markets but also put forward its first step into developing markets like Africa. During the previous year, there were some prestigious orders from Enterprise customers like Qatar Petroleum, Meraas Holding, Abu Dhabi Commercial Bank, National Bank of Abu Dhabi, Abu Dhabi Police, Dubai Mall, Burj Khalifa, Abu Dhabi Commercial Bank, Sharjah Islamic Bank etc. through CME's established Enterprise channel. CME's focus area for the financial year 2018-19 would be channel growth, channel enablement, loyalty programs and a substantial increase in its vendor and solutions portfolio. There will be a special focus on the Surveillance Security and Services business. There would be increase in CME's industry specific portfolio coverage with storage, infrastructure and security solutions for the Oil and Gas, Banking, Healthcare, Telco, Media, Education, Retail & Hospitality verticals. E-Waste & Recycling Management Division will also be expanded for the Middle East & Africa markets in the upcoming years.

2. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments which occurred, affecting the financial position of the Company between 31st March, 2018 and the date on which this report has been signed.

3. CHANGE IN THE NATURE OF BUSINESS:

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

4. DIVIDEND:

With the view to conserve the resources of the Company, the Directors are not recommending any dividend.

5. AMOUNTS TRANSFERRED TO RESERVES:

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

6. CHANGES IN SHARE CAPITAL:

Authorized Share Capital

There were changes in the Authorised Share Capital of the Company during the financial year 2017-18 as follows:

The Authorised Share Capital of the Company has been increased from Rs. 110,20,00,000 (Rupees Hundred and Ten Crores Twenty Lakhs only) divided into 11,02,00,000 (Eleven Crores Two Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 126,00,00,000 (Rupees One Hundred and Twenty Six Crores only) divided into 12,60,00,000 (Twelve Crores Sixty Lakhs) Equity Shares of Rs. 10/- (Rupee Ten only) each by additionally creating 1,58,00,000 (One Crores Fifty Eight Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each in the Extra Ordinary General Meeting of the Company held on 28th April, 2017.

Paidup Share Capital

During the financial year 2017-18, the Paid up Share Capital of the Company has been increased from Rs. 108,49,66,320/- (Rupees One Hundred and Eight Crores Fortynine Lakhs Sixty Six Thousand Three Hundred and Twenty only) divided into 10,84,86,482 (Ten Crores Eighty Four Lakhs Eighty Six Thousand Four Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) to Rs. 1,20,39,66,320 (Rupees Hundred and Twenty Crores Thirty nine Lakhs Sixty six Thousand Three Hundred and Twenty only) divided into 12,04,06,782 (Twelve Crores Four Lakhs Six Thousand Seven Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) pursuant to allotment of 1,19,00,000 Equity Shares of Rs 10/- each at a premium of Rs. 30/- (Rupees Thirty only) each on preferential basis to Strategic Investor, Kuber Global Fund, a company incorporated in the Republic of Mauritius on 22nd June 2017.

Allotment of Warrants:

Pursuant to the Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of the Company held on 28th April, 2017, the Company has allotted 53,00,000 Warrants convertible into Equity Shares at nominal value of Rs. 10/- (Rupees Ten only) each at a premium of Rs. 30/- (Rupees Thirty only) per Share to certain Promoters on certain terms and conditions agreed upon.

Disclosure regarding Issue of Equity Shares with Differential Voting Rights

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

Disclosure regarding issue of Employee Stock Options:

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

Disclosure regarding issue of Sweat Equity Shares:

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

7. CAPITAL INVESTMENTS

Capital Investments during the financial year 2017-18 was at Rs. 2,384.69 Lakhs (Net of capital work-in-progress and capital advances) (2016-17) is Rs. 2,400.37 Lakhs).

BOARD MEETINGS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the financial year under review Six (6) Meetings were held on 29th May 2017, 22nd June 2017, 14th September 2018, 1st November 2017, 30th November 2017 and 12th February 2018.

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

The details of other Committee Meetings held during the financial year 2017-18 are given in the Corporate Governance Report.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Shridhar S. Hegde (holding DIN: 01247342) Whole Time Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Riyaz Suterwalla (DIN: 07866056) was appointed as Additional Director (Non Executive and Non Independent) of the Company with effect from 14th September, 2017 and his appointment will be subject to approval of the Shareholders and the same has been included as one of the agenda items in the Notice convening the Annual General Meeting.

9. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

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

10. COMPOSITION OF AUDIT COMMITTEE:

As on 31st March, 2018 the Audit Committee of the Company consisted of three (3) Non-Executive Independent Directors and all of them have financial and accounting knowledge.

The Board has accepted the recommendations of the Audit Committee during the financial year under review.

The Audit Committee consists of the following:

- | | |
|--------------------------|------------|
| a) Mr. S. Gopalakrishnan | - Chairman |
| b) Mr. T S Suresh Kumar | - Member |
| c) Mr. P. E. Krishnan | - Member |

11. NOMINATION AND REMUNERATION COMMITTEE POLICY:

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

The Nomination and Remuneration Committee consists of the following:

- | | |
|---------------------------|------------|
| a) Mr. S. Gopalakrishnan | - Chairman |
| b) Mr. T. S. Suresh Kumar | - Member |
| c) Mr. P. E. Krishnan | - Member |

12. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

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

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

14. EXTRACT OF ANNUAL RETURN:

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

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

The Company has following Subsidiaries:

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

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

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

16. STATUTORY AUDITORS:

The Auditors, Messrs Ishwar & Gopal, Chartered Accountants, Bangalore, registered with Institute of Chartered Accountants of India (ICAI) under the firm registration number 001154S, were appointed for period of 5 (five) years from the conclusion of the 21st Annual General Meeting till the conclusion of 26th Annual General Meeting of the Company.

Auditors Comment regarding emphasis matter of Auditors Report dated 30th May, 2018:

Emphasis of Matter

Without qualifying our report, we draw attention to the following matters in notes to the standalone Ind AS financial statements:-

Note 36.1 and 36.2 of the stand alone financial statements relating to capital advances amounting to Rs. 3,223.55 Lakhs and Note No 36.3 of the stand alone financial statements relating to trade receivables amounting to Rs. 2,394.28 Lakhs which are outstanding for substantial period raising question over the recoverability of these dues.

Board's Response:

Regarding the Advance towards purchase of fixed assets and trade receivables, the management is hopeful of recovering the amount and hence no provision has been made.

17. SECRETARIAL AUDITOR:

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

Explanations by the Board on the comments of Secretarial Auditors:

Sl. No.	Qualifications made by Secretarial Auditor	Explanations by the Board
a	The RBI had not issued the approval letter for the FCGPRs filed by the Company. However, the Company had confirmed that there were some queries from RBI and the same were suitably addressed by the Company and this is being followed up with RBI.	The Company is continuously following with the RBI to obtain the approval letter for the FCGPRs filed by the Company. Further, Suitable reply has been submitted to RBI whenever there were queries.
b	There were some instances of non compliances of the provisions of Section 185 of the Companies Act, 2013 with regard to providing loan/advance facility to its Subsidiary.	The Company will ensure to comply with the same in future.
c	The ECB returns with regard to the FCCBs availed by the Company seem to have been filed with errors.	The Company will ensure to take corrective measures to rectify the error.
d	Certain returns under above mentioned general laws were not filed by the Company in time.	The Company will ensure to file the returns in time.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

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

B) Technology absorption:

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

C) Research and Development (R&D)

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

D) Foreign exchange earnings and Outgo

Activities relating to exports	Not Applicable
Initiatives taken to increase exports	Not Applicable
Development of new export markets for products and services	Not Applicable
Export plans	Not Applicable
Total Exchange used (Cash basis)	As on 31st March, 2018: Rs.1,20,05,196.00
Total Foreign Exchange Earned (Accrual Basis)	As on 31st March, 2018: Rs. 2,29,58,473.00

19. RATIO OF REMUNERATION TO EACH DIRECTOR:

The Company had 123 employees as on 31st March, 2018. Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 (1) (2) (3) of the Companies (Appointment and Remuneration) Rules, 2014, details/disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is annexed to this report as Annexure-IV.

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

20. DEPOSITS:

Your Company has not invited/accepted/renewed any deposits from public as defined under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 and accordingly, there were no deposits which were due for repayment on or before 31st March, 2018.

21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

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

However, during the year under review, the Company has obtained necessary consent from the Karnataka State Pollution Control Board to start production for its E-Waste plant in Bangalore on 22nd May, 2017.

22. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization. The Audit Committee, which meets at-least four times a year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

24. RISK MANAGEMENT POLICY:

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

25. CORPORATE SOCIAL RESPONSIBILITY POLICY:

Since the Company does not meet the criteria for the applicability of Section 135 of the Companies Act read with the Companies (Accounts) Rules, 2015, this clause is not applicable.

However, the net profit of the Company during the financial year 2017-18 is more than Rs. 5 Crores, CSR becomes applicable to the Company for the financial year 2018-19. The Company has taken necessary steps to constitute CSR Committee and formulate CSR Policy as per the provisions of the Companies Act, 2013.

26. INDUSTRIAL RELATIONS:

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

27. RELATED PARTY TRANSACTIONS:

There were Related Party Transactions during the financial year.

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

28. FORMAL ANNUAL EVALUATION:

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

29. LISTING WITH STOCK EXCHANGES:

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

30. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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

31. MANAGEMENT DISCUSSION AND ANALYSIS:

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

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

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

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

No complaints pertaining to sexual harassment was reported during the year.

33. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

34. ACKNOWLEDGEMENTS:

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

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore
Date : 13th August, 2018

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

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

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

Registered Office Address: S5, Off 3rd Cross, Peenya Industrial Area
 Peenya I Stage, Bangalore-560 058

Tel.: 080-22046969

Fax.: 080-22046980

Email: investors@cerebracomputers.com

Website: www.cerebracomputers.com

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Wholesale of computers, computer peripheral equipment and software	46511/12	80
2	Electronics Manufacturing Services, PCB assembly	26104	5
3	E Waste Recycling	38300	10
3	Computer consultancy and computer facilities management activities	62020	5

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Cerebra LPO India Limited	U72200KA2008PLC047597	Subsidiary Company	70	2(87)(ii)
2	Cerebra Middle East FZCO, Dubai, UAE	Foreign Company	Subsidiary Company	90	2(87)(ii)

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

i) Category-wise Share Holding (Enclosed the Spread Sheet for SHP)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	7283219	0	7283219	6.71	7318291	0	7318291	6.08	-0.63
b) Central Govt/State Govt (s)	-	-	-	-	-	-	-	-	-
c) Banks / FI	-	-	-	-	-	-	-	-	-
d) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	7283219	0	7283219	6.71	7318291	0	7318291	6.08	-0.63
2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	7283219	0	7283219	6.71	7318291	0	7318291	6.08	-0.63
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Banks / FI	0	0	0	0.00	1135656	0	1135656	0.94	0.94
g) Foreign Portfolio Investor	-	-	-	-	4700000	-	4700000	3.90	3.90
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	5835656	0	5835656	4.85	4.85
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	36562973	0	36562973	33.70	34987020	0	34987020	29.06	-4.64
ii) Overseas	19086000	6900000	25986000	23.95	22170571	6900000	29070571	24.15	0.19
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	9719256	291624	10010880	9.23	9921446	284424	10205870	8.48	-0.75
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	27885540	36200	27921740	25.74	31259696	0	31259696	25.97	0.23
c) Others (specify) NRI	320087	0	320087	0.30	431398	0	431398	0.36	0.06
Clearing Members NBFC Registered with RBI	401583	0	401583	0.37	1247564	0	1247564	1.04	0.67
	0	0	0	0	30416	0	30416	0.03	0.03
Sub-total (B)(2)	93975439	7227824	101203263	93.29	100011911	7220624	107232535	89.07	-4.21
Total Public Shareholding (B)=(B)(1)+(B)(2)	93975439	7227824	101203263	93.29	100011911	7220624	107232535	89.07	-4.21
C. Shares held by Custodian for GDRs & AD Rs									
Grand Total (A+B+C)	101258658	7227824	108486482	100.00	113165858	7220624	120386482	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	Messrs							
1.	Mr. Shridhar S Hegde	2578721	2.38	0	2588307	2.15	0	-0.23
2.	Mr. P Vishwamurthy	998130	0.92	0	998130	0.83	0	-0.09
3.	Mr. V Ranganathan	2685666	2.48	0	2711152	2.25	0	-0.22
4.	Mr. P Bharath	1010702	0.93	0	1010702	0.84	0	-0.09
5.	Ms. Preethi Bharath	10000	0.01	0	10000	0.01	0	0
	Total	7283219	6.71	0	7318291	6.08	0	-0.63

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the	No. of Shares	% of total Shares of the Company
	Messers				
	At the beginning of the year	7283219	6.71	7318291	6.08
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.)			Purchase from the open market	
	At the end of the year	7283219	6.71	7318291	6.08

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the	No. of Shares	% of total Shares of the Company
	Mr. Shridhar S Hegde				
	At the beginning of the year	2578721	2.38	2588307	2.15
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.)			Purchase from the open market	
	At the end of the year	2578721	2.38	2588307	2.15

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the	No. of Shares	% of total Shares of the Company
	Mr. V Ranganathan				
	At the beginning of the year	2685666	2.48	2711152	2.25
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.)			Purchase from the open market	
	At the end of the year	2685666	2.48	2711152	2.25

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

Sl. No.	Top 10 Shareholders (*)	Shareholding at the beginning of the year i.e. 1 st April, 2017		Cumulative Shareholding at the end of the year i.e. 31 st March, 2018	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Kuber Global Fund	0	0	11900000	9.88
2	Heshika Growth Fund	8078760	7.45	7341485	6.10
3	Auctor Investments Ltd	7628760	7.03	629086	0.52
4	SSJ Finance & Securities Pvt. Ltd.	8996782	8.29	5198627	4.32
5	Silver Stallion Limited	0	0	4700000	3.90
6	Scenic Overseas(S) Pte Ltd. Singapore	3600000	3.32	3600000	2.99
7	Leytron Technology Pte.Ltd. Singapore	3300000	3.04	3300000	2.74
8	Niraj Rajnikant Shah	2560355	2.36	1995114	1.66
9	Cimelia Resource Recovery Pte Ltd	2300000	2.12	2300000	1.91
10	Pushkar Baniya Limited	2239006	2.06	2239006	1.86
11	Manish Lakhi	1923720	1.77	1923720	1.60
12	Horizen Ventures Management Company Private Limited	1900000	1.75	1900000	1.58

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	7283219	6.71	7318291	6.08
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc)			Purchase from the open market	
	At the end of the year	7283219	6.71	7318291	6.08

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

In Rs.

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

B. Remuneration to other Directors:

Not Applicable

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

In Rs.

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Company Secretary	
1	1. Gross Salary	Mrs. Nutan Spidagar	
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	329376	329376
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	14976	14976
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	- others, specify	0	0
5	Others, please specify	0	0
	Total	344352	344352

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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore
Date : 13th August, 2018

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

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

Form AOC-1

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

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

Part "A" Subsidiaries

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

Sl. No.	Particulars	Cerebra LPO India Limited	Cerebra Middle East FZCO, Dubai
1.	Reporting period (if different from the holding company's reporting period)	31st March, 2018	31st March, 2018
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries)	INR	INR
3.	Share Capital	500000	1223103
4.	Reserves and surplus	446644	358075155
5.	Total assets	71347992.28	545943692
6.	Total Liabilities	70817963	102355055
7.	Investments	Nil	Nil
8.	Turnover	5753897	1403538876
9.	Profit before taxation	-1073890	220570867
10.	Provision for taxation	0	0
11.	Profit after taxation	-1073890	220570867
12.	Proposed Dividend	0	0
13.	% of shareholding	70	90

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore
Date : 13th August, 2018

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

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

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2018

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

To
The Members,
CEREBRA INTEGRATED TECHNOLOGIES LIMITED
BANGALORE
(CIN: L85110KA1993PLC015091)

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Cerebra Integrated Technologies Limited for the financial year ended on 31.03.2018 according to the provisions of following Acts/Rules wherever applicable:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) There were no industry specific laws applicable to the Company from the list provided by the Institute of Company Secretaries of India;
- (vii) The other following general laws as may be applicable to the Company, wherever applicable:

(1) Employer/Employee Related laws & Rules:

- i. Industries (Development & Regulation) Act, 1951
- ii. The Factories Act, 1948
- iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- iv. The Apprentices Act, 1961
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923
- viii. The Maternity Benefits Act, 1961

- ix. The Payment of Gratuity Act, 1972
- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
- xxiii. Dangerous Machines (Regulation) Act, 1983
- xxiv. Indian Boilers Act, 1923
- xxv. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxvi. The Labour Welfare Fund Act, 1965
- xxvii. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxviii. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

(2) Environment Related Acts & Rules:

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

3) Economic/Commercial Laws & Rules

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

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

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

- a) *The RBI had not issued the approval letter for the FCGPRs filed by the Company. However, the Company had confirmed that there were some queries from RBI and the same were suitably addressed by the Company and this is being followed up with RBI.*
- b) *There were some instances of non compliances of the provisions of Section 185 of the Companies Act, 2013 with regard to providing loan/advance facility to its subsidiary.*
- c) *The ECB returns with regard to the FCCBs availed by the Company seem to have been filed with errors.*
- d) *Certain returns under above mentioned general laws were not filed by the Company in time.*

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

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

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

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

I further report that the Authorized Share Capital of the Company has been increased from Rs. 1,10,20,00,000 (Rupees Hundred and Ten Crores Twenty Lakhs only) divided into 11,02,00,000 (Eleven Crores Two Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,26,00,00,000 (Rupees One Hundred and Twenty Six Crores only) divided into 12,60,00,000 (Twelve Crores Sixty Lakhs) Equity Shares of Rs. 10/- (Rupee Ten only) each during the year and the Paid up Share Capital of the Company has been increased from Rs. 108,49,66,320/- (Rupees One Hundred and Eight Crores Forty Nine Lakhs Sixty Six Thousand Three Hundred and Twenty only) divided into 10,84,86,482 (Ten Crores Eighty Four Lakhs Eighty Six Thousand Four Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) to Rs. 120,39,66,320/- (Rupees Hundred and Twenty Crores Thirty Nine Lakhs Sixty Six Thousand Three Hundred and Twenty only) divided into 12,04,06,782 (Twelve Crores Four Lakhs Six Thousand Seven Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) pursuant to allotment of 1,19,00,000 Equity Shares of Rs 10/- each at a premium of Rs. 30/- (Rupees Thirty only) each on preferential basis to Strategic Investor, Kuber Global Fund, a company incorporated in the Republic of Mauritius on 22nd June, 2017.

I further report that pursuant to the Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of the Company held on 28th April, 2017, the Company has allotted 53,00,000 Warrants convertible into Equity Shares of nominal value of Rs. 10/- (Rupees Ten only) each at a premium of Rs.30/- (Rupees Thirty only) per Share to certain Promoters on certain terms and conditions agreed upon.

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

Place : Bangalore
Date : August 13, 2018

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

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

'Annexure'

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

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

Place : Bangalore
Date : August 13, 2018

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

RATIO OF REMUNERATION

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	2:1
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	1. Mr. V Ranganathan-Managing Director- 0% 2. Mr. Shridhar S Hegde-Whole Time Director and CFO-0% 3. Mr. P Vishwamurthy- Whole Time Director - 0% 4. Ms. Nutan Soudagar-Company Secretary-10.54%
(iii) The percentage increase in the median remuneration of employees in the financial year;	5.68%
(iv) The number of permanent employees on the rolls of company;	As on 31st March, 2018 49 members
(v) The explanation on the relationship between average increase in remuneration and company performance;	Increased in remuneration is based on the industrial standard and experience of each employees
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration paid to Key Managerial person is based on Remuneration Policy of the Company
(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	There is no material variation in the share price
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	This is as per the companies increment guideline
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	This is as per the companies increment guideline
(x) The key parameters for any variable component of remuneration availed by the directors;	Not Applicable
(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore
Date : 13th August, 2018

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

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

FORM NO. AOC-2

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

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

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

NIL

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

Sl. No.	PARTICULARS	DETAILS
a)	Name(s) of the related party and nature of relationship	Cerebra LPO India Limited
b)	Nature of contracts/arrangements/transactions	Sharing the part of the Registered Office premises of the Company
c)	Duration of the contracts/arrangements/transactions	NA
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not exceeding Rs. 15,000/- pm
e)	Date(s) of approval by the Board, if any:	29th May, 2017
f)	Amount paid as advances, if any:	Nil

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore
Date : 13th August, 2018

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

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

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

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

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

2. BOARD OF DIRECTORS:

The Company currently has 8 (Eight) Directors, including four Non-Executive and Independent Directors.

After due circulation of agenda and notes thereon, the Board of Directors has met at reasonable periods of intervals to transact business on various Board's functions, responsibilities and account abilities. 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 financial year end 31st March, 2018 are given below:

Sl. No.	Name	DIN	Category	Designation	No. of Board Meetings attended	No. of Directorship in other Companies incorporated in India	No. of Committee memberships in other Companies incorporated in India	Attended Committee chairmanship in other Companies incorporated in India	last AGM
1.	Mr. V Ranganathan	01247305	Executive Director (Promoter Group)	Managing Director	6	2	-	-	Yes
2.	Mr. Shridhar S Hegde	01247342	Executive Director (Promoter Group)	Whole Time Director	6	1	-	-	No
3.	Mr. P Vishwamurthy	01247336	Executive Director (Promoter Group)	Whole Time Director	6	1	-	-	Yes
4.	Ms. PreethiJavali	07157145	Non-Executive Director	Non Executive Director	6	-	-	-	Yes
5	Mr. Suresh Kumar TS	00674759	Non-Executive and Independent Director	Independent Director	5	6	-	-	Yes
6	Mr. PE Krishnan	01897686	Non-Executive and Independent Director	Independent Director	5	2	-	-	No
7	Mr. S Gopalakrishnan	01898255	Non-Executive and Independent Director	Independent Director	5	-	-	-	Yes
8	Mr. Riyaz Suterwalla*	07866056	Non-Executive and Non Independent Director	Professional Director	1	-	-	-	Not Applicable

* Mr. Riyaz Suterwalla was appointed as Additional Director w.e.f. 14th September, 2017.

DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR:

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

The Board Directors duly met Six (6) times during the financial year on 29th May 2017, 22nd June, 2017, 14th September, 2017, 1st November, 2017, 30th November, 2017 and 12th February, 2018.

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

3. AUDIT COMMITTEE:

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

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

The Audit Committee is comprised of the following Directors:

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

The Audit Committee met 5 (Five) times during the financial year on 28th April, 2017, 29th May 2017, 14th September 2017, 30th November 2017 and 12th February, 2018.

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

Sl. No.	Name	No. of Meetings attended during the financial year
1.	Mr. S. Gopalakrishnan	5
2.	Mr. T.S. Suresh Kumar	5
3.	Mr. P.E. Krishnan	5

The Audit Committee reviewed the financial results, accounting and financial controls as well as policies and practices as also internal control and internal audit systems.

4. NOMINATION AND REMUNERATION COMMITTEE:

The functions of Nomination and Remuneration Committee are as follows:

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

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

The Nomination and Remuneration Committee consists of the following Directors:

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

The Committee met 2 (Two) times during the financial year on 22nd June 2017 and 12th February, 2018.

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

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

Details of remuneration of all Directors:

Sl. No.	Name	Designation	Salary (in Rs)	Sitting fee*
Executive/Whole Time Directors				
1.	Mr. V Ranganathan	Managing Director	25,32,000	NIL
2.	Mr. Shridhar S Hegde	Whole Time Director	25,32,000	NIL
3.	Mr. P Viswamurthy	Whole Time Director	25,32,000	NIL
Non Executive and Independent / Non Independent Directors				
4.	Mr. Suresh Kumar TS	Independent Director	Nil	NIL
5.	Mr. PE Krishnan	Independent Director	Nil	NIL
6.	Mr. S Gopalakrishnan	Independent Director	Nil	NIL
7.	Ms.PreethiJavali	Non-Executive Director	Nil	NIL
8.	Mr. Riyaz Suterwalla	Non-Executive and Non Independent Director	Nil	NIL

Note: No sitting fee was paid to the Directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The functions of Stakeholders' Relationship Committee are as follows:

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

The Stakeholders' Relationship Committee consists of the following:

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

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

No major grievance of any investor was pending as on 31st March, 2018.

Mrs. NutanSoudagar, Company Secretary, is the Compliance Office of the Company.

6. INDEPENDENT DIRECTORS' MEETING:

During the financial year under review, the Independent Directors met on 12th February 2018, inter-alia, to discuss:

- Evaluation of the performance of the Non-Independent Directors and the Board as a whole
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors
- Evaluation of the quality, content and time lines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

All the Independent Directors viz., Mr. S. Gopalakrishnan, Mr. T. S. Suresh Kumar and Mr. P.E. Krishnan were present at the Meeting.

The Company had also further during the financial year, conducted Familiarisation programme for Independent Directors of the Company and the details of such familiarisation programmes are disseminated on the website of the Company at <http://www.cerebracomputers.com/governance.htm>.

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

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

8. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance and its Committee's and the Directors individually. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc.,

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

9. COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:

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

10. DETAILS OF ANNUAL GENERAL MEETING (AGM):

Year	Date	Time	Location
2014-15	29th September, 2015	10:00 AM	Corporate Office of the Company at 26/4, 'A' Block, 4th Floor, Industrial Suburb, Sandal Soap Factory Metro Station, Rajajinagar, Bangalore-560 055
2015-16	16th September, 2016	11:00 AM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560 001
2016-17	21st August 2017	10:30 AM	#S-5, Off 3rd Cross, 1st Stage, Peenya Industrial Area, Bangalore-560 058

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

29.9.2015	1. Appointment of Ms. Preethi Javali as a Director 2. Appointment of Mr. P E Krishnan as an Independent Director 3. Disinvestment by the Company as per Companies Act, 2013 and Clause 49 of the Listing Agreement
16.9.2016	1. Re-appointment of Mr. V Ranganathan as Managing Director and ratification of remuneration 2. Re-appointment of Mr. Shridhar S Hegde as Whole Time Director and ratification of remuneration 3. Re-appointment of Mr.P Vishwamurthy as Whole Time Director and ratification of remuneration
21.8.2017	1. Re-appointment of Mr. V Ranganathan as Managing Director and ratification of remuneration 2. Re-appointment of Mr. Shridhar S Hegde as Whole Time Director and ratification of remuneration 3. Re-appointment of Mr. P. Vishwamurthy as Whole Time Director and ratification of remuneration 4. Rectification of Special Resolution for further Issue of Equity Shares on preferential basis 5. Rectification of Special Resolution for Issue of Warrants to Promoters on preferential basis 6. Fees for delivery of any document through a particular mode of delivery to a member

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Particulars of Special Resolutions passed in the Extra Ordinary General Meeting (EGM) held during the financial year are given below:

28.4.2017	1. Increase the Authorized Share Capital of the Company 2. Alteration of the Memorandum of Association of the Company 3. Issuance of 1,19,00,000 Equity Shares on preferential basis to Strategic Investor, Kuber Global Fund, a company incorporated in the Republic of Mauritius. 4. Issuance of 53,00,000 Warrants convertible into Equity Shares on preferential basis to certain Promoters
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11. MEANS OF COMMUNICATION:

Quarterly/half yearly/annual financial results are forwarded to the Stock Exchanges, Published in Financial Express English and E-Sanje Kannada Newspapers. The Company's financial results and shareholding pattern are also displayed on the Company's website. The Company does not make any representations to the Institutional investors or to the Analysts.

12. DISCLOSURES:

SUBSIDIARY COMPANIES:

The Company has following Subsidiaries:

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

The financials of the Subsidiary Companies have been duly reviewed by the Audit Committee and the Board of the Holding Company. The Board minutes of the Unlisted Subsidiary Companies have been placed before the Board of the Holding Company. The Holding Company's Board is also periodically informed about all significant transactions and arrangements entered into by the Subsidiary Companies. The Company has also formulated a Policy for determining the Material Subsidiary and the details of such policies as approved by the Board are disseminated in the website of the Company.

13. RELATED PARTY TRANSACTIONS:

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

14. CODE OF CONDUCT:

The Company has adopted Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team. The Code of Conduct is available on the website of the Company at url <http://www.cerebracomputers.com/governance.htm>. Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period 1st April 2017 to 31st March, 2018.

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

Code of Conduct for Directors and Senior Management CEO Confirmation

I hereby confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of, the year ended March 31, 2017.

Place : Bangalore
Date : 13th August, 2018

V. Ranganathan
Managing Director
DIN: 01247305

15. REPORTING OF INTERNAL AUDITOR:

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

16. CEO AND CFO CERTIFICATION:

The Managing Director and the CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under SEBI Regulations, for the period ended 31st March, 2018.

17. COMPLIANCES:

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

18. GENERAL SHAREHOLDERS' INFORMATION:

The following information would be useful to the Shareholders:

1. Annual General Meeting Date and Time: At 10:00 AM, 18th September, 2018
2. Financial Year: 1st April, 2017 to 31st March, 2018
3. Book Closure Date: 18th September, 2018
4. Listing on Stock Exchange at:
 - a. BSE Limited
 - b. National Stock Exchange of India Limited (NSE)

19. DEPOSITORIES:

National Securities Depository Limited

Central Depository Services Limited

Stock Code: BSE – 532413

NSE: Cerebraint

Demat arrangement with NSDL and CDSL: ISIN : INE345B01019

20. REGISTRARS AND SHARE TRANSFER AGENTS:

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot number 31 & 32

Financial District, Nanakramguda, SerilingampallyMandal

Hyderabad-500 032 India

Phone: 040 - 91 40-67161564 Fax 9140-23420814

Email: shobha.anand@karvy.com

21. STOCK MARKET DATA:

BSE Limited

Scrip Code: 532413

(In Rs)

Month	Open Price	High Price	Low Price	Close Price
Apr-17	38.50	50.15	38.50	45.90
May-17	46.90	47.40	39.75	41.20
Jun-17	41.40	56.40	40.00	55.05
Jul-17	55.30	61.25	52.15	53.00
Aug-17	53.45	56.70	40.50	43.10
Sep-17	43.45	47.70	35.95	38.60
Oct-17	38.30	49.00	38.30	40.65
Nov-17	41.05	52.05	39.75	47.45
Dec-17	50.90	50.90	38.00	40.30
Jan-18	40.55	65.90	40.05	55.65
Feb-18	54.95	64.85	47.25	58.35
Mar-18	58.90	59.45	48.50	55.40

National Stock Exchange of India Limited, (NSE)

CEREBRAINT

(In Rs)

Month	Open Price	High Price	Low Price	Close Price
Apr-17	39.60	50.00	38.15	45.70
May-17	46.00	47.35	39.70	41.65
Jun-17	41.45	56.35	39.85	55.25
Jul-17	55.70	61.35	52.50	52.85
Aug-17	54.30	57.00	40.10	42.95
Sep-17	43.00	47.70	35.85	38.50
Oct-17	39.90	48.90	38.90	40.85
Nov-17	41.00	52.00	39.65	48.55
Dec-17	49.40	49.40	38.00	40.20
Jan-18	40.40	66.20	40.20	55.65
Feb-18	54.65	64.80	47.35	58.40
Mar-18	58.70	59.70	48.00	55.75

22. 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.

23. Distribution of Shareholding as at 31st March, 2018:

Category (Amount)	No. of cases	% of cases	Total Shares	Amount	% of Amount
0-5000	8901	70.87	1543221	15432210	1.28
5001 - 10000	1329	10.58	1150148	11501480	0.96
10001 - 20000	742	5.91	1223269	12232690	1.02
20001 - 30000	329	2.62	863966	8639660	0.72
30001 - 40000	147	1.17	535986	5359860	0.45
40001 - 50000	221	1.76	1068163	10681630	0.89
50001 - 100000	302	2.40	2424087	24240870	2.01
100001 & Above	588	4.68	111577642	111577642	92.68
TOTAL	12559	100	120386482	1203864820	100

Categories of Shareholding as at 31st March, 2018:

Categories of Shareholding as at 31st March, 2018	No. of Shares held	% of holding
Category		
Promoters Holding:		
i. Indian Promoters	7318291	6.08
ii. Foreign Promoters		
Sub Total		
Non-Promoters Holding:		
i. Mutual Fund and UTI		
ii. Banks, Financial Institutions and Insurance companies	1135656	0.94
iii. Bodies Corporate		
a. Indian	34987020	29.06
b. Foreign	24570571	20.41
iv. Indian Public	41465566	34.44
v. NRIs/OCBs	431398	0.36
vi. Foreign Collaborators	9200000	7.64
vii. Others –		
Clearing Members	1247564	1.04
NBFCs Registered with RBI	30416	0.03
Sub Total	113068191	93.921
Grand Total	120386482	100

Dematerialization of Shares and liquidity as at 31st March, 2018:**Control Report as on 31st March, 2018**

Description	No. of Shareholders	Shares	% To Equity
PHYSICAL	1528	7220624	6
NSDL	6407	67209954	55.83
CDSL	4624	45955904	38.17
Total	12559	120386482	100

Comparative position as on 31st March, 2018:

Description	No. of Shareholders	Shares	% To Equity
PHYSICAL	1528	7220624	6
ELECTRONIC FORM	11031	113165858	94
Total	12559	120386482	100

24. Number of days taken for dematerialization:

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

Dematerialization request from 1st April, 2017 to 31st March, 2018:

Sl. No	Depositories	No. of Cases	No. of Shares	% of Shares
1.	NSDL	19	3900	0.003
2.	CDSL	15	3300	0.003

25. Postal Ballot:

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

26. Management Discussion and Analysis:

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

27. Details of compliance with mandatory requirements:

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

This Corporate Governance Report of the Company for the financial year 2017-18 is in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

28. Adoption of the Non-Mandatory Requirements:

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

29. Auditors' Certification on Corporate Governance:

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

30. Plant Locations:

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

31. Address for correspondence:

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

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore
Date : 13th August, 2018

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**E-WASTE RECYCLING BUSINESS:**

The plant is fully functional and is processing e-waste. A new line of business EPR or Extended Producer Responsibility - Organisation has been added to the current portfolio wherein Cerebra will be the Producer Responsibility Organization for large and medium manufacturers of IT Products, White Goods such as TV, Fridge, Washing Machines and other electrical and electronic products. Cerebra has applied for a PRO license with the Central Pollution Control Board (CPCB) and is awaiting its authorisation.

In the meanwhile its focus is to build both the channel and direct network for collection of e-waste and white goods. It is also making logistics agreements with various vendors for transport of goods to its state of the art factory at Narasapura, Kolar District.

RECRUITMENT:

It is making continuous efforts to rope in more people from the tier 2 and 3 cities to cover PAN India sales and collection centres. Mr Ravi Neeladri has been appointed as the EPR Head who has about 33 years of experience in various capacities. .

CEREBRA MIDDLE EAST FZCO:

Cerebra Middle East has seen an encouraging growth in FY 17-18 both in terms of a 29% increase in revenue as well as an expansion of its channel partner base in the Middle East. CME closed the year with a revenue of USD 20.8 Million as against USD 16.3 Million last year with a Net Profit Ratio of 14.1 %. Being focused on profitability and market expansion, the last year saw an increase in channel partner to about 150 partners through UAE, Kuwait, Qatar, Saudi Arabia, Oman, Egypt, Central & Eastern Africa. CME also increased its vendor portfolio by onboarding market leaders like Rassilient and Promise into its Surveillance Security product portfolio along with Actifio in its ICT portfolio. The Security Solutions division launched 3 years ago is now rolling out best in class solutions in the Surveillance Security domain through the region. CME's services initiative C:\Serve performed beyond expectations. CME now has a vast experience in providing top class contingent workforce management services and exceeding client expectations through highly effective processes for recruiting, screening, testing, and consultant management. Many of our clients regularly seek our advice when making changes to their internal IT staffing and vendor management programs. Over the years, we have formulated strategies, processes and in-house IT systems - enabling our sourcing engine to mature into one of the strongest in the line of business. CME has also appointed a professional to take expand Cerebra's Electronic Waste & Recycling business into Middle East and Africa.

The last year saw CME not only increasing their footprint in the Middle Eastern markets but also put forward their first steps into developing markets like Africa. The year saw some prestigious orders from Enterprise customers like Qatar Petroleum, Meraas Holding, Abu Dhabi Commercial Bank, National Bank of Abu Dhabi, Abu Dhabi Police, Dubai Mall, BurjKhalifa, Abu Dhabi Commercial Bank, Sharjah Islamic Bank etc. through CME's established Enterprise channel. CME's focus area for 2018-19 are going to be channel growth, channel enablement, loyalty programs and a substantial increase in its vendor and solutions portfolio. There will be a special focus on the Surveillance Security and Services business. The year will see an increase in CME's industry specific portfolio coverage with storage, infrastructure and security solutions for the Oil and Gas, Banking, Healthcare, Telco, Media, Education, Retail & Hospitality verticals. E-Waste & Recycling Management Division will also be expanded for the Middle East & Africa markets.

ENTERPRISE SOLUTIONS DIVISION

Your Company has been since many years and continues implementing various IT based projects for many Startups, Government agencies, departments & institutions and established companies. The Company studies the customers IT requirements, identifies pain points and accordingly designs and plans their IT Hardware and Software infrastructure which includes security, networking, servers, storage, endpoints, operating systems, application software and ensures successful implementation for optimal performance.

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

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

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

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

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

With incremental focus and engagement in network security, backup and security & surveillance opportunities, the Company is looking to further strengthen the offerings.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

This is applicable more for publicly listed companies. Cerebra ME, even though being a Subsidiary of Cerebra Integrated Technologies Limited, is a free zone entity in the UAE and is not subject to any such compliance.

However, the organization maintains environments that encourage incorruptibility and deter fraudulent activities by management and employees. Cerebra ME's components of internal control are evaluated during its independent financial audit and the results of the evaluation directly influence a proper internal control system.

- **Management Integrity:** Management integrity, or the moral character of persons of authority, sets the overall tone for the organization. Cerebra ME's Management integrity is communicated to employees through the CME Staff Handbook and procedural manuals. The CME Management believes that in addition to communicating management integrity, policy manuals facilitate training to employees. CME management's enforcement of policies is the major indicator of an CME's commitment to a successful internal control system.
- **Competent Personnel:** Cerebra ME's ability to recruit and retain competent personnel indicates management's intent to properly record accounting transactions. The present accountant has been the first employee and has been retained since inception of CME in UAE. In addition to the retention of employees, CME increases the comparability of financial records from year to year. Furthermore, our auditor, Ethics Plus, observes the reliability of the organization's personnel and hence reduces the risk of a material misstatement in the entity's financial statements.
- **Segregation of Duties:** Cerebra ME notes that a segregation of duties is critical to effective internal control because it reduces the risk of mistakes and inappropriate actions. CME's effective system of internal control separates authoritative, accounting and custodial functions.
- **Records Maintenance:** Cerebra ME believes that maintaining appropriate records ensures that proper documentation exists for each business transaction. Records management involves storing, safeguarding and eventually destroying tangible or electronic records. CME's back-up policy deters an employee or management from creating phantom transactions in the underlying accounting records. We strongly emphasize that a good records management program reduces operating costs, improves efficiency and minimizes the risk of litigation.
- **Safeguards:** Cerebra ME prevents unauthorized personnel from accessing valuable company assets. Safeguards are physical, such as locks on doors, or intangible, such as computer software passwords. CME believes that regardless of the methods, safeguards are a necessary feature of an organization's internal control system. CME safeguards blank cheques, company letterhead and signature stamps.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

FINANCIAL PERFORMANCE:

- **Target vs Achievement:** Over achieved target of USD 15 Millions.
- **Profitability:** Net profit increased from 5.4% to 10.74 with no additional overheads.
- **Overheads:** Operational cost to Company reduced by 12% in FY 17-18.
- **Performance Initiatives:** Incentives of sales personnel increased in FY17-18.
- **Cost Control:** No additional investment in operational costs with regards to real estate etc.

OPERATIONAL PERFORMANCE:

- **Policy deployment:** CME deployed corporate and stakeholders' objectives throughout the organization.
- **Competitive Scenario:** CME defined key competitive factors and aligned the business and the business units within its competitive environment.
- **Process orientation:** Focused on key business processes to manage business performance.
- **Active monitoring:** CME uses proactive performance measures rather than reactive measures in its periodical business reviews.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

Cerebra ME does not believe in employing people but believes in building and adding members to the CME team. The team development activities in FY 17-18 are as follows:

- **Training:** Enabling Sales, Pre-Sales and Post Sales personnel on knowledge and technology
- **Policies and procedures:** CME emphasizes on optimizing employee productivity, and reduces lack of efficiency that can cost the company time and money. Clear communication is emphasized for maintaining effectiveness in the workplace. CME's procedures ensure clarity and precision, whilst maintaining accessibility
- **Communication:** CME Management has an open door policy with ease of accessibility to reporting authorities
- **Clear definition and accessibility to Employee handbooks and forms**
- **Clearly defined Job descriptions**

Cerebra Middle East understands its Internal and External objectives and is aiming to be the No.1 Value Added Distributor for ICT and Security solutions in the region by the year 2020.

CERTIFICATE**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To
The Members
Cerebra Integrated Technologies Limited
Bangalore

I have examined all the relevant records of Cerebra Integrated Technologies Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2018 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

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

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

Place : Bangalore
Date : 13th August, 2018

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

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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Cerebra Integrated Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equities of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, of the state of affairs of the Company as at 31st March 2018 and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

Without qualifying our report, we draw attention to the following matters in notes to the standalone Ind AS financial statements:-

Note 36.1 and 36.2 of the stand alone financial statements relating to capital advances amounting to Rs. 3,223.55/- Lakhs and Note No 36.3 of the stand alone financial statements relating to trade receivables amounting to Rs. 2,394.28/-Lakhs which are outstanding for substantial period raising question over the recoverability of these dues. The management is confident of recovering the same either in cash or in kind and hence no provision is made in the accounts.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with relevant books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matters described in paragraph relating to Emphasis of Matter in our opinion may have an adverse effect on the functioning of the company.
- f) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the other directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal finance controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind As financial statements- Refer Note 36.1 and 36.2 to the Standalone Ind AS financial statements.
 - ii. The Company has made provisions as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts. We have been informed that the Company did not have any pending derivative contracts.
 - iii. There is no amount due during the year that is required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November, 2016 to 30th December 2016, are not relevant to these standalone Ind AS financial statements. Hence, reporting under this clause is not applicable.

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

S Bhaskar
Partner
Membership No. 205977

Place : Bangalore
Date : 30th May, 2018

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets of the Company have been verified by the management during the year. No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- ii. a. As per the information and explanation given to us, except inventories of e waste materials, all other Inventories have been physically verified during the year by the management. (Refer Note 9 to the standalone financial statements). In our opinion, the frequency of verification is reasonable. We have been informed that, the Company has initiated steps for implementing a system for control on receipt, issue and stock of e waste materials and also its physical verification and reconciliation.
- b. The discrepancies between the physical stocks and the book records where applicable, as noticed on physical verification were not material and have been properly dealt with in the books of account;
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has given interest free unsecured advances to two parties covered in the register maintained under section 189 of the Companies Act, 2013 amounting to Rs.1106.02/- lakhs.
 - a. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that these advances are prima facie prejudicial to the interest of the Company as the same are interest free in nature.
 - b. We have been informed that schedule for repayment is not finalized and hence we are unable to express an opinion as to whether the receipt of principal are regular
 - c. As schedule for repayment is not finalized we are unable to comment as to whether there are over dues outstanding for more than ninety days.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the advance of Rs. 597.23/- Lakhs to subsidiaries are in violation of provisions of section 185 of the Companies Act, 2013. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no violations under section 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits and hence the requirement of clause 3 (v) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- vi. We have been informed that maintenance of books of accounts pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for maintenance of Cost records in respect of products of the Company are not applicable to the Company for the year under review and hence the requirement of clause 3 (vi) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- vii. a. The Company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable.
- b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable in arrears as at March 31, 2018 for a period of more than six months from the date they became payable except as detailed hereunder.

Name of the Statute	Nature of Due	Amount in Lakhs	Period for which it relates	Due Date	Date of Payment
Income Tax, 1961	Income Tax	9.00/-	2001-02	Various dates	Not Paid as on the date of this report
Central Excise Act, 1944	Excise Duty	28.09/-	2002-03	Various dates	-do-
Income Tax, 1961	Advance Tax	87.72/-	2017-18	15th June 2017	-do-
Income Tax, 1961	Advance Tax	263.16/-	2017-18	15th September 2017	-do-

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

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

S Bhaskar
Partner
Membership No. 205977

Place : Bangalore
Date : 30th May, 2018

Annexure - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred in Para 2(g) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Cerebra Integrated Technologies Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate Internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at 31st March 2018.

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

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

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018, standalone financial statements of the Company, and the same is reported under emphasis of matters in our audit report of even date.

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

S Bhaskar
Partner
Membership No. 205977

Place : Bangalore
Date : 30th May, 2018

Cerebra Integrated Technologies Limited

Balance Sheet as at 31st March 2018

INR in Lakhs

Particulars	Note No	31-03-2018	31-03-2017	01-04-2016
Assets				
Non-current assets				
Property, plant and equipment	3	879.80	613.64	564.20
Capital work In progress		-	254.54	-
Financial assets				
i) Investments				
a) Investment in subsidiaries, associates and joint ventures	4 A	14.51	14.51	121.06
b) Investment in others	4 B	1,433.82	-	
ii) Loans and advances	5	654.99	676.42	731.76
iii) Other financial assets	6	13.72	9.29	8.15
Deferred tax assets(Net)	7	2.41	94.29	110.68
Other non current assets	8	4,700.25	3,218.47	3,612.46
Current assets				
Inventories	9	1,457.83	190.01	200.81
Financial assets				
i) Trade receivables	10	13,957.84	17,394.17	3,016.88
ii) Cash and cash equivalents	11	6,946.19	6,494.03	6,624.55
iii) Bank balances other than (ii) above	12	457.54	407.33	323.35
iv) Loans and advances	13	577.16	318.29	445.49
Other current assets	14	43.52	9.91	45.88
Total assets		31,139.58	29,694.90	15,805.27
Equity and liabilities				
Equity				
(a) Equity share capital	15	12,039.66	10,849.66	9,641.79
(b) Other equity	16	10,025.86	4,662.63	4,342.59
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	10.46	3.83	1,338.76
Provisions	18	33.87	31.19	24.93
Current liabilities				
Financial liabilities				
i) Borrowings	19	-	48.00	-
ii) Trade payable	20	8,222.28	13,738.63	210.56
iii) Other financial liabilities	21	102.84	181.77	181.26
Provisions	22	19.47	4.43	3.21
Other current liabilities	23	61.82	93.12	40.66
Current tax liabilities (Net)	24	623.32	81.64	21.51
Total equity and liabilities		31,139.58	29,694.90	15,805.27

See accompanying notes to Financial Statements

1 to 48

As per our attached report of even date

For Ishwar & Gopal

Chartered Accountants

For and on behalf of the Board

S. Bhaskar

Partner

Membership No. : 205977

Firm registration No. : 001154S

V. Ranganathan

Managing Director

DIN: 01247305

Shridhar S Hegde

Whole Time Director & CFO

DIN : 01247342

Nutan Soudagar

Company Secretary

Membership No: 26148

Place : Bengaluru

Dated : 30-05-2018

Cerebra Integrated Technologies Limited
Statement of Profit or Loss for the Year Ended 31st March 2018

		INR in Lakhs	
Particulars	Note No	For the year ended 31-03-2018	For the year ended 31-03-2017
Income			
Revenue from operations	25	17,444.95	14,590.91
Other income	26	182.52	142.87
Total Income		17,627.47	14,733.78
Expenses			
Cost of material consumed	27	250.36	212.22
Purchase of Stock in Trade	28	15,177.02	13,810.67
Changes in inventories of work in progress, Stock in Trade and finished goods	29	-1,237.57	-155.81
Excise Duty		6.57	35.16
Employee benefits expense	30	362.93	231.54
Finance costs	31	77.33	13.90
Depreciation and amortisation expense	3	23.45	10.61
Other Expenses	32	972.42	193.19
Total Expenses		15,632.50	14,351.48
Profit before exceptional items and tax		1,994.97	382.30
Exceptional Item		-	-
Profit before tax		1,994.97	382.30
Income tax Expenses			
a) Current tax		643.45	79.63
b) Deferred tax		89.25	16.39
Total tax expenses		732.70	96.02
Profit for the year		1,262.27	286.28
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	33	1.47	-27.85
Income Tax relating to above		0.51	-1.22
Total other comprehensive Income		0.96	-26.63
Total Comprehensive Income		1,263.23	259.65
Earnings per equity share of Rs 10/ each			
Basic		1.07	0.28
Diluted		1.06	0.26

See accompanying notes to Financial Statements

1 to 48

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

For and on behalf of the Board

S. Bhaskar
Partner
Membership No. : 205977
Firm registration No. : 001154S

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director & CFO
DIN : 01247342

Nutan Soudagar
Company Secretary
Membership No: 26148

Place : Bengaluru
Dated : 30-05-2018

Cerebra Integrated Technologies Limited

Cash flow Statement for the Year Ended 31st March 2018

INR in Lakhs

Particulars	2017-2018		2016-2017	
	Rs.	Rs.	Rs.	Rs.
A. Cashflow from operating activities				
Net profit before tax		1,994.97		382.30
Adjustments for:				
Depreciation(net)	23.45		10.61	
Interest expenditure	34.87		6.98	
Interest income	-1.53		-34.73	
Excess provision/Unclaimed credit withdrawn	-1.65		-105.61	
Trade Receivables Written Off	516.86		2.10	
Profit on Sale of Mutual Funds	-18.95			
Foreign exchange loss/(gain) on bonds	-		-64.13	
Loss/(profit)on discard/Sale of fixed assets	-	553.05	-	-184.77
Operating profit/(Loss)before working capital changes		2,548.02		197.53
Adjustments for changes in :				
Decrease/(Increase) in Inventories	-1,267.83		10.80	
Decrease/(Increase) in Trade & other receivables	1,162.22		-13,751.67	
Decrease/(Increase) in Trade & other payables	-4,972.20	-5,077.81	13,750.73	9.87
Cash generated from operations		-2,529.79		207.40
Less: Income tax paid (net of refund)		733.21		94.80
Net Cashflow from operating activities		-3,263.00		112.60
B. Cashflow from investing activities				
Interest income	1.53		34.73	
Sale of investment			82.22	
Investment in Fixed Deposits	-50.20		-83.98	
Investment in Mutual Funds(Net)	-1,414.87		-	
Purchase of fixed assets including capital WIP	-35.08		-314.58	
Net cash flow from investing activities		-1,498.62		-281.62
C. Cashflow from Financing activities				
Increase(Decrease) in borrowings	-41.37		-1,222.79	
Amount Received towards share capital			1,268.27	
Security Premium and Share Warrants	5,290.00		-6.98	
Interest paid	-34.87			
Net cash flow from Financing activities		5,213.76		38.50
Net increase/(Decrease)in Cash & Cash equivalents (A+B+C)		452.14		-130.52
Cash & Cash equivalents				
Opening balance		6,494.03		6,624.55
Closing balance		6,946.17		6,494.03
Net increase/Decrease in cash and cash equivalents		452.14		-130.52

See accompanying notes to Financial Statements

As per our attached report of even date

For Ishwar & Gopal

Chartered Accountants

For and on behalf of the Board

S. Bhaskar

Partner

Membership No. : 205977

Firm registration No. : 001154S

V. Ranganathan

Managing Director

DIN: 01247305

Shridhar S Hegde

Whole Time Director & CFO

DIN : 01247342

Nutan Soudagar

Company Secretary

Membership No: 26148

Place : Bengaluru

Dated : 30-05-2018

Cerebra Integrated Technologies Limited

Statement of Changes in Equity

A) Equity Share Capital

INR In Lakhs

Equity shares of INR 10 each issued, subscribed and fully paid	Number	Amount
On 1st April 2016	9,64,07,722	9,640.77
Issue during the year	1,20,78,760	1,207.88
Add:- Forfeited Shares	-	1.02
Balance at March 31,2017	10,84,86,482	10,849.66
Issue during the year	1,19,00,000	1,190.00
Balance at March 31,2018	12,03,86,482	12,039.66

B) Other equity

INR In Lakhs

Particulars	Other Equity			Other Comprehensive Income	Application money received towards share warrents	Total
	Securities premium account	Capital reserve	Retained earnings			
Balance at April 1, 2016	5,849.32	226.77	-1,757.84	24.33	-	4,342.59
Profit for the year/Additions during the Year	60.39	-	286.28	-	-	346.68
Re-measurement gains/(Losses) on defined benefit plans, net of tax	-	-	-	-2.30	-	-2.30
Net(Loss)/gain on investment in equity shares/units accounted at fair Value, Net of tax	-	-	-	-24.33	-	-24.33
Balance as at March 31, 2017	5,909.72	226.77	-1,471.55	-2.30	-	4,662.63
Profit for the year/Additions during the Year	3,570.00	-	1,262.27	-	530.00	5,362.27
Re-Measurement of gains/(losses) on defined benefit plans, net of tax	-	-	-	0.96	-	0.96
Net (Loss)/gain on investment in equity shares/units accounted at fair Value, Net of tax	-	-	-	-	-	-
Balance at March 31, 2018	9,479.72	226.77	-209.29	-1.34	530.00	10,025.86

See accompanying notes to Financial Statements

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

For and on behalf of the Board

S. Bhaskar
Partner
Membership No. : 205977
Firm registration No. : 001154S

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director & CFO
DIN : 01247342

Nutan Soudagar
Company Secretary
Membership No: 26148

Place : Bengaluru
Dated : 30-05-2018

1. Corporate Information

Cerebra Integrated Technologies Limited is a public limited Company, incorporated in India having its Registered Office at S-5, Off 3rd Cross, Peenya Industrial Area, Peenya 1st Stage Bangalore - 560 058.

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

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 30, 2018.

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

A. Basis of preparation:

- i. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 First time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017.

ii. Convention:

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

B. Critical accounting estimates and judgements:

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

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

C. Significant Accounting Policies

1. Revenue Recognition:

(i) Income from operations:

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

(ii) Interest income:

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

(iii) Dividend

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

2. Employee Benefits.

(i) Provident Fund

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

(ii) Gratuity Fund

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

(iii) Compensated Absences

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

(iv) Short Term Obligations

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

3. Property, Plant and Equipment:

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

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

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

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

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

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

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

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

4. Intangible Assets:

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

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

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

5. Impairment of assets:

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

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

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

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

6. Foreign Currency Translation:

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

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

7. Assets taken on lease:

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2016, in accordance with IndAS 101 First-time Adoption of Indian Accounting Standard.

8. Inventories:

Inventories are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Also refer Note 9

9. Income Taxes and Deferred Taxes:

(i) Current tax:

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

(ii) Deferred tax :

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

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

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

10. Provisions and contingent liabilities:

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

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

11. Borrowing Costs:

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

12. Statement of Cash Flows:

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

13. Earnings Per Share:

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

14. Exceptional items:

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

15. Financial Instruments:**(a) Financial assets****Initial recognition and measurement**

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

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

Classification:

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

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

(i) Financial assets at amortised cost

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

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

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and loss using the effective interest rate method.

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

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

De-recognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

D. Recent accounting pronouncements:

- (i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March, 28, 2018 Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when the entity has received or paid advance consideration in foreign currency.

The amendment will come in to force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IndAS 21 is expected to be insignificant.

- (ii) Ind AS 115: In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes IndAS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five steps model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with the customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- (a) Retrospective approach: Under the approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IndAS 8—Accounting Policies, Changes in Accounting Estimates and Errors.
- (b) Retrospectively with cumulative effect of initial they applying the standard recognised at the date of initial application (cumulative catch-up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IndAS 115 is expected to be insignificant.

Cerebra Integrated Technologies Limited

3 Property, Plant and Equipment

INR in Lakhs

Particulars	Freehold Land	Leasehold Land#	Factory Building [^]	Plant and Machinery	Office Equip-ment	Computers and Printers	Vehicles ^{**}	Electrical Installations	Furniture and Fixtures	Total
Carrying Amount (Gross Block)										
Balance as at 1 st April 2016*	2.01	506.39	23.09	14.68	2.14	0.52	12.72	2.66	-	564.20
Additions	-	-	38.42	0.40	4.51	8.64	-	4.58	3.49	60.05
Deductions / Adjustment	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2017	2.01	506.39	61.51	15.08	6.65	9.16	12.72	7.25	3.49	624.25
Accumulated Depreciation										
Balance as at 1 st April 2016	-	-	-	-	-	-	-	-	-	-
Additions	-	-	1.65	1.52	1.92	1.74	3.34	0.42	0.03	10.61
Deductions / Adjustment	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2017	-	-	1.65	1.52	1.92	1.74	3.34	0.42	0.03	10.61
Gross Block										
Balance as at 31st March 2017	2.01	506.39	61.51	15.08	6.65	9.16	12.72	7.25	3.49	624.25
Additions	-	5.50	178.45	52.02	4.34	0.35	10.06	37.61	1.28	289.61
Deductions / Adjustment	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2018	2.01	511.89	239.95	67.10	10.99	9.51	22.78	44.86	4.77	913.86
Accumulated Depreciation										
Balance as at 31 st March 2017	-	-	1.65	1.52	1.92	1.74	3.34	0.42	0.03	10.61
Additions	-	-	7.20	4.08	1.95	1.89	3.98	3.49	0.86	23.45
Deductions / Adjustment	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2018	-	-	8.85	5.60	3.87	3.64	7.32	3.91	0.89	34.06
Net carrying amount as at 31st March 2018	2.01	511.89	231.11	61.49	7.13	5.87	15.47	40.95	3.88	879.80
Net carrying amount as at 31st March 2017	2.01	506.39	59.86	13.56	4.73	7.42	9.38	6.83	3.46	613.64
Net carrying amount as at 1st April 2016	2.01	506.39	23.09	14.68	2.14	0.52	12.72	2.66	-	564.20

* On transition to Ind AS, the carrying values of all property, plant and equipments under the previous GAAP have been considered to be the deemed cost under IndAS.

Lease hold land amounting Rs. 506.4 Lakhs (31.03.2017:- Rs. 506.40/- Lakhs, 01.04.2016 Rs. 506.4 Lakhs) includes 48,564 Sq. Mtrs of land at Narsapura Industrial Area, Kolar Taluk, Kolar District, allotted by Karnataka Industrial Area Development Board (KIADB) on lease cum sale basis for setting up an e-waste recycling plant within a specified period. As per the lease cum sale agreement, KIADB has got the right to determine the lease and forfeit up to 25% of the consideration paid / enhance the compensation payable if the company fails to set up the plant with in the specified period.

[^] The Factory building having a carrying value of Rs. 57.31 Lakhs as on 31st March 2018 has been mortgaged to Syndicate Bank as a security facility sanctioned against cash credit.

^{**} The vehicles of the the company having a carrying value of Rs 15.47 Lakhs are hypothecated to bank as security against term loans obtained by the Company for purchasing the said vehicles from Syndicate Bank.

Cerebra Integrated Technologies Limited

Notes forming part of Financial Statements As At 31st March 2018

INR in Lakhs

Note No.	Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
4 Investment				
Quoted Equity Shares				
Sankhya Infotech Limited*	-	-	-	-
Unquoted Equity Shares				
i) Investment in Subsidiaries				
a) Cerebra LPO India Limited	3.50	3.50	3.50	3.50
b) Geetha Monitors Private Limited	-	-	106.55	106.55
c) Cerebra Middle East FZCO	11.01	11.01	11.01	11.01
d) Cerebra Singapore E-waste Pte Limited	-	-	-	-
A Total	14.51	14.51	121.06	121.06
Quoted Mutual Funds				
DSP Black Rock Mutual Fund (Units-3042605.24 (Nil, Nil))	681.23	-	-	-
HDFC Cash Management Fund Treasury Advantage Plan - (Units 303826.03 (Nil, Nil))	111.16	-	-	-
HDFC Short Term Opportunities Fund- (Units 568658.27 (Nil, Nil))	58.26	-	-	-
ICICI Prudential Mutual Fund (Units 80614.18 (Nil, Nil))	8.16	-	-	-
Reliance Medium Term Fund (Units 3013681.29 (Nil, Nil))	515.50	-	-	-
Reliance Short Term Fund (Units 182287.10 (Nil, Nil))	59.52	-	-	-
B Total	1,433.82	-	-	-
Total	1,448.33	14.51	121.06	121.06
Aggregate value of Quoted Investments	1,399.26	-	-	-
NAV of Investments in Mutual Funds	1,433.82	-	-	-
Aggregate value of Unquoted Investments	14.51	14.51	121.06	121.06
The company holds 200 shares in Sankhya Infotech Limited amounting Rs. 2000 in value for which a provision is made for diminution of in value. Hence the cost of carrying of such financial asset is deemed to be Nil (31.03.2017 Nil, 01.04.2016 Nil)				
Cerebra Singapore Ewaste Pte Limited a 100% subsidiary of the company has been liquidated on 6 th June 2016.				
5 Loans and Advances				
Advances to subsidiary	597.23	592.88	612.39	612.39
Security deposits considered good	9.54	16.21	6.14	6.14
Other loans and advances	48.22	67.33	113.23	113.23
Total	654.99	676.42	731.76	731.76
6 Other Financial Assets				
Interest accrued but not due on deposits	13.72	9.29	8.15	8.15
Total	13.72	9.29	8.15	8.15
7 Deferred Assets Liabilities (Net)				
On account of differences in fixed assets under Income Tax Act, 1961 and books	-7.37	-	-	-
On account of temporary disallowances	9.78	-	-	-
MAT Credit Entitlement	-	94.29	110.68	110.68
Total	2.41	94.29	110.68	110.68
8 Other Non Current Assets				
Capital advance -to a subsidiary	391.98	-	-	-
Capital advance -to others	4,306.62	3,216.82	3,610.81	3,610.81
Others advances	1.65	1.65	1.65	1.65
Total	4,700.25	3,218.47	3,612.46	3,612.46
9 Inventories*				
Raw materials	30.26	-	166.61	166.61
Stock in trade	1,427.57	190.01	34.20	34.20
Total	1,457.83	190.01	200.81	200.81

Company is in the process of implementing a software to track the receipt, issue, consumption and stock of materials in its e waste division, Pending implementation of the same inventory of Ewaste as on 31st March 2018 is computed on an estimated basis. Stock in trade as on 31st March 2018 includes Rs 581.56 Lakhs ewaste materials.

Notes forming part of Financial Statements As At 31st March 2018

		INR in Lakhs		
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
10 Trade Receivables				
	Unsecured- considered good	13,957.84	17,394.17	3,016.88
	Total	13,957.84	17,394.17	3,016.88
11 Cash and Cash Equivalents				
	A) Balances with Banks			
	i) In Current account with scheduled bank	429.94	5.32	27.30
	ii) In Current account with foreign bank	6,504.41	6,485.00	6,585.00
	B) Cash in hand			
	i) In Indian rupee	9.10	0.93	10.68
	ii) In Foreign currency	2.74	2.78	1.57
	Total	6,946.19	6,494.03	6,624.55
12 Bank balances (other than Note 11 above)				
	With scheduled bank in deposit account (with maturity of more than three month)	457.54	407.33	323.35
	Total	457.54	407.33	323.35
13 Loans and advances				
	Advance to subsidiaries	508.79	295.73	403.68
	Earnest money deposits	68.37	22.56	41.81
	Total	577.16	318.29	445.49
14 Other current assets				
	Prepaid expenses	8.66	8.25	7.22
	Advance to suppliers	3.50	1.42	1.34
	Advance to employees	0.50	-	-
	Balance with statutory/ government authorities	30.85	0.24	37.33
	Total	43.52	9.91	45.88

		INR in Lakhs				
15 Equity Share Capital						
Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	INR in Lakh	Number	INR in Lakh	Number	INR in Lakh
a Authorised Equity Share Capital (Par Value per Share Rs. 10)	12,60,00,000	12,600.00	11,02,00,000	11,020.00	11,02,00,000	11,020.00
b Issued Subsribed and fully paid up Equity Share Capital(Par Value per Share Rs. 10)	12,03,86,482	12,038.65	10,84,86,482	10,848.65	9,64,07,722	9,640.77
c Add:- Forfeited Shares	-	1.02	-	1.02	-	1.02
Total	12,03,86,482	12,039.66	10,84,86,482	10,849.66	9,64,07,722	9,641.79
d Reconciliation of No. of Equity Share and Share Capital outstanding	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	INR in Lakh	Number	INR in Lakh	Number	INR in Lakh
Opening number of Share outstanding	10,84,86,482	10,848.65	9,64,07,722	9,640.77	8,43,28,962	8,432.90
Add: No of Shares/ Share Capital issued/ subscribed during the year	1,19,00,000	1,190.00	1,20,78,760	1,207.88	1,20,78,760	1,207.88
Closing Number of shares outstanding	12,03,86,482	12,038.65	10,84,86,482	10,848.65	9,64,07,722	9,640.77

Notes forming part of Financial Statements As At 31st March 2018

e Terms / Rights attached to equity shares

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

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

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

Name of the Shareholders	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Heshika Growth Fund	73,41,485	6.10%	80,78,760	7.45%	60,39,380	6.26%
Stream Value Fund	-	-	-	-	51,39,380	5.33%
SSJ Finance & Securities Pvt. Ltd	-	-	88,11,782	8.12%	-	-
Kuber Glodal Fund	1,19,00,000	9.88%	-	-	-	-
Auctor Investments Ltd	-	-	76,28,760	7.03%	60,39,380	6.26%

16 Other Equity

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
i) Capital reserve- balance as per last financial statement	226.77	226.77	226.77
ii) Security premium			
Balance as per last financial Statement	5,909.72	5,849.32	5,849.32
Add:- Received during the year	3,570.00	60.39	-
Balance as on balance sheet date	9,479.72	5,909.72	5,849.32
iii) Retained Earnings/Surplus			
Balance as per last financial Statement	-1,471.55	-1,757.84	-1,757.84
Add:- Profit for the year	1,262.27	286.28	-
Balance as on balance sheet date	-209.29	-1,471.55	-1,757.84
iv) Other Comprehensive Income			
Balance as per last financial Statement	-2.30	24.33	24.33
Add:- For the year	0.96	-26.63	-
Balance as on balance sheet date	-1.34	-2.30	24.33
v) Application money received towards share warrents*	530.00	-	-
Total	10,025.86	4,662.63	4,342.59

*During the year the company has issued 53 Lakhs of Share warrents to the promoters of the Company at Rs. 40 Per Share. The Company has received Rs.10 per warrant (25% of issue price) against this issue on 22nd June 2017. The warrents are convertible into equity share at any time within a period of 18 Months from the date of allotment of such warrents at a price of Rs. 40 per Share. Balance 75% (i.e. Rs.30 per warrant) shall be paid before the date conversion in to Equity Shares.

17 Borrowings (Non Current)

Foreign currency convertible Bond - Unsecured *	-	-	1,332.40
Term Loans from Banks - secured	12.85	6.37	8.75
Total long term borrowings	12.85	6.37	1,341.15
Less: Instalments of term loan payable within a year considered as other current liability: refer Note No. 21	2.39	2.53	2.40
Total	10.46	3.83	1,338.76

Notes forming part of Financial Statements As At 31st March 2018

		INR in Lakhs																										
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016																								
* Foreign Currency Convertible Bond-unsecured																												
The company has allotted 5.34% interest bearing Foreign Currency Convertible bond (Dollar Bond), of Dollar 1,00,00,000 on 19th December 2014 having a maturity life of 5 year convertible at any time upto 14th December 2019 into Equity shares of Rs. 10.50 (including premium of Rs. 0.50) at a conversion price of Rs. 63.4135, with a fixed rate of exchange on conversion of Rs. 63.4135 per USD. During the financial year ended 31 March 2017 the Company has converted 20,00,000 Dollar bonds into 1,20,78,760 equity Shares of 10.50 (including premium of Rs. 0.50) per share at a conversion rate of Rs. 63.4135 per USD. Dollar bond outstanding as on 31.03.2018: Nil (31.03.2017: Nil)																												
#Term loan from banks is secured by hypothecation of vehicle																												
Schedule of repayment of loan is as under																												
	<table><tr><th>Year</th><th>Amount in Lakhs</th><th>Year</th><th>Amount in Lakhs</th></tr><tr><td>2016-17</td><td>2.40</td><td>2021-22</td><td>2.10</td></tr><tr><td>2017-18</td><td>2.53</td><td>2022-23</td><td>1.59</td></tr><tr><td>2018-19</td><td>2.39</td><td>2023-24</td><td>1.74</td></tr><tr><td>2019-20</td><td>2.02</td><td>2024-25</td><td>0.78</td></tr><tr><td>2020-21</td><td>2.22</td><td></td><td></td></tr></table>	Year	Amount in Lakhs	Year	Amount in Lakhs	2016-17	2.40	2021-22	2.10	2017-18	2.53	2022-23	1.59	2018-19	2.39	2023-24	1.74	2019-20	2.02	2024-25	0.78	2020-21	2.22					
Year	Amount in Lakhs	Year	Amount in Lakhs																									
2016-17	2.40	2021-22	2.10																									
2017-18	2.53	2022-23	1.59																									
2018-19	2.39	2023-24	1.74																									
2019-20	2.02	2024-25	0.78																									
2020-21	2.22																											
18 Employee Benefit Obligation																												
Provision for																												
- Gratuity		31.55	29.42	22.64																								
- Leave Benefits		2.33	1.78	2.29																								
Total		33.87	31.19	24.93																								
19 Borrowings																												
Unsecured Loan from a firm in which a director is interested		-	48.00	-																								
Total		-	48.00	-																								
20 Trade Payables																												
Total outstanding dues of micro enterprise and small enterprise (Refer Note No:46)		-	-	-																								
Total outstanding dues of creditors other than micro enterprise and small enterprise		8,222.28	13,738.63	210.56																								
Total		8,222.28	13,738.63	210.56																								
21 Other Financial Liabilities																												
Interest accrued but not due on borrowings		-	0.22	91.42																								
Liabilities for expenses		100.45	156.84	81.12																								
Due to directors		-	22.18	6.32																								
Current maturities of long term debts: Refer Note No. 17		2.39	2.53	2.40																								
Total		102.84	181.77	181.26																								
22 Employee Benefit Obligation (Non Current)																												
Provision for																												
- Gratuity		13.84	0.79	0.79																								
- Leave Benefits		0.34	0.25	0.34																								
- Bonus		5.29	3.39	2.08																								
Total		19.47	4.43	3.21																								
23 Other Current Liabilities																												
Advances from customers		5.93	3.60	4.59																								
Liabilities for fixed assets		-	21.28	-																								
Statutory liabilities		55.89	68.24	36.08																								
Total		61.82	93.12	40.66																								
24 Current Tax Liabilities																												
Provision for tax		623.32	81.64	21.51																								
Total		623.32	81.64	21.51																								

Notes forming part of Financial Statements As At 31st March 2018

Note No.	Particulars	INR in Lakhs	
		Year Ending 31-03-2018	Year Ending 31-03-2017
25 Revenue from operations			
	Sale of products	16,871.55	14,233.88
	Sale of software services	573.40	357.03
	Revenue from operations (Gross)	17,444.95	14,590.91
26 Other income			
	Interest income	45.12	34.73
	Excess provision / (unclaimed credit) withdrawn	1.65	105.61
	Dividend income	36.52	-
	Profit on sale of investment	18.95	-
	Rent received	1.44	1.08
	Net gain on foreign currency transaction	43.73	-
	Net gain on sale, fair valuation of investment through profit and loss	34.56	-
	Others	0.55	1.46
	Total	182.52	142.87
27 Cost of materials consumed			
	Opening stock	-	166.62
	Add: Purchase during the year	280.62	45.60
	Less:- closing stock	30.26	-
	Total	250.36	212.22
28 Purchase of Stock-in-Trade			
	Purchase of goods Computer, Accessories & Software	15,177.02	13,810.67
	Total	15,177.02	13,810.67
29 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade			
	Opening stock of traded goods	190.01	34.20
	Less: Closing stock of traded	1,427.57	190.01
	Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	-1,237.57	-155.81
30 Employee Benefit Expenses			
	Salaries and wages	333.33	213.58
	Contribution to provident & other funds	18.79	9.89
	Staff Welfare expenses	10.80	8.08
	Total	362.93	231.54
31 Financial Costs			
	Interest on Loan	1.53	1.17
	Interest on statutory dues	38.53	5.85
	Bank Charges	37.28	6.88
	Total	77.33	13.90
32 Other Expenses			
	Power and Fuel	11.07	6.74
	Rent	6.59	5.88
	Repairs to Machinery	13.64	15.66
	Repairs to Others	2.79	3.08
	Insurance	1.68	1.70
	Rates & Taxes, excluding taxes on income	22.67	7.94
	Legal & Professional Charges*	285.01	32.95
	Freight & Forwarding	4.52	1.17
	Trade receivables written off	516.86	2.10
	Travelling and Conveyance	26.49	16.59
	Communication expenses	10.89	4.89
	Advertisement & Business promotion	21.76	25.09

Notes forming part of Financial Statements As At 31st March 2018

Note No.	Particulars	INR in Lakhs	
		Year Ending 31-03-2018	Year Ending 31-03-2017
	Printing & Stationery	3.15	1.50
	Security Charges	4.28	0.76
	Liquidated Damages	22.21	5.12
	Net Loss on Foreign Currency Transaction	-	43.19
	Miscellaneous Expenses	18.80	18.83
	Total	972.42	193.19
	* Legal and Professional Charges includes Statutory Auditor's Remuneration as under:-	31-03-2018	31-03-2017
	Audit fees	8.00	2.75
	Tax Audit fees	2.00	1.00
	Tax Representation Fees	0.27	-
	Certification Fees	-	0.50
	Vat Audit fees	-	0.20
	Reimbursement of expenses	0.17	0.95
	Total	10.44	5.40
33 Other Comprehensive Income			
	Remeasured Unrealised actuarial gain/loss	1.47	-3.52
	Remeasurement on sale of investment	-	-24.33
	Total	1.47	-27.85

Note Number 34

In preparing its opening Ind AS balance sheet as at April 1, 2016, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

A Exemptions from retrospective application

The company has applied the following exemptions :

i) Property, plant and equipment and intangible assets – Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying values.

ii) Investments in subsidiaries

Ind AS 101 permits a first-time adopter to continue to measure its investments in subsidiaries at previous GAAP carrying amount at the date of transition. The company has elected to measure in its separate financial statements all of its investments in subsidiaries at their previous GAAP carrying amount on the date of transition.

B Reconciliations between Previous GAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flow for the prior periods. The following table represent the reconciliation from previous GAAP to Ind AS.

Reconciliation of total equity as at 31 March 2017 and 1st April 2016**INR in Lakhs**

	Notes to first time adoption	31-03-2017	01-04-2016
Total Equity		1,512.30	13,960.04
Adjustments			
Investments recorded at fair value	2	-	24.33
Total Adjustments		-	24.33
Total Equity as per Ind AS		15,512.30	13,984.37

Notes forming part of Financial Statements As At 31st March 2018

Reconciliation of Total Comprehensive Income as on 31st March 2017

INR in Lakhs

	Notes to first time adoption	31-03-2017
Profit after Tax as per previous GAAP		283.98
Adjustments		
Remeasurement of Post employment benefit obligation	1	3.52
Total Adjustment		3.52
Profit as after Tax as per Ind AS		287.50
Other comprehensive Income	1 and 3	-27.85
Total comprehensive Income as per Ind As		259.65

Impact of Ind AS adoption on the statement of cash flow for the year ended 31 March 2017

INR in Lakhs

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	-412.14	-524.77	112.60
Net cash flow from investing activities	312.57	594.19	-281.62
Net cash flow from financing activities	53.03	53.03	-
Net increase/(Decrease) in cash and cash equivalents	-46.54	122.48	-169.02
Cash and Cash equivalents as at 1 April 2016	6,947.90	323.35	6,624.55
Cash and Cash equivalents as at 31 March 2017	6,901.36	407.33	6,494.03

Notes for first time adoption for Ind As

1 Remeasurement of post-employment benefit obligation

Under Ind AS, remeasurment i.e. actuarial gains or losses excluding amounts included in the net interest expenses on the net defined benefit liability are recognised in the other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurments were forming a part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017. There is an increase in profit by Rs. 3.52 Lakhs. There is no impact on total equity

2 Investments

Under the previous GAAP, long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. Fair value changes with respect to investments in equity instruments designated as at fair value through Other Comprehensive Income (FVOCI) have been recognised in Equity through other comprehensive income as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2017. Also, profit on sale of investment recognised under previous GAAP is now reversed as the investment was fair valued on transition date.

3 Loss on Sale of Investments of Geetha Monitors Private Limited

The Company has recognized 4,89,387 shares of Geeta Monitors Private Limited an earstwhile subsidiary Company at fair value as on 1st April 2016. Subsequently during the the Financial Year 2016-17 these Shares have been sold and resulting loss is recognised by reversal to other comprehensive income.

Note No. 35

a) Contingent Liabilities (to the extent not provided for)

INR In Lakhs.

Particulars	31-03-2018	31-03-2017	01-04-2016
Counter guarantee given to the bankers for guarantees issued on behalf of the company	264.88	406.732	322.842

Note No. 36.1

A) Capital Advance of Rs. 838.86 Lakhs (Refer Note No. 8) (31.03.2017 Rs 750.66 Lakhs, 01.04.2016 Rs. 1282.45 Lakhs) is towards purchase of land and other expenses for setting up of an E-waste plant near Chennai. Out of the same Rs. 750.66 Lakhs is outstanding for more than three years. The Company later decided not to setup the plant there and initiated steps to recover the advance paid.

Notes forming part of Financial Statements As At 31st March 2018**Note No. 36.2****Capital Advances includes :**

- i) Rs. 686.21 Lakhs (Refer Note No. 8) (31.03.2017 Rs. 686.21 Lakhs, 01.04.2016 Rs. 686.21 Lakhs) remittance made to Enviro Hub Ltd Singapore through Cerebra E waste Rrecovery Pte Limited (a subsidiary which is liquidated subsequently). As per the Share Purchase Agreement (SPA) entered between the Company and Enviro-Hub Holdings Limited Singapore (Enviro) the subsidiary Company remitted US\$ 12,50,000 equivalent to Rs 6,86.21 Lakhs to Enviro on 2nd February 2013 as initial deposit towards acquisition of 100% shares of Enviro's wholly owned subsidiary Cimelia Resource Recovery Pte Limited (Cimelia), a Company in the field of e waste recycling business. However during July 2013 based on the advice given by the consultants and advisors the Company decided to abort the acquisition proposal. The Company is in the process of initiating legal steps to recover this advance.
- ii) Rs. 402.50 Lakhs (refer Note No. 8) (31.03.2017 Rs. 402.50 Lakhs, 01.04.2016 Rs. 402.50 Lakhs) due from Cimelia Resource Recovery Pte Limited Singapore (Cimelia) since 24th May 2011 towards technology fee. The payment is made by allotting 23,00,000 equity shares of the Company at a premium of Rs 7.50 Per Share
- iii) Rs .630 Lakhs (31.03.2017 Rs. 630, 01.04.2016 Rs. 630 Lakhs) due from to Restorer Corp Pte Limited, formerly known as Scenic Overseas (S) Pte Limited (Scenic) due 24th May 2011 towards supply of plant and machinery for e waste recycling plant in India. The payment is made by allotting 36,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.
- iv) Rs. 577.50 (refer Note No. 8) Lakhs (31.03.2017 Rs. 577.50 Lakhs, 01.04.016 Rs. 577.50 Lakhs) due from to Leytron Technology Pte Limited (Leytron) since 24th May 2011 towards installation and commissioning of the above plant. The payment is made by allotting 33,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.
- v) Rs. 88.48 Lakhs (refer Note No. 8) (31.03.2017 Rs 88.48 Lakhs, 01.04.2016 Rs 88.48 Lakhs) paid for supply of plant to Scenic on 24th May 2011.
- vi) After non-cosummation of transaction for Cimelia's acquisition and due to non performance of Master Service Agreement (MSA) by the above three entities ,Company has obtained a stay order from Additional City Civil Court, Bangalore against all these three entities from in anyway alienating or creating charge over the shares allotted as consideration. The case is in the final stages of arbitration and the company is hopeful of favourable decision .
- vii) Based on the legal opinion, Company is confident of recovering these advances either in cash or in kind and hence no provision is made for the same.

Note No. 36.3 Trade Receivables referred in Note No.10 includes Rs. 2394.28 (31.03.2017 Rs. 1945.44 Lakhs, 01.04.2016 Rs.1943.94 Lakhs) outstanding for substantial period. Based on the discussions with these parties the management is confident of recovering these dues and hence no provision has been made in the books for the same.

Note No. 37 Operating Lease

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:

Particulars*	INR in Lakhs		
	31-03-2018	31-03-2017	01-04-2016
Not Less than one year	10.28		5.54
Later than one year but not later than five years	7.61	-	6.74
Later than five years	-	-	30.49

Expenses recognised in the Statement of Profit and Loss:

Particulars	INR in Lakhs	
	31-03-2018	31-03-2017
Fixed Rentals	6.59	5.88
Contingent rents	-	-
Total	6.59	5.88

Notes forming part of Financial Statements As At 31st March 2018

Note No 38 Income Tax Expenses

INR in Lakhs

Particulars	Year ending 31st March, 2018	Year ending 31st March, 2017
Current tax		
Current tax in taxable income for the year	643.45	79.63
Total current tax expense	643.45	79.63
Deferred tax		
Deferred Tax charge/(credit)	-2.41	-
MAT credit (taken)/utilized	91.66	16.39
Total deferred income tax expense/(benefit)	89.25	16.39
Total income tax expenses / Credit	732.70	96.02

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

Particulars	Year ending 31st March, 2018	Year ending 31st March, 2017
Enacted income tax rate in India applicable to the company	34.608%	33.063%
Profit before tax	1,994.97	382.30
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	690.42	126.40
Tax effect of the amounts which are not deductible /(taxable) in calculating taxable income		
Permanent disallowances	64.40	3.61
Income exempted from income taxes	-12.64	-
Other items	-9.49	-33.99
Total income tax expenses /(Credit)	732.69	96.02

B The movement in deferred tax assets and liabilities

INR in Lakh

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Deferred tax/(liabilities)	Credit/(charge) in statement of Profit and Loss	Deferred tax/(liabilities)	Credit/(charge) in statement of Profit and Loss	Deferred tax / (liabilities)	Credit/(charge) in statement of Profit and Loss
Depreciation	-7.37	-7.37	-	-	-	-
Expenses allowed in the year of payment	9.78	9.78	-	-	-	-
Others	-	-	-	-	-	-
Sub total	2.41	2.41	-	-	-	-
MAT credit entitlements	-	-	-	94.29	-	110.68
Total	-	2.41	-	94.29	-	110.68

Notes forming part of Financial Statements As At 31st March 2018

Note No. 39

a) Financial instruments by category:

As on March 31, 2018

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
Financial Assets				
Measured at fair value				
Investments in Mutual Funds	1,433.82	-	-	1,433.82
Not measured at fair value				
Investments in Subsidiary	-	-	14.51	14.51
Loans and Advances#	-	-	1,232.15	1,232.15
Trade Receivable	-	-	13,957.84	13,957.84
Cash and Cash Equivalents	-	-	6,946.19	6,946.19
Bank Balances other than those included above	-	-	457.54	457.54
Other Financial Assets	-	-	13.72	13.72
Total	1,433.82	-	22,621.94	24,055.76
Financial Liabilities				
Measured at Fair Value	-	-	-	-
Not Measured at Fair value				
Borrowings	-	-	10.46	10.46
Trade Payable	-	-	8,222.28	8,222.28
Other Financial Liabilities	-	-	102.84	102.84
Total	-	-	8,335.58	8,335.58

Footnote:

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

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

As on March 31, 2017

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
Financial Assets				
Measured at fair value				
Investments*	-	-	-	-
Not measured at fair value				
Investments in Subsidiary	-	-	14.51	14.51
Loans and Advances#	-	-	994.71	994.71
Trade Receivable	-	-	17,394.17	17,394.17
Cash and Cash Equivalents	-	-	6,494.03	6,494.03
Bank Balances other than those included above	-	-	407.33	407.33
Other Financial Assets	-	-	9.29	9.29
Total	-	-	25,314.04	25,314.04
Financial Liabilities				
Measured at Fair Value				
Not Measured at Fair value				
Borrowings	-	-	51.83	51.83
Trade Payable	-	-	13,738.63	13,738.63
Other Financial Liabilities	-	-	181.77	181.77
Total	-	-	13,972.24	13,972.24

Footnote:

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

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

Notes forming part of Financial Statements As At 31st March 2018

As on April 1, 2016

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
Measured at fair value				
Investments in Equity Share*	-	106.55	-	106.55
Not measured at fair value				
Investments in Subsidiary	-	-	14.51	14.51
Loans and Advances#	-	-	1,177.26	1,177.26
Trade Receivable	-	-	3,016.88	3,016.88
Cash and Cash Equivalents	-	-	6,624.55	6,624.55
Bank Balances other than those included above	-	-	323.35	323.35
Other Financial Assets	-	-	8.15	8.15
Total	-	106.55	11,164.71	11,271.25
Financial Liabilities				
Measured at Fair Value	-	-	-	-
Not Measured at Fair value				
Borrowings	-	-	1,338.76	1,338.76
Trade Payable	-	-	210.56	210.56
Other Financial Liabilities	-	-	181.26	181.26
Total	-	-	1,730.58	1,730.58

Footnote:

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

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

b) Fair Value hierarchy

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

As on March 31, 2018

INR in Lakhs

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

Footnotes

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

As on March 31, 2017

INR in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Measured at fair value				
Not measured at fair value (Refer footnotes)				
Total	-	-	-	-
Financial Liabilities				
Measured at fair value				
Not measured at fair value (Refer footnotes)				
Total	-	-	-	-

Footnotes

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

Notes forming part of Financial Statements As At 31st March 2018

As on April 1, 2016

INR in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Investments in Equity Shares			106.55	106.55
Not measured at fair value (Refer footnotes)			-	-
Total	-	-	106.55	106.55
Financial Liabilities				
Measured at fair value	-	-	-	-
Not measured at fair value (Refer footnotes)	-	-	-	-
Total	-	-	-	-

Footnotes

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

c) Fair value hierarchy:

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

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/ debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- Level 3: If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

d) Inter level transfers: There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.**e) Valuation technique used to determine fair value**

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

f) Reconciliations of level 3 fair values

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

Particulars	INR in Lakhs
	Assets
	Equity Instrument
Balance as on April 1, 2016	106.55
Changes:	-
Sale of Shares held in Geetha Monitors Private Limited	-106.55
Balance as on March 31, 2017	-
Changes:	-
Nil	-
Balance as on March 31, 2018	-

Note No. 40 Financial Risk Management**Risk management framework**

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

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

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

Notes forming part of Financial Statements As At 31st March 2018

A) Market Risk

i) Foreign Currency Risk

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

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

Currency	INR in Lakhs	
	Receivables	Payables
As on March 31, 2018		
Exposure US Dollors (USD)	1,425.2	4.1
As on March 31, 2017		
Exposure US Dollors (USD)	1,139.1	44.4
As on April 1, 2016		
US Dollors (USD)	1,139.1	12.3

ii) Interest Rate Risk

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

Details of Borrowings outstanding	INR in Lakhs		
	31-03-2018	31-03-2017	01-04-2016
Variable Rate Borrowings	0.02	-	-
Fixed Rate Borrowings	12.83	6.37	1,341.15
Total Borrowings	12.85	6.37	1,341.15

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

Details of Variable rate borrowings	INR in Lakhs		
	Weighted Avg. Interest Rate	Outstanding Balance	% of Total Loan
March 31, 2018 Cash Credit from Syndicate Bank	11.25%	0.02	0.16%
March 31, 2017 Cash Credit from Syndicate Bank	-	-	-
April 1, 2016 Cash Credit from Syndicate Bank	-	-	-

As the Variable borrowing is insignificant there is no material impact on the profitability of the Company due to variation in interest rates.

iii) Price Risk

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

B) Credit Risk

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

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 60 days past due.

Notes forming part of Financial Statements As At 31st March 2018

INR in Lakhs

Details of outstanding trade receivables	Upto 6 Months	More than 6 Months but less than three Years	More than Three Years
As on 31-03-2018	2,483.23	9,080.33	2,394.28
As on 31-03-2017	9,692.66	5,756.07	1,945.44
As on 01-04-2016	991.70	81.24	1,943.94

Details of allowance debited to Statement of profit and loss

INR in Lakhs

Particulars	YE 31.03.2018	YE 31.03.2017
Trade receivables written off	516.86	2.10

C) Liquidity Risk

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

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

INR in Lakhs

Floating Rate	31-03-2018	31-03-2017	01-04-2016
Cash Credit from Syndicate Bank	699.98	-	-

ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities:

As on March 31, 2018

INR in Lakhs

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

As on March 31, 2017

INR in Lakhs

Financial Liabilities	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
i) Borrowings	50.53	3.83	
ii) Trade Payable	13,738.63		
iii) Other Financial Liabilities	179.24	-	-

As on April 1, 2016

Financial Liabilities	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
i) Borrowings	1,334.80	6.36	-
ii) Trade Payable	210.56	-	-
iii) Other Financial Liabilities	178.86	-	-

Notes forming part of Financial Statements As At 31st March 2018

Note Number 41 : Capital Management

Risk management

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

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

INR in Lakhs

Particulars	31-03-2018	31-03-2017	01-04-2016
Debt	12.85	54.37	1,341.15
Equity	22,052.67	15,457.93	12,643.22
Net Debt to Equity	0.06%	0.35%	10.61%

Note No 42: Related Party Disclosure

a) Related Parties

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

b) Key Management Personal

Name	Designation
V. Ranganathan	Managing Director
P. Vishwamurthy	Whole Time Director
Shridhar S Hegde	Whole Time Director

Amount received against issue of share warrants

c) Transaction with Related Parties

INR in Lakhs

Particulars	Transaction	Year ended 31-Mar-2018	Year ended 31-Mar-2017
V. Ranganathan	Remuneration	25.15	25.32
	Amount received against issue of share warrants	70.00	-
P. Vishwamurthy	Remuneration	25.15	25.32
	Amount received against issue of share warrants	200.00	-
Shridhar S Hegde	Remuneration	25.15	25.32
	Amount received against issue of share warrants	60.00	-
Cerebra Middle East FZCO	Purchases of Goods	107.21	-
Cerebra Middle East FZCO	Advance paid for procurment of goods	391.98	-
Cerebra Middle East FZCO	Loan Given(Net)	213.06	-
Cerebra Middle East FZCO	Loan Repaid(Net)	-	106.87
Cerebra LPO India Limited	Loan Given(Net)	2.90	-
Cerebra LPO India Limited	Retal Income	1.44	1.08
Cerebra Middle East FZCO	Loan Repaid(Net)	-	19.50
Srikara Finance Investment	Loan received	12.00	48.00
Srikara Finance Investment	Loan Repaid	60.00	-
Srikara Finance Investment	Interest Paid	0.65	-

d) Balance with Related Parties

INR in Lakhs

Particulars	31-03-2018	31-03-2017	01-04-2016
Cerebra LPO India Limited			
a) Investment	3.50	3.50	3.50
b) Balance Receivable	697.23	592.89	612.39
Cerebra Middle East FZCO			
a) Investment	11.01	11.01	11.01
c) Balance Receivable	900.77	295.73	403.69
V. Ranganathan	1.62	4.43	0.94
Shridhar S Hegde	1.62	8.44	3.98
P. Vishwamurthy	1.62	6.38	1.40

Notes forming part of Financial Statements As At 31st March 2018

Note No 43: Employee Benefits

Gratuity

i) Changes in present value of obligation

INR In lakhs

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Present Value of Funded Obligation	-	-
Fair Value of plan asset	-	-
Net Fund Obligation	-	-
Present Value of unfunded defined benefit obligation	45.39	30.21
Amounts not recognised due to asset limit	-	-
Net defined liability/(asset) recognised in balance sheet	45.39	30.21
Net defined liability/(asset) Bifurcated as follows		
Current Liability	13.84	1.13
Non-current Liability	31.55	29.07

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

INR In lakhs

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Current Service Cost	2.46	1.71
Past Service Cost	12.06	-
Administration Expenses	-	-
Interest on net defined benefit liability/(Asset)	2.13	1.81
(Gain)/Losses on settlement	-	-
Total expenses to be charged to profit or loss account	16.65	3.52

iii) Amount recorded in Other Comprehensive Income

INR In lakhs

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Opening amount recognized in OCI outside profit and loss account	3.07	-0.45
Remeasurements during the period due to		
Changes in financial assumptions	1.26	0.98
Changes in demographic assumptions	-	-
Experience adjustments	0.20	2.53
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognize the effect of asset ceiling	-	-
Closing amount recognized in OCI outside profit and loss account	1.60	3.07

iv) Movement in Benefit Obligation

INR In lakhs

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Opening of defined benefit obligation	30.20	23.43
Current service cost	2.46	1.71
Past service cost	12.06	-
Interest on defined benefit obligation	2.13	1.81
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	-1.26	0.98
Actuarial loss / (gain) arising from change in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	-0.20	2.53
Benefits paid	-	-0.25
Liabilities assumed / (settled)*	-	-
Liabilities extinguished on settlements	-	-
Closing of defined benefit obligation	45.39	30.21

Notes forming part of Financial Statements As At 31st March 2018

v) Key Assumptions

Particulars	INR In lakhs	
	Year ended 31st March 2018	Year ended 31st March 2017
Discount Rate(p.a.)	7.80%	7.20%
Salary Escalation Rate(p.a.)	7.00%	7.00%
Demographic Assumptions		
Retirement Age	58 Years	58 Years
Mortality Table	Indian Assured Lives Morality Table (2006-08)	Indian Assured Lives Morality Table(2006-08)
Leaving service rates		
Age		
21-30	15%	15%
31-44	10%	10%
35-44	5%	5%
45-50	3%	3%
51-54	2%	2%
55-57	1%	1%

Note No 44: Segment Reporting

During the current year the company has earned revenue from transactions with single external customers amounting to 10 per cent or more of an entity's revenues from three customers.

Note No 45: Balances of Sundry Debtors, advances given to parties, creditors and advances received from parties are subject to confirmation

Note No 46: Due to Micro, Small & Medium Enterprises:

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

Disclosure under required under MSME Act, 2006.

		INR in Lakhs		
Sl. No.	Particulars	31-Mar-18	31-Mar-17	01-Apr-16
a.	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil	Nil
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil

Notes forming part of Financial Statements As At 31st March 2018

Note No 47: Earnings Per Share

INR In lakhs

SI No	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
A)	Basic Earnings Per Share		
	Profit after tax	1,262.27	286.28
	Weighted number of equity shares considered for calculation of basic earnings per share	11,77,13,057	10,06,76,654
	Earnings Per share- Basic	1.07	0.28
B)	Diluted Earnings per share		
	Profit after tax	1,262.27	286.28
	Adjustments	-	-
	Diluted Earnings	1,262.27	286.28
	Weighted number of equity shares considered for calculation of diluted earnings per share	11,87,40,386	10,10,94,017
	Earnings Per share- Diluted	1.06	0.26

Note No 48: Figures in bracket relates to previous year.

As per our attached report of even date

For Ishwar & Gopal
Chartered Accountants

For and on behalf of the Board

S. Bhaskar
Partner
Membership No. : 205977
Firm registration No. : 001154S

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director & CFO
DIN : 01247342

Nutan Soudagar
Company Secretary
Membership No: 26148

Place : Bengaluru
Dated : 30-05-2018

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Cerebra Integrated Technologies Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flow, and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and the Consolidated Statement of Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, of the consolidated state of affairs of the Group as at 31st March 2018 and its consolidated profit, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

Without qualifying our report, we draw attention to the following matters in notes to the consolidated Ind AS financial statements:-

Note 36.1 and 36.2 of the consolidated financial statements relating to capital advances amounting to Rs. 3,223.55 Lakhs and Note No 36.3 of the consolidated financial statements relating to trade receivables amounting to Rs. 3,076.43 Lakhs which are outstanding for more than three years raising question over the recoverability of these dues. The Management is confident of recovering the same either in cash or in kind and hence no provision is made in the accounts.

Other Matters

- a. We didnot audit the financial statements of a subsidiary incorporated outside India, whose financial statements reflect total assets of Rs. 5,989.89 Lakhs as in 31st March 2018 and total revenue of Rs. 14,037.23 Lakhs for the year then ended as considered in the financial statements. The financial statements audited by other auditors and approved by the respective Board of Directors of the Company have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of this subsidiary is based solely on such approved audited financial statements.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Management

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with relevant books of account.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) The matters described in paragraph relating to the matters described in paragraph relating to Emphasis of Matter in our opinion may have an adverse effect on the functioning of the company.
- (f) On the basis of the written representations received from the directors as on March 31st, 2018, taken on record by the Board of Directors, none of other directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal finance controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on audit reports of Holding and Subsidiary Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's internal financial controls over financial reporting.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements- Refer Note 36.1 and 36.2 to the Consolidated Ind AS financial statements;
- ii. The Group has made provisions, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts. We have been informed that the Company did not have any pending derivative contracts.
- iii. There is no amount due during the year that is required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November,2016 to 30th December 2016, are not relevant to these Consolidated Ind AS financial statements. Hence, reporting under this clause is not applicable.

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

S Bhaskar
Partner
Membership No. 205977

Place : Bangalore
Date : 30th May, 2018

ANNEXURE - A TO THE AUDITOR'S REPORT

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

We audited the internal financial controls over financial reporting of Cerebra Integrated Technologies Limited ("the Holding Company") and its subsidiary company which is incorporated in India as of 31 March 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Adverse Opinion

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at 31st March 2018.

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

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

In our opinion, except of the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Group has maintained adequate and effective internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018, Consolidated financial statements of the Group, and the same is reported under emphasis of matters in our audit report of even date.

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

S Bhaskar
Partner
Membership No. 205977

Place : Bangalore
Date : 30th May, 2018

Cerebra Integrated Technologies Limited

Consolidated Balance Sheet as at 31st March, 2018

INR in Lakhs

Particulars	Note No	31-03-2018	31-03-2017	01-04-2016
Assets				
Non-current assets				
Property, Plant and Equipment	3	900.08	639.65	595.01
Capital Work In Progress		-	254.54	-
Financial Assets				
i) Investments	4	1,433.82	-	106.55
ii) Loans and Advances	5	67.40	95.20	158.02
iii) Other Financial Assets	6	13.72	9.29	8.15
Deferred Tax Assets	7	2.41	94.29	110.68
Other Non Current Assets	8	4,308.27	3,218.47	3,612.46
Current Assets				
Inventories	9	1,490.84	224.53	243.80
Financial Assets				
i) Trade Receivables	10	20,062.69	21,607.73	6,241.09
ii) Cash and Cash Equivalents	11	6,984.27	6,536.48	6,642.20
iii) Bank Balances other than (ii) above	12	537.18	466.04	323.35
iv) Loans and Advances	13	68.37	22.56	41.81
Other Current Assets	14	469.66	43.33	69.67
Total Assets		36,338.70	33,212.11	18,152.79
Equity and Liabilities				
Equity				
(a) Equity Share Capital	15	12,039.66	10,849.66	9,641.79
(b) Other Equity	16	13,614.88	6,551.37	5,196.12
Non Controlling Interest		382.77	164.78	77.86
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
i) Borrowings	17	98.05	80.00	1,533.31
Provisions	18	37.96	35.88	30.44
Current Liabilities				
Financial Liabilities				
i) Borrowings	19	-	48.00	-
ii) Trade Payable	20	9,041.38	14,795.57	937.56
iii) Other Financial Liabilities	21	313.75	402.44	581.07
Provisions	22	25.78	12.24	8.41
Other Current Liabilities	23	161.16	190.53	124.73
Current Tax Liabilities	24	623.31	81.63	21.50
Total Equity and Liabilities		36,338.70	33,212.11	18,152.79

See accompanying notes to Financial Statements

1 to 48

As per our attached report of even date

For Ishwar & Gopal

Chartered Accountants

For and on behalf of the Board

S. Bhaskar

Partner

Membership No. : 205977

Firm registration No. : 001154S

V. Ranganathan

Managing Director

DIN: 01247305

Shridhar S Hegde

Whole Time Director & CFO

DIN : 01247342

Nutan Soudagar

Company Secretary

Membership No: 26148

Place : Bengaluru

Dated : 30-05-2018

Cerebra Integrated Technologies Limited
Consolidated Statement of Profit or Loss for the Year Ended 31st March, 2018

INR in Lakhs

Particulars	Note No	For the year ended 31-03-2018	For the year ended 31-03-2017
Continuing Operations			
Revenue from operations	25	31,430.35	25,083.52
Other income	26	183.23	149.10
Total Income		31,613.58	25,232.62
Expenses			
Cost of material consumed	27	250.36	212.22
Purchase of stock in trade	28	25,598.20	21,775.07
Changes in inventories of work in progress, stock in trade and finished goods	29	-1,237.57	-155.81
Excise Duty		6.57	35.16
Employee benefits expense	30	809.89	616.36
Finance costs	31	171.08	146.53
Depreciation and amortisation expenses	3	30.49	17.01
Other Expenses	32	1,794.62	1,275.32
Total Expenses		27,423.64	23,921.85
Profit before exceptional items and tax		4,189.94	1,310.77
Exceptional Item		-	-
Profit before tax		4,189.94	1,310.77
Income tax Expenses			
a) Income Tax		643.45	79.63
b) Deferred Tax Expenses		89.25	16.39
Total Tax Expenses		732.70	96.02
Profit for the year		3,457.24	1,214.75
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	33	3.59	-28.41
Income Tax relating to above		0.51	-1.22
Total other comprehensive income		3.08	-27.19
Total Comprehensive Income		3,460.32	1,187.55
Profit attributable to			
a) Owners		3,239.89	1,127.65
b) Non-Controlling Interest		217.35	87.10
Other Comprehensive income Attributable to			
a) Owners		2.44	-27.02
b) Non Controlling Interest		0.64	-0.17
Total Comprehensive Income Attributable to			
a) Owners		3,242.33	1,100.63
b) Non Controlling Interest		217.99	86.93
Earnings per equity share of Rs 10/ each			
Basic		2.75	1.12
Diluted		2.73	1.12

See accompanying notes to Financial Statements

1 to 48

As per our attached report of even date

For Ishwar & Gopal

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DIN : 01247342

Nutan Soudagar

Company Secretary

Membership No: 26148

Place : Bengaluru

Dated : 30-05-2018

Cerebra Integrated Technologies Limited
Consolidated Cash flow Statement for the Year Ended 31st March 2018

INR in Lakhs

Particulars	2017-18		2016-17	
	Rs.	Rs.	Rs.	Rs.
A. Cashflow from operating activities				
Net profit before tax		4,189.94		1,310.77
Adjustments for:				
Depreciation(net)	30.49		17.01	
Interest expenditure	118.97		128.84	
Interest income	-45.23		-34.97	
Excess provision/Unclaimed credit withdrawn	-1.84		-105.61	
Trade Receivables Written Off	516.86		2.10	
Profit on Sale of Investment	-18.95			
Dividend Income	-36.52	563.78		7.38
Operating profit/(Loss) before working capital changes		4,753.71		1,318.15
Adjustments for changes in :				
Decrease in Inventories	-1,266.31		19.25	
Decrease in Trade & other receivables	-416.68		-14,749.57	
Decrease in Trade & other payables	-5,314.94		13,790.25	
		-6,997.92		-940.07
Cash generated from operations		-2,240.61		378.09
Income tax paid(net)		733.21		94.80
Net cashflow from operating activities		-2,973.82		283.28
B. Cashflow from investing activities				
Interest income	45.23		34.97	
Dividend income	36.52			
Sale of investment in subsidiary/ Associate	-		106.55	
Investment in Fixed Deposits	-71.14		-142.69	
Investment in Mutual Funds (Net of sale)	-1,414.86		-	
Purchase of fixed assets including capital WIP & capital advances	-36.39		-316.19	
Net Cashflow from investing activities		-1,440.63		-317.36
C. Cashflow from Financing activities				
Increase(Decrease) in borrowings	-29.95		-1,405.31	
Received towards Share Capital / Securities premium / Share Warrant	5,290.00		1,268.27	
Foreign Exchange Fluctuation	-278.82		194.22	
Interest paid	-118.97		-128.84	
Net cashflow from Financing activities		4,862.26		-71.66
Net increase/(Decrease)in Cash & Cash equivalents (A+B+C)		447.79		-105.72
Cash & Cash equivalents				
Opening balance		6,536.48		6,642.20
Closing balance		6,984.27		6,536.48
Net increase/Decrease in cash and cash equivalents		447.79		-105.72

See accompanying notes to Financial Statements

As per our attached report of even date

For Ishwar & Gopal
Chartered Accountants

For and on behalf of the Board

S. Bhaskar
Partner
Membership No. : 205977
Firm registration No. : 001154S

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director & CFO
DIN : 01247342

Nutan Soudagar
Company Secretary
Membership No: 26148

Place : Bengaluru
Dated : 30-05-2018

Cerebra Integrated Technologies Limited

Consolidated Statement of Changes in Equity

A) Equity Share Capital

INR In Lakhs

Equity shares of INR 10 each issued, subscribed and fully paid	Number	Amount
On 1st April 2016	9,64,07,722	9,640.77
Issue of Equity share capital during the year	1,20,78,760	1,207.88
Add:- Forfeited Shares	-	1.02
Balance at March 31, 2017	10,84,86,482	10,849.66
Issue of Equity share capital during the year	1,19,00,000	1,190.00
Balance at March 31, 2018	12,03,86,482	12,039.66

B) Other equity

INR In Lakhs

Particulars	Other Equity			Other Comprehensive Income	Application money received towards share warrants	Total
	Securities premium account	Capital reserve	Retained earnings			
Balance at April 1, 2016	5,849.32	226.77	-1,168.22	288.25	-	5,196.12
Profit for the year/Additions during the Year	60.39	-	1,127.65	-	-	1,188.04
Re-measurement gains/(Losses) on defined benefit plans, net of tax	-	-	-	-4.08	-	-4.08
Net(Loss)/gain on investment in equity shares/units accounted at fair Value, Net of tax	-	-	-	-24.33	-	-24.33
Foreign Translation Differences				195.61		
Balance as at March 31, 2017	5,909.72	226.77	-40.57	455.44	-	6,551.37
Profit for the year/Additions during the Year	3,570.00	-	3,239.89	-	530.00	7,339.89
Re-Measurement of gains/(losses) on defined benefit plans, net of tax	-	-	-	3.59	-	3.59
Net(Loss)/gain on investment in equity shares/units accounted at fair Value, Net of tax	-	-	-	-	-	-
Foreign Translation Differences				-279.96		
Balance at March 31, 2018	9,479.72	226.77	3,199.32	179.07	530.00	13,614.88

See accompanying notes to Financial Statements

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

For and on behalf of the Board

S. Bhaskar
Partner
Membership No. : 205977
Firm registration No. : 001154S

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director & CFO
DIN : 01247342

Nutan Soudagar
Company Secretary
Membership No: 26148

Place : Bengaluru
Dated : 30-05-2018

Note 1. Corporate Information

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

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

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 30, 2018.

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

A. Basis of preparation

- i. In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 First time Adoption of Indian Accounting Standards, the Group has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017. These consolidated financial statements are the Group's first Ind AS consolidated financial statements.

The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III of the Companies Act, 2013.

The Group's consolidated financial statements are presented in Indian rupees.

- ii. Convention:

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

- iii. Principles of consolidation:

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

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

B. Critical accounting estimates and judgements:

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

- i. **Useful lives of property, plant and equipment and intangible assets:** The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- ii. **Impairment testing:** Property, plant and equipment and Intangible assets that are subject to amortisation/ depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- iii. **Impairment of investments:** The Group reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- iv. **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.
- v. **Litigation:** From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- vi. **Fair value measurement of financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

C. Significant Accounting Policies

1. Revenue Recognition:

(i) Income from operations:

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

(ii) Interest income:

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

(iii).Dividend

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

2. Employee Benefits.

(i) Provident Fund

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

(ii) Gratuity Fund

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

(iii) Compensated Absences

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

(iv) Short Term Obligations

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

3. Property, Plant and Equipment:

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

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

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

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

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

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

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

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

4. Intangible Assets:

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

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

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

5. Impairment of assets:

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

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

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

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

6. Foreign Currency Translation:

(i) Initial Recognition

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

(ii) Subsequent Recognition

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

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

7. Assets taken on lease:

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2016, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

8. Inventories:

Inventories are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. (Also refer Note 9)

9. Income Taxes and Deferred Taxes:

(i) Current tax:

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

(ii) Deferred tax :

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

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

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

10. Provisions and contingent liabilities:

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

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

11. Borrowing Costs:

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

12. Statement of Cash Flows:

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

13. Earnings Per Share:

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

14. Exceptional items:

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

15. Financial Instruments:**(a) Financial assets****Initial recognition and measurement**

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

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

Classification:

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

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

(i) Financial assets at amortised cost

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

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

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and loss using the effective interest rate method.

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

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

De-recognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

D. Recent accounting pronouncements:

- i. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration : On March, 28, 2018 Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when the entity has received or paid advance consideration in foreign currency.

The amendment will come in to force from 1 April 2018. The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

- ii. Ind AS 115 : In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five steps model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with the customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- a. Retrospective approach: Under the approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
- b. Retrospectively with cumulative effect of initial the y applying the standard recognised at the date of initial application (cumulative catch-up approach)

The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

Cerebra Integrated Technologies Limited

3 Property, Plant and Equipment

INR in Lakhs

Particulars	Freehold Land	Leasehold Land#	Factory Buliding^	Plant and Machinery	Office Equip-ment	Computers and Printers	Vehicles**	Electrical Installations	Furniture and Fixtures	Total
Carrying Amount (Gross Block)										
Balance as at 1 st April 2016*	2.01	506.39	23.09	14.68	2.17	5.64	12.72	9.19	19.12	595.01
Additions	-	-	38.42	0.40	4.51	9.55	-	4.58	4.45	61.91
Exchange Fluctuation	-	-	-	-	-	0.81	-	-	0.77	-
Deductions/ Adjustment	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2017	2.01	506.39	61.51	15.08	6.68	16.00	12.72	13.77	24.34	658.50
Accumulated Depreciation										
Balance as at 1 st April 2016	-	-	-	-	-	-	-	-	-	-
Additions	-	-	1.64	1.52	1.94	3.11	3.34	1.95	3.51	17.01
Deductions/ Adjustment	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation	-	-	-	-	-	0.89	-	-	0.94	1.83
Balance as at 31st March 2017	-	-	1.64	1.52	1.94	4.00	3.34	1.95	4.45	18.84
Gross Block										
Balance as at 31st March 2017	2.01	506.39	61.51	15.08	6.68	16.00	12.72	13.77	24.34	658.50
Additions	-	5.50	178.45	52.02	5.68	0.35	10.06	37.61	1.28	290.95
Deductions/ Adjustment	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2018	2.01	511.89	239.96	67.10	12.36	16.35	22.78	51.38	25.62	949.44
Accumulated Depreciation										
Balance as at 31 st March 2017	-	-	1.64	1.52	1.94	4.00	3.34	1.95	4.45	18.84
Additions	-	-	7.20	4.08	2.94	1.89	3.98	5.03	5.37	30.49
Deductions/ Adjustment	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation	-	-	-	-	-	0.03	-	-	-	0.03
Balance as at 31st March 2018	-	-	8.84	5.60	4.88	5.92	7.32	6.98	9.82	49.36
Net carrying amount as at 31st March 2018	2.01	511.89	231.12	61.49	7.48	10.42	15.47	44.41	15.79	900.08
Net carrying amount as at 31st March 2017	2.01	506.39	59.87	13.56	4.74	12.00	9.38	11.82	19.89	639.65
Net carrying amount as at 1st April 2016	2.01	506.39	23.09	14.68	2.17	5.64	12.72	9.19	19.12	595.01

* On transition to Ind AS, the carrying values of all property, plant and equipments under the previous GAAP have been considered to be the deemed cost under Ind AS.

Lease hold land amounting Rs. 506.4 Lakhs (31.03.2017:- Rs. 506.40/- Lakhs, 01.04.2016 Rs. 506.4 Lakhs) includes 48,564 Sq. Mtrs of land at Narsapura Industrial Area, Kolar Taluk, Kolar District, allotted by Karnataka Industrial Area Development Board (KIADB) on lease cum sale basis for setting up an e-waste recycling plant within a specified period. As per the lease cum sale agreement, KIADB has got the right to determine the lease and forfeit up to 25% of the consideration paid / enhance the compensation payable if the company fails to set up the plant with in the specified period.

^ The Factory buliding having a carring value of Rs. 57.31 Lakhs as on 31st March 2018 has been mortgaged to Syndicate Bank as a Security against cash credit facility obtained by them.

** The vehicles of the Company having a carrying value of Rs. 15.47 Lakhs are hypothecated to a Bank as security against term loans obtained by the Company for purchasing the said vehicles from Syndicate Bank.

Cerebra Integrated Technologies Limited

Notes forming part of Financial Statements As At 31st March 2018

INR in Lakhs

Particulars	As at 31 st March 2018	As at 31 st March-2017	As at 1 st April 2016
Non Current Assets			
Financial Assets			
4 Investment			
Unquoted Equity Shares			
Investment in associate (earstwhile subsidiary)	-	-	-
Geeta Monitors Private Limited	-	-	106.55
Sub Total	-	-	106.55
Quoted Mutual Funds			
DSP Black Rock Mutual Fund (Units-3042605.24 (Nil,Nil))	681.23	-	-
HDFC Cash Management Fund Treasury Advantage Plan -(Units 303826.03 (Nil, Nil))	111.16	-	-
HDFC Short Term Opportunities Fund- (Units 568658.27 (Nil, Nil))	58.26	-	-
ICICI Prudential Mutual Fund (Units 80614.18 (Nil, Nil))	8.16	-	-
Reliance Medium Tern Fund (Units 3013681.29 (Nil, Nil))	515.50	-	-
Reliance Short Tern Fund (Units 182287.10 (Nil, Nil))	59.52	-	-
Sub Total	1,433.82	-	-
Total	1,433.82	-	106.55
Aggregate value of Quoted Investments	1,399.26	-	-
Market value of Quoted Investments	1,433.82	-	-
Aggregate value of Unquoted Investments	-	-	106.55

The company holds 200 shares in Sankhya Infotech Limited worth Rs. 2000 in value against which the company has provided a provision of Rs. 2000. Hence the cost of carrying of such financial asset is deemed to be Nil (31.03.2017 Nil, 01.04.2016 Nil)

Cerebra Singapore Ewaste Pte Limited a 100% subsidiary of the company has been liquidated on 6th June 2016.

5 Loans and Advances			
Security deposits considered good	9.61	16.24	31.16
Other loans and advances	57.79	78.95	126.86
Total	67.40	95.20	158.01
6 Other Financial Assets			
Interest accrued but not due on deposits	13.72	9.29	8.15
Total	13.72	9.29	8.15
7 Deferred Assets Liabilities (Net)			
On account of differences in fixed assets under Income Tax Act, 1961 and Books	-7.37	-	-
On account of temporary disallowances	9.78	-	-
MAT Credit Entitlement	-	94.29	110.68
Total	2.41	94.29	110.68
8 Other Non Current Assets			
Capital advance	4,306.62	3,216.82	3,610.81
Others advances	1.65	1.65	1.65
Total	4,308.27	3,218.47	3,612.46
9 Inventories			
Raw materials	30.26	-	166.62
Stock in trade	1,460.58	224.53	77.18
Total	1,490.84	224.53	243.80

Company is in the process of implimenting a software to track the receipt, issue, consumption and stock of materials in its e waste division. Pending completion of the Ewaste inventory as on 31st March 2018 is computed on an estimated basis. Stock in trade as on 31st March 2018 includes Rs 581.56 Lakhs e waste materials .

Notes forming part of Financial Statements As At 31st March 2018

INR in Lakhs

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
10 Trade Receivables			
Unsecured- Considered good	20,062.69	21,607.73	6,241.09
Unsecured- Considered doubtful	28.71	28.70	28.70
Sub Total	20,091.40	21,636.43	6,269.80
Less: Provision for Allowances	28.71	28.70	28.70
Total	20,062.69	21,607.73	6,241.09
11 Cash and Cash Equivalents			
A) Balances with Banks			
i) In Current account with scheduled bank	465.20	44.59	40.44
ii) In Current account with Foreign Bank	6,504.41	6,485.00	6,585.00
B) Cash in hand			
i) In Indian rupee	9.10	1.01	12.65
ii) In Foreign currency	5.56	5.88	4.11
Total	6,984.27	6,536.48	6,624.20
12 Bank balances (other than Note 11 above)			
In deposits with scheduled bank (with maturity of more than three month)	537.18	466.04	323.35
Total	537.18	466.04	323.35
13 Loans and advances			
Earnest money deposits	68.37	22.56	41.81
Total	68.37	22.56	41.81
14 Other current assets			
Prepaid expenses	10.31	15.85	9.43
Advance Income Tax / TDS (net)	2.18	3.17	4.45
Advance to Suppliers	413.59	15.68	15.60
Advance to employees	10.28	5.12	
Balance with statutory/Government authorities	33.30	3.51	40.20
Total	469.66	43.33	69.67

15 Equity Share Capital

INR in Lakhs

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Number	INR in Lakhs	Number	INR in Lakhs	Number	INR in Lakhs
a Authorised Equity Share Capital (Par Value per Share Rs. 10)	12,60,00,000	12,600.00	11,02,00,000	11,020.00	11,02,00,000	11,020.00
b Issued Subsribed and fully paid up Equity Share Capital (Par Value per Share Rs. 10)	12,03,86,482	12,038.65	10,84,86,482	10,848.65	9,64,07,722	9,640.77
c Add:- Forfeited Shares	-	1.02	-	1.02	-	1.02
Total	12,03,86,482	12,039.66	10,84,86,482	10,849.66	9,64,07,722	9,641.79

d Reconciliation of No of equity share and share capital outstanding

Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Number	INR in Lakhs	Number	INR in Lakhs	Number	INR in Lakhs
Opening number of share outstanding	10,84,86,482	10,848.65	9,64,07,722	9,640.77	8,43,28,962	8,432.90
Add: No of Shares/Share Capital issued/ subscribed during the year	1,19,00,000	1,190.00	1,20,78,760	1,207.88	1,20,78,760	1,207.88
Closing Number of shares outstanding	12,03,86,482	12,038.65	10,84,86,482	10,848.65	9,64,07,722	9,640.77

Notes forming part of Financial Statements As At 31st March 2018

e Terms / Rights attached to equity shares

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

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

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

Name of the Shareholders	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Heshika Growth Fund	73,41,485	6.10%	80,78,760	7%	60,39,380	6.26%
Stream Value Fund	-	-	-	-	51,39,380	5.33%
SSJ Finance & Securities Pvt. Ltd	-	-	88,11,782	8%	-	-
Kuber Glodal Fund	1,19,00,000	9.88%	-	-	-	-
Auctor Investments Ltd	-	-	76,28,760	7%	60,39,380	6.26%

16 Other Equity

	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
i) Capital reserve- balance as per last financial statement	226.77	226.77	226.77
ii) Security premium			
Balance as per last financial Statement	5,909.72	5,849.32	5,849.32
Add:- Received during the year	3,570.00	60.39	-
Balance as on balance sheet date	9,479.72	5,909.72	5,849.32
iii) Retained Earnings/Surplus			
Balance as per last financial Statement	-40.57	-1,168.22	-1,168.22
Add:- Profit for the year	3,239.89	1,127.65	-
Balance as on balance sheet date	3,199.32	-40.57	-1,168.22
iv) Fair Value through Other Comprehensive Income (FVTOCI)			
Balance as per last financial Statement	455.44	288.25	288.55
Add:- for the year	-276.37	167.20	-
Balance as on balance sheet date	179.07	455.44	288.25
v) Application money received towards share warrents*	530.00	-	-
Total	13,614.88	6,551.37	5,196.12

*During the year the company has issued 53 Lakhs share warrants to the promoters of the company at Rs. 40 Per share. The company has received Rs. 10 (25% of issue price) against this issue on 22nd June 2017. The warrants are convertible into equity share at any time within a period of 18 Months from the date of allotment of such warrants at a price of Rs. 40 per Share. Balance 75% (i.e. Rs. 30 per warrant) shall be paid before the date conversion in to equity shares.

17 Borrowings (Non Current)

Foreign currency convertible Bond - Unsecured*	-	-	1,332.40
Term Loans	-	-	-
1. From Banks - secured #	12.85	6.37	8.76
2. From others-Unsecured	273.18	276.86	533.53
Total Long Term Borrowings	286.03	283.23	1,874.69
Less: Instalments of term loan payable within a year considered as other current liability: Refer Note 21	187.98	209.23	341.38
Total	98.05	80.00	1,533.31

* Foreign Currency Convertible Bond-unsecured

The company has allotted 5.34% interest bearing Foreign Currency Convertible bond (FCCB), of Dollar 1,00,00,000 on 19th December 2014 having a maturity life of 5 year convertible at any time upto 14th December 2019 into Equity shares of Rs. 10.50 (including premium of Rs. 0.50) at a conversion price of Rs. 63.4135, with a fixed rate of exchange on conversion of Rs. 63.4135 per USD. During the financial year ended 31 March, 2017, the Company has converted 20,00,000 FCCB into 1,20,78,760 equity Shares of 10.50 (including premium of Rs. 0.50) per share at a conversion rate of Rs.63.4135 per USD. FCCB outstanding as on 31.03.2018: NIL (31.03.2017: NIL)

Notes forming part of Financial Statements As At 31st March 2018

#Term loan from banks is secured by hypothecation of vehicle

Schedule of repayment of loan is as under

Year	Amount in Lakhs	Year	INR in Lakhs
2016-17	341.38	2021-22	2.10
2017-18	203.23	2022-23	1.59
2018-19	187.98	2023-24	1.74
2019-20	89.60	2024-25	0.78
2020-21	2.22		

	INR in Lakhs		
18 Employee Benefit Obligation			
Provision for			
- Gratuity	34.29	31.93	25.56
- Leave Benefits	3.67	3.95	4.88
Total	37.96	35.88	30.44
19 Borrowings (Current)			
Unsecured Loan	-	48.00	-
Total	-	48.00	-
20 Trade Payables (Refer Note No. 46)			
Total outstanding dues of micro enterprise and small enterprise	-	-	-
Total outstanding dues of creditors other than micro enterprise and small enterprise	9,041.38	14,795.57	937.56
Total	9,041.38	14,795.57	937.56
21 Other Financial Liabilities			
Interest accrued but not due on borrowings	-	0.22	91.42
Liabilities for expenses	125.76	176.80	110.94
Due to directors	-	22.18	37.33
Current maturities of long term debts (Refer Note No. 17)	187.98	203.23	341.38
Total	313.75	402.44	581.07
22 Employee Benefit Obligation (Non Current)			
Provision for			
- Gratuity	13.98	2.43	0.98
- Leave Benefits	0.52	0.40	0.75
- Bonus	11.27	9.42	6.68
Total	25.78	12.24	8.41
23 Other Current Liabilities			
Advances from customers	5.93	3.60	4.59
Liabilities for fixed assets	-	21.28	-
Statutory liabilities	155.23	165.66	120.14
Total	161.16	190.53	124.73
24 Current Tax Liabilities			
Provision for tax (Net of TDFS / Advance Tax)	623.31	81.63	21.50
Total	623.31	81.63	21.50

Notes forming part of Financial Statements As At 31st March 2018
INR in Lakhs

Particulars	Year Ending 31st March 2018	Year Ending 31st March 2017
25 Revenue from operations		
Sale of products	30,799.72	24,618.67
Sale of software services	630.63	464.85
Revenue from operations (Gross)	31,430.35	25,083.52
26 Other income		
Interest income	45.23	34.97
Excess provision / (unclaimed credit) withdrawn	1.84	105.61
Dividend income	36.52	-
Profit on sale of investment	18.95	-
Net gain on foreign currency transaction	43.74	-
Profit on sale of Assets	-	0.18
Net gain on sale, Fair valuation of Investment through profit and loss	34.56	-
Others	2.38	8.34
Total	183.23	149.10
27 Cost of materials consumed		
Opening Stock	-	166.62
Add: Purchase during the year	280.62	45.60
Less: Closing Stock	30.26	-
Total	250.36	212.22
28 Purchase of Stock-in-Trade		
Purchase of goods - Computers, accessories & Software	25,598.20	21,775.07
Total	25,598.20	21,775.07
29 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade		
Opening stock of Traded Goods	190.01	34.20
Less: Closing stock of Traded Goods	1,427.57	190.01
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	-1,237.57	-155.81
30 Employee Benefit Expenses		
Salaries and wages	777.45	592.31
Contribution to provident & other funds	21.61	12.72
Staff Welfare expenses	10.83	11.33
Total	809.89	616.36
31 Financial Costs		
Interest on Loan	85.63	123.03
Interest on Statutory dues	40.52	5.85
Bank Charges	44.94	17.65
Total	171.08	146.53
32 Other Expenses		
Power and Fuel	11.07	7.31
Rent	30.96	37.60
Repairs to Machinery	13.64	15.66
Repairs to Others	2.84	4.63
Insurance	19.51	15.82
Rates & Taxes, excluding taxes on income	25.77	25.04
Legal & Professional Charges	313.29	66.46
Freight & Forwarding	4.52	2.68
Trade receivables written off	516.86	2.10
Travelling and Conveyance	45.42	17.51
Communication expenses	28.56	10.18
Advertisement & Business promotion	715.26	983.32
Printing & Stationery	10.02	11.63
Security Charges	4.28	0.76
Liquidated Damages	22.21	0.57
Net Loss on Foreign Currency Transaction	-	43.37
Miscellaneous Expenses	30.42	30.69
Total	1,794.62	1,275.32
33 Other Comprehensive Income		
Remeasured Unrealised actuarial gain/loss	3.59	-4.08
Remeasurement on sale of investment	-	-24.33
Total	3.59	-28.41

Notes forming part of Financial Statements As At 31st March 2018

Note Number 34

In preparing its opening Ind AS balance sheet as at April 1, 2016, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

A Exemptions from retrospective application

The Group has applied the following exemptions :

i) Property, plant and equipment and intangible assets – Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment. (Para D7AA of Appendix D). Accordingly, the group has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying values.

B Reconciliations between Previous GAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flow for the prior periods. The following table represent the reconciliation from previous GAAP to Ind AS.

Reconciliation of total equity as at 31st March 2017 and 1st April 2016

INR in Lakhs

	Notes to first time adoption	31-03-2017	01-04-2016
Total Equity		17,401.03	14,813.58
Adjustments			
Investments recorded at fair value	2	-	24.33
Total Adjustments		-	24.33
Total Equity as per Ind AS		17,401.03	14,837.91

Reconciliation of Total Comprehensive Income as on 31st March 2017

INR in Lakhs

	Notes to first time adoption	31-03-2017
Profit after Tax as per previous GAAP		1,211.88
Adjustments		
Remeasurement of Post employment benefit obligation	1	-4.08
Total Adjustment		-4.08
Profit as after Tax as per Ind AS		1,214.75
Other comprehensive Income	1 and 3	-27.19
Total comprehensive Income as per Ind AS		1,187.55

Impact of Ind AS adoption on the statement of cash flow for the year ended 31st March 2017

INR in Lakhs

	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities		-33.17	316.46	283.28
Net cash flow from investing activities		310.96	628.32	-317.36
Net cash flow from financing activities		-240.82	-240.82	-
Net increase/(Decrease) in cash and cash equivalents		36.97	703.95	-34.07
Cash and Cash equivalents as at 1 April 2016		6,947.90	305.71	6,642.20
Cash and Cash equivalents as at 31st March 2017		6,984.87	448.40	6,536.48

Notes for first time adoption for Ind AS

1 Remeasurement of post-employment benefit obligation

Under Ind AS, remeasurement i.e. actuarial gains or losses excluding amounts included in the net interest expenses on the net defined benefit liability are recognised in the other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming a part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017. There is an increase in profit by Rs. 4.08 Lakhs. There is no impact on total equity

2 Investments

Under the previous GAAP, long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. Fair value changes with respect to investments in equity instruments designated as at fair value through Other Comprehensive Income (FVOCI) have been recognised in Equity through other comprehensive income as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2017. Also, profit on sale of investment recognised under previous GAAP is now reversed as the investment was fair valued on transition date.

3 Loss on Sale of Investments of Geetha Monitors Private Limited

The has recognized 4,89,387 shares of Geetha Monitors Private Limited at fair value as on 1st April 2016 amounting to Rs.106.55 Lakhs. Subsequently the shares have been sold during the the Financial Year 2016-17 for Rs. 82.22 Lakhs. The Loss on sale has been accounted to other comprehensive income.

Notes forming part of Financial Statements As At 31st March 2018**Note No. 35**

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

Name of the enterprise	Country of incorporation	Voting Power		
		31-03-2018	31-03-2017	01-04-2016
Cerebra LPO India Limited	India	70%	70%	70%
Cerebra Middle East FZCO	Dubai	90%	90%	90%
Cerebra E-Waste Recovery Pte Limited*	Singapore	NA	NA	100%

*Upon Strike off, ceased to be a subsidiary Company with effect from 6th June, 2016

b) Contingent Liabilities (to the extent not provided for)

Particulars	INR In Lakhs		
	31-03-2018	31-03-2017	01-04-2016
Counter guarantee given to the bankers for guarantees issued on behalf of the company	264.88	406.73	322.84
Cheques Discounted	284.32	288.79	222.09

Note No. 36.1

a) Capital advance of Rs. 838.86 Lakhs (Refer Note No. 8) (31.03.2017 Rs. 750.66 Lakhs, 01.04.2016 Rs. 1282.45 Lakhs) is towards purchase of land and other expenses for setting up of an E-waste plant near Chennai. Out of the same Rs 750.66 Lakhs is outstanding for more than three years. The Company latter decided not to set up the plant there and initiated steps to recover the advance paid.

Note No. 36.2

Capital advances includes:

- i) Rs. 686.21 Lakhs (Refer Note No. 8) (31.03.2017 Rs. 686.21 Lakhs, 01.04.2016 686.21 Lakhs) of remittance made to Enviro Hub Ltd Singapore through Cerebra E waste recovery Pte Limited (a subsidiary which is liquidated subsequently). As per the Share Purchase Agreement (SPA) entered between the Company and Enviro-Hub Holdings Limited Singapore (Enviro), the subsidiary Company has remitted US\$ 12,50,000 equivalent to Rs. 686.21 Lakhs to Enviro on 2nd February 2013 as initial deposit towards acquisition of 100% shares of Enviro's wholly owned subsidiary Cimelia Resource Recovery Pte Limited (Cimelia), a Company in the field of e waste recycling business. However during July 2013 based on the advice given by the consultants and advisors the Company decided to abort the acquisition proposal. The Company is in the process of initiating legal steps to recover this advance.
- ii) Rs. 402.50 Lakhs (31.03.2017 Rs. 402.50 Lakhs, 01.04.2016 Rs 402.50 Lakhs) due from Cimelia Resource Recovery Pte Limited Singapore (Cimelia) since 24th May 2011 towards technology fee. The payment is made by allotting 23,00,000 equity shares of the Company at a premium of Rs 7.50 Per Share
- iii) Rs. 630 lakhs (31.03.2017 Rs. 630, 01.04.2016 Rs. 630 Lakhs) due from Restorer Corp Pte Limited, formerly known as Scenic Overseas (S) Pte Limited (Scenic) since 24th May 2011 towards supply of plant and machinery for e waste recycling plant in India. The payment is made by allotting 36,00,000 equity shares of the Company at a premium of Rs. 7.50 Per share.
- iv) Rs. 577.50 Lakhs (31.03.2017 Rs. 577.50 Lakhs, 01.04.016 Rs. 577.50 Lakhs) due from Leytron Technology Pte Limited (Leytron) since 24th May 2011 towards installation and commissioning of the above plant. The payment is made by allotting 33,00,000 equity shares of the Company at a premium of Rs. 7.50 Per share.
- v) Rs. 88.48 Lakhs (31.03.2017 Rs. 88.48 Lakhs, 01.04.2016 Rs. 88.48 Lakhs) paid for supply of plant to Scenic on 24th May 2011.
- vi) After non-cosummation of transaction for Cimelia's acquisition and due to non performance of Master Service Agreement (MSA) by the above three entities ,Company has obtained a stay order from Additional City Civil Court, Bangalore against all these three entities from in anyway alienating or creating charge over the Shares allotted as consideration. The case is in the final stages of arbitration and the company is hopeful of favourable decision .
- vii) Based on the legal opinion, Company is confident of recovering these advances either in cash or in kind and hence no provision is made for the same.

Note No. 36.3

Trade Receivables includes Rs. 3076.44 (31.03.2017 Rs. 2627.59 Lakhs, 01.04.2016 Rs. 2626.08 Lakhs) outstanding for substantial period. Based on the discussions with these parties the management is confident of recovering these dues and hence no provision has been made in the books

Notes forming part of Financial Statements As At 31st March 2018

Note No. 37

Operating Lease

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the group to the extent of minimum guarantee amount are as follows:-

INR in Lakhs			
Particulars*	31-03-2018	31-03-2017	01-04-2016
Not Less than one year	59.80		5.54
Later than one year but not later than five years	7.61	-	6.74
Later than five years	-	-	30.49

Expenses recognised in the Statement of Profit and Loss:

INR in Lakhs		
Particulars	31-03-2018	31-03-2017
Fixed Rentals	30.96	37.60
Contingent rents	-	-
Total	30.96	37.60

Note No 38 Income Tax Expenses

INR in Lakhs		
Particulars	Year ending 31 st March, 2018	Year ending 31 st March, 2017
Current tax		
Current tax in taxable income for the year	643.45	79.63
Total current tax expense	643.45	79.63
Deferred tax		
Deferred Tax charge/(credit)	-2.41	-
MAT credit (taken)/utilized	91.66	16.39
Total deferred income tax expense/(benefit)	89.25	16.39
Total income tax expenses /(Credit)	732.70	96.02

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

Particulars	Year ending 31 st March, 2018	Year ending 31 st March, 2017
Enacted income tax rate in India applicable to the company	34.608%	33.063%
Profit before tax		
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	690.42	126.40
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income		
Permanent disallowances	64.40	3.61
Income exempted from income taxes	-12.64	-
Other items	-9.49	-33.99
Total income tax expenses /(Credit)	732.70	96.02

B The movement in deferred tax assets and liabilities

INR in Lakhs						
Particulars	As at 31 st March 2018		As at 31 st March 2017		As at 1 st April 2016	
	Deferred tax/(liabilities)	Credit)/(charge) in statement of Profit and Loss	Deferred tax/(liabilities)	Credit)/(charge) in statement of Profit and Loss	Deferred tax/(liabilities)	Credit)/(charge) in statement of Profit and Loss
Depreciation	-7.37	-7.37	-	-	-	-
Expenses allowed in the year of payment	9.78	9.78	-	-	-	-
Others	-	-	-	-	-	-
Sub total	2.41	2.41	-	-	-	-
MAT credit entitlements	-	-	-	94.29	-	110.68
Total	-	2.41	-	94.29	-	110.68

Notes forming part of Financial Statements As At 31st March 2018

Note No. 39

a) Financial instruments by category:

As on March 31, 2018

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
Financial Assets				
Measured at fair value				
Investments in Mutual Funds	1,433.82	-	-	1,433.82
Not measured at fair value				
Loans and Advances	-	-	135.77	135.77
Trade Receivable	-	-	20,062.69	20,062.69
Cash and Cash Equivalents	-	-	6,984.27	6,984.27
Bank Balances other than those included above	-	-	537.18	537.18
Other Financial Assets	-	-	13.72	13.72
Total	1,433.82	-	27,733.63	29,167.45
Financial Liabilities				
Measured at Fair Value	-	-	-	-
Not Measured at Fair value				
Borrowings	-	-	98.05	98.05
Trade Payable	-	-	9,041.38	9,041.38
Other Financial Liabilities	-	-	313.75	313.75
Total	-	-	9,453.17	9,453.17

As on March 31, 2017

INR in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
Financial Assets				
Measured at fair value				
Investments	-	-	-	-
Not measured at fair value				
Loans and Advances	-	-	117.76	117.76
Trade Receivable	-	-	21,607.73	21,607.73
Cash and Cash Equivalents	-	-	6,536.48	6,536.48
Bank Balances other than those included above	-	-	466.04	466.04
Other Financial Assets	-	-	9.29	9.29
Total	-	-	28,737.29	28,737.29
Financial Liabilities				
Measured at Fair Value				
Not Measured at Fair value				
Borrowings	-	-	128.00	128.00
Trade Payable	-	-	14,795.57	14,795.57
Other Financial Liabilities	-	-	402.44	402.44
Total	-	-	15,326.00	15,326.00

As on April 1, 2016

Amt in Lakhs

Particulars	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
Measured at fair value				
Investments in Equity Shares	-	106.55	-	106.55
Not measured at fair value				
Loans and Advances	-	-	199.82	199.82
Trade Receivable	-	-	6,241.09	6,241.09
Cash and Cash Equivalents	-	-	6,642.20	6,642.20
Bank Balances other than those included above	-	-	323.35	323.35
Other Financial Assets	-	-	8.15	8.15
Total	-	106.55	13,414.62	13,521.16
Financial Liabilities				
Measured at Fair Value	-	-	-	-
Not Measured at Fair value				
Borrowings	-	-	1,533.31	1,533.31
Trade Payable	-	-	937.56	937.56
Other Financial Liabilities	-	-	581.07	581.07
Total	-	-	3,051.93	3,051.93

Notes forming part of Financial Statements As At 31st March 2018

b) Fair Value hierarchy

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

As on March 31, 2018

INR in Lakhs

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

Footnotes

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

As on March 31, 2017

INR in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Measured at fair value				
Not measured at fair value (Refer footnotes)				
Total	-	-	-	-
Financial Liabilities				
Measured at fair value				
Not measured at fair value (Refer footnotes)				
Total	-	-	-	-

Footnotes

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

As on April 1, 2016

INR in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Investments Equity Share			106.55	106.55
Not measured at fair value (Refer footnotes)				
Total	-	-	106.55	106.55
Financial Liabilities				
Measured at fair value				
Not measured at fair value (Refer footnotes)				
Total	-	-	-	-

Footnotes

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

Notes forming part of Financial Statements As At 31st March 2018

c) Fair value hierarchy:

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

- a) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- b) Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/ debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- c) Level 3: If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

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

e) Valuation technique used to determine fair value

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

f) Reconciliations of level 3 fair values

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

Particulars	INR in Lakhs
	Assets
	Equity Instrument
Balance as on April 1, 2016	106.55
Changes:	-
Sale of Shares held in Geeta Monitors Private Limited	-106.55
Balance as on March 31, 2017	-
Changes:	-
Nil	-
Balance as on March 31, 2018	-

Note No. 40 Financial Risk Management

Risk management framework

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

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

A) Market Risk

i) Foreign Currency Risk

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

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

Currency	INR in Lakhs	
	Receivables	Payables
As on March 31, 2018		
Exposure in US Dollars (USD)	2,108.53	4.07
Exposure in Dirhams (AED)	5,411.16	819.10
As on March 31, 2017		
Exposure in US Dollars (USD)	1,822.61	44.38
Exposure in Dirhams (AED)	3,519.49	1,056.67
As on April 1, 2016		
Exposure in US Dollars (USD)	1,822.37	819.10
Exposure in Dirhams (AED)	2,520.73	724.11

Notes forming part of Financial Statements As At 31st March 2018

ii) Interest Rate Risk

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

INR in Lakhs			
Details of Borrowings outstanding	31-03-2018	31-03-2017	01-04-2016
Variable Rate Borrowings	0.02	-	-
Fixed Rate Borrowings	98.03	128.00	1,533.31
Total Borrowings	98.05	128.00	1,533.31

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

INR in Lakhs			
Details of Variable rate borrowings	Weighted Avg. Interest Rate	Outstanding Balance	% of Total Loan
March 31, 2018 Cash Credit from Syndicate Bank	11.25%	0.02	0.02%
March 31, 2017 Cash Credit from Syndicate Bank	-	-	-
April 1, 2016 Cash Credit from Syndicate Bank	-	-	-

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

iii) Price Risk

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

B) Credit Risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the group. Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the group has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the company does not allow any credit period and therefore, is not exposed to any credit risk.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 60 days past due.

INR in Lakhs		
Details of outstanding trade receivables	Upto 6 Months	More than 6 Months
As on 31-03-2018	7,285.51	12,777.18
As on 31-03-2017	12,840.14	8,767.59
As on 01-04-2016	4,259.06	1,982.04

Reconciliation of loss allowance provision – Trade receivables

INR in Lakhs	
Loss Allowance as on April 1, 2016	28.71
Changes in Loss Allowance	-
Loss Allowance as on March 31, 2017	28.71
Changes in Loss Allowance	-
Loss Allowance as on March 31, 2018	28.71

C) Liquidity Risk

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

Notes forming part of Financial Statements As At 31st March 2018

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

Amt in Lakhs			
Floating Rate	31-03-2018	31-03-2017	01-04-2016
Cash Credit from Syndicate Bank	699.98	-	-

Cash credit facilities may be drawn at any time and may be terminated by the bank without notice.

ii) **Maturities of financial liabilities**

The table below analyses the group's all financial liabilities into relevant maturity based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

As on March 31, 2018

INR in Lakhs

Financial Liabilities	Not Later than 1 year	Between 1 & 5 years	Later than 5 Years
i) Borrowings	187.98	97.27	0.78
ii) Trade Payable	9,041.38		
iii) Other Financial Liabilities	125.76	-	-

As on March 31, 2017

Financial Liabilities	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
i) Borrowings	203.23	125.47	2.52
ii) Trade Payable	14,795.57	-	-
iii) Other Financial Liabilities	199.21	-	-

As on April 1, 2016

Financial Liabilities	Not Later than 1 year	Between 1 & 5 years	Later than 5 Years
i) Borrowings	341.38	1,529.19	4.11
ii) Trade Payable	937.56	-	-
iii) Other Financial Liabilities	239.69	-	-

Note Number 41 : Capital Management

The group's objectives when managing capital are to:-

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

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

INR in Lakhs

Particulars	31-03-2018	31-03-2017	01-04-2016
Debt	480.81	292.78	1,611.17
Equity	25,556.49	17,273.03	13,304.60
Net Debt to Equity	1.88%	1.70%	12.11%

Note No 42: Related Party Disclosure

a) **Related Parties**

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

Notes forming part of Financial Statements As At 31st March 2018

b) Key Management Personal

Name	Designation
V. Ranganathan	Managing Director
P. Vishwamurthy	Whole Time Director
Shridhar S Hegde	Whole Time Director

c) Transaction with Related Parties

INR in Lakhs

Particulars	Transaction	Year ended 31-Mar-2018	Year ended 31-Mar-2017
V. Ranganathan	Remuneration Paid	25.15	25.32
P. Vishwamurthy	Remuneration Paid	25.15	25.32
Shridhar S Hegde	Remuneration Paid	25.15	25.32
V. Ranganathan	Amount received against Issue of Share Warrants	70.00	-
P. Vishwamurthy	Amount received against Issue of Share Warrants	200.00	-
Shridhar S Hegde	Amount received against Issue of Share Warrants	60.00	-
Srikara Finance Investment	Loan received	12.00	48.00
Srikara Finance Investment	Loan Repaid	60.00	-
Srikara Finance Investment	Interest Paid	0.65	-

d) Balance with Related Parties

INR in Lakhs

Particulars	31-03-2018	31-03-2017	01-04-2016
V. Ranganathan	1.62	4.43	0.94
Shridhar S Hegde	1.62	8.44	3.98
P. Vishwamurthy	1.62	6.38	1.40

Note No 43: Employee Benefits

Gratuity

i) Changes in present value of obligation

INR In lakhs

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Present Value of Funded Obligation	-	-
Fair Value of plan asset	-	-
Net Fund Obligation	-	-
Present Value of unfunded defined benefit obligation	48.28	34.36
Amounts not recognised due to asset limit	-	-
Net defined liability/(asset) recognised in balance sheet	48.28	34.36
Net defined liability/(asset) Bifurcated as follows		
Current Liability	13.98	1.13
Non-current Liability	34.30	33.22

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

Current Service Cost	3.43	2.55
Past Service Cost	12.06	-
Administration Expenses	-	-
Interest on net defined benefit liability/(Asset)	2.42	2.05
(Gain)/Losses on settlement	-	-
Total expenses to be charged to profit or loss account	17.91	4.60

Notes forming part of Financial Statements As At 31st March 2018

		INR in Lakhs	
Particulars	Year ended 31st March 2018	Year ended 31st March 2017	
iii) Amount recorded in Other Comprehensive Income			
Opening amount recognized in OCI outside profit and loss account	3.33	-0.76	
Remeasurements during the period due to			
Changes in financial assumptions	1.06	1.27	
Changes in demographic assumptions	-	-	
Experience adjustments	-1.72	2.80	
Actual return on plan assets less interest on plan assets	-	-	
Adjustment to recognize the effect of asset ceiling	-	-	
Closing amount recognized in OCI outside profit and loss account	1.60	3.07	
iv) Movement in Benefit Obligation			
Opening of defined benefit obligation	34.35	26.53	
Current service cost	3.43	2.54	
Past service cost	12.06	-	
Interest on defined benefit obligation	2.41	2.05	
Remeasurements due to:			
Actuarial loss / (gain) arising from change in financial assumptions	-1.46	1.27	
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	
Actuarial loss / (gain) arising on account of experience changes	-2.12	2.80	
Benefits paid	-	-0.83	
Liabilities assumed / (settled)*	-	-	
Liabilities extinguished on settlements	-	-	
Closing of defined benefit obligation	48.67	34.36	
v) Key Assumptions			
Discount Rate(p.a.)	7.80%	7.20%	
Salary Escalation Rate(p.a.)	7.00%	7.00%	
Demographic Assumptions			
Retirement Age	58 Years	58 Years	
Mortality Table	Indian Assured Lives Morality Table (2006-08)	Indian Assured Lives Morality Table(2006-08)	
Leaving service rates			
Age			
21-30	15%	15%	
31-44	10%	10%	
35-44	5%	5%	
45-50	3%	3%	
51-54	2%	2%	
55-57	1%	1%	

Notes forming part of Financial Statements As At 31st March 2018

Note No 44: Segment Reporting

Business Segment: The group's operating businesses are organized 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.

Segment Information

INR in Lakhs

Particulars	YE 31-03-2018	YE 31-03-2017
a) Segment Revenue		
a. Hardware including e waste	31,373.12	24,975.71
b. I T Services	57.23	107.81
Total	31,430.35	25,083.52
Less Inter segment revenue	-	-
Net sales/Income from Operations	31,430.35	25,083.52
b) Segment Results		
a. Hardware including e waste	4,374.08	1,486.62
b. I T Services	-13.06	-29.32
Total	4,361.02	1,457.30
Less i. Interest	171.08	146.53
Add ii. Other Un-allocable Expenditure Net of Un-allocable income	-	-
Profit before Tax (before other comprehensive income)	4,189.94	1,310.77
c) Segment Assets		
a. Hardware including e waste	35,616.97	32,482.86
b. I T Services	721.73	729.24
d) Segment Liabilities		
a. Hardware including e waste	9,971.88	6,351.41
b. I T Services	712.27	711.15

During the current year the group has earned revenue from transactions with single external customers amounting to 10 percent or more of an groups revenues from one customers.

Note No 45: Balances of Sundry Debtors, advances given to parties, creditors and advances received from parties are subject to confirmation

Note No 46: 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.

Disclosure under required under MSME Act, 2006.

INR in Lakhs

Sl. No.	Particulars	31-Mar-18	31-Mar-17	01-Apr-16
a	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil	Nil
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil

Notes forming part of Financial Statements As At 31st March 2018**Note No 47: Earnings Per Share**

INR In lakhs			
SI No	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
A)	Basic Earnings Per Share		
	Profit after tax	3,239.89	1,127.65
	Weighted number of equity shares considered for calculation of basic earnings per share	11,77,13,057	10,06,76,654
	Earnings Per share- Basic	2.75	1.12
B)	Diluted Earnings per share		
	Profit after tax	3,239.89	1,127.65
	Adjustments	-	-
	Diluted Earnings	3,239.89	1,127.65
	Weighted number of equity shares considered for calculation of diluted earnings per share	11,87,40,386	10,10,94,017
	Earnings Per share- Diluted	2.73	1.12

Note No 48:

Figures in bracket relates to previous year.

As per our attached report of even date

For Ishwar & Gopal
Chartered Accountants

For and on behalf of the Board

S. Bhaskar
Partner
Membership No. : 205977
Firm registration No. : 001154S

V. Ranganathan
Managing Director
DIN: 01247305

Shridhar S Hegde
Whole Time Director & CFO
DIN : 01247342

Nutan Soudagar
Company Secretary
Membership No: 26148

Place : Bengaluru
Dated : 30-05-2018

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

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

Name of the Company: Cerebra Integrated Technologies Limited

CIN: L85110KA1993PLC015091

Registered Office: S5, Off 3rd Cross, Peenya Industrial Area, Peenya I Stage, Bangalore -560 058

Name of the member(s) :

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature:, or failing him

3. Name:

Address:

E-mail Id:

Signature:

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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company, to be held on Tuesday, 18th September, 2018 at 10:00 AM at the Registered Office of the Company at S5, Off 3rd Cross, Peenya Industrial Area, Peenya I Stage, Bangalore-560 058 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution Nos.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report.
2. To appoint Mr. Shridhar S. Hegde (holding DIN: 01247342, Wholetime Director & CFO who retires by rotation and being eligible offer himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mr. Riyaz Suterwalla (DIN: 07866056) as Director
4. To alter the Articles of Association of the Company

Affix Revenue Stamp

Signed this _____ day of _____ September, 2018

Signature of shareholder

Signature of Proxy holder(s)

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

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

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

Name of the Company: Cerebra Integrated Technologies Limited				
Registered Office: S5, Off 3rd Cross, Peenya Industrial Area, Peenya I Stage, Bangalore-560 058				
BALLOT PAPER				
Sl. No.	Particulars	Details		
1.	Name of the First Named Shareholder (In block letters)			
2.	Postal address			
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)			
4.	Class of Share			
I hereby exercise my vote in respect of Resolutions enumerated below by recording my assent or dissent to the said Resolutions in the following manner:				
Sl. No.	Item No.	No. of Shares held by me	I assent to the Resolutions	I dissent from the Resolutions
ORDINARY BUSINESS				
1.	To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report			
2.	To appoint Mr. Shridhar S. Hegde, Wholetime Director & CFO (holding DIN: 01247342) who retires by rotation and being eligible offer himself for re-appointment			
SPECIAL BUSINESS				
3.	Appointment of Mr. Riyaz Suterwalla (DIN: 07866056) as Director			
4.	To alter the Articles of Association of the Company			

Place:

Date:

(Signature of the Shareholder)

(Signature of the Scrutinizer)

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

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

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

ATTENDANCE SLIP

24th ANNUAL GENERAL MEETING, TUESDAY, 18TH SEPTEMBER 2018 AT 10:00 AM

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

Name of the attending Member (in block letters):

Members' Folio Number:

Client I.D. No.:

D.P.I.D. No.:

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

.....

No. of Shares held:

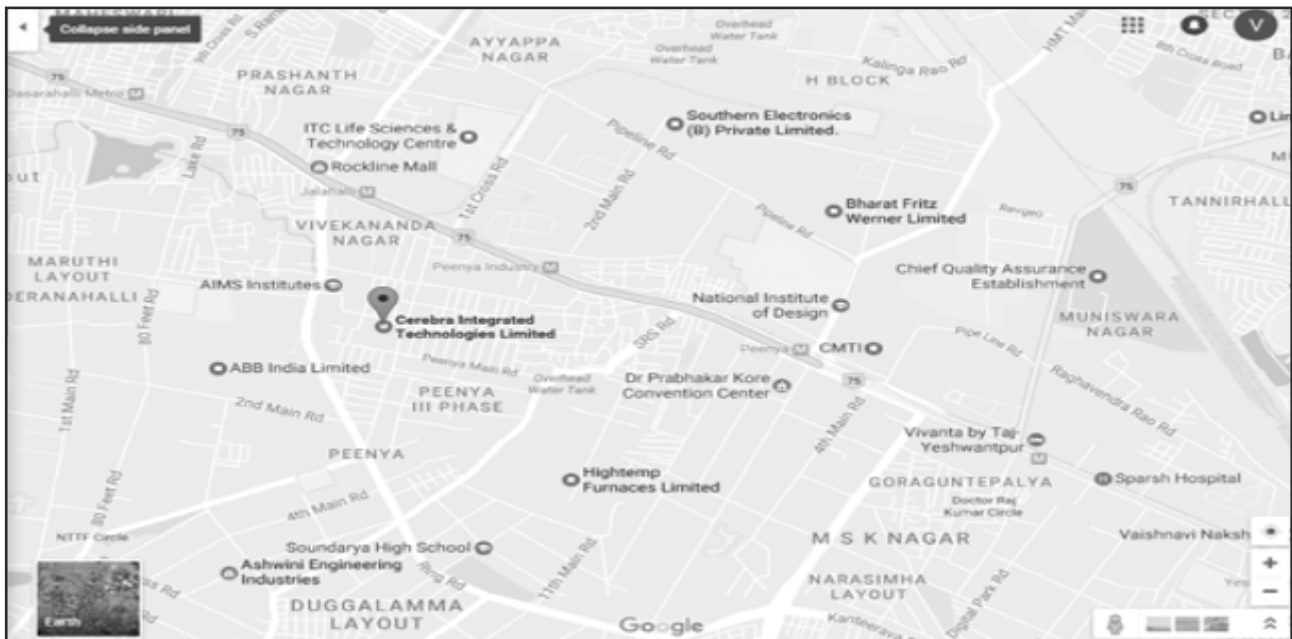
I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company held on Tuesday, 18th September 2018, at 10:00 A.M. at the Registered Office of the Company at S5, Off 3rd Cross, Peenya Industrial Area, Peenya I Stage, Bangalore -560 058

To be signed at the time of handing over the slip

ROUTE MAP for the Venue of Meeting:

Route Map Link:

<https://www.google.co.in/maps/place/Cerebra+Integrated+Technologies+Limited/@13.0338544,77.5201989,15z/data=!4m5!3m4!1s0x0:0x7fa21f368d1fbb59!8m2!3d13.0338544!4d77.5201989>



REDUCE | REUSE | RECYCLE



E-Waste Recycling facility at Narasapura is

ISO 9001:2015 (Quality Management System) ,

ISO 14001:2015 (Environmental Management System) and

ISO 18001: 2007 (Occupational Health and Safety Management System – OHSAS).



YOUR E-WASTE SOLUTIONS EXPERT

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CIN: L85110KA1993PLC015091

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

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

Email: investors@cerebracomputers.com

Web: www.cerebracomputers.com

E WASTE COLLECTION CENTRES AT

MUMBAI PUNE AHMEDABAD SURAT VADODARA NEW DELHI CHENNAI HYDERABAD
VISHAKAPATTANAM HUBLI BELGAUM MANGALORE BENGALURU