



## 23<sup>rd</sup> ANNUAL REPORT 2016-17

### Cerebra Integrated Technologies Limited



PLEASE   RECYCLE

## **BOARD OF DIRECTORS**

<b>V. Ranganathan</b>	-	Managing Director
<b>Shridhar S. Hegde</b>	-	Whole-Time Director
<b>P. Vishwamurthy</b>	-	Whole-Time Director
<b>Preethi Javali</b>	-	Non-Executive Director
<b>T.S. Suresh Kumar</b>	-	Independent Director
<b>P.E. Krishnan</b>	-	Independent Director
<b>S. Gopalakrishnan</b>	-	Independent Director

## **Company Secretary and Compliance Officer**

Nutan Soudagar

## **REGISTERED OFFICE AND FACTORY**

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

## **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](mailto:shobha.anand@karvy.com)

## **E-WASTE RECYCLING UNIT**

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

## **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

## Inauguration of E-Waste Recycling Unit







**FROM THE DESK OF MANAGING DIRECTOR**

Dear Stakeholder,

Greetings from Team Cerebra

I am very happy to get another opportunity to address all of you this year. Your Company has consolidated its position from that in the previous year and is growing rapidly. The new gleaming E waste plant is up and running. It is long cherished dream which came true this year and we are sure it will become the mainstay of your Company in the years to come. This is completely an environment friendly plant and very much needed for the one and all. We are sure this will become the pride of Karnataka in the years to come. A few photographs of the plant are also available for your viewing in this report.

Your Company achieved a turnover of Rs. 25197.46 Lakhs and a profit of Rs. 1124.96 Lakhs for the year. Our Dubai Subsidiary is also doing very well with a market coverage of the entire MENA region with over 170 resellers covering the entire region. We also have established a small base in Qatar and will soon be setting up an office in Saudi Arabia. Mr. Asit Ahuja, CEO for the region has explained in greater detail in this report.

We are expanding the SMT division by adding two more lines and this expansion programme is currently underway and should be ready by end of this year. We are adding more customers and the facility will be the latest in technology and will be capable of handling all materials and will have an inspection facility which you all can be proud of.

E waste as mentioned earlier is going to be the mainstay and my personal focus is on this division. We have established offices and warehouses in Mumbai and also in Chennai. We have already appointed quite a lot of collection agents across the country and will very soon have regional offices who will be working very closely with our collection agents. We have started an aggressive media campaign and have started approaching all the major E waste producers, OEMs across the country. Cerebra has an unique advantage i.e., we have worked with all these companies and some of them very regularly.

The hardware division is doing steady business and is on a growth path this year. We are again looking at a nationwide presence here and have started our services division also to take up AMCs which will work very cohesively with our E waste venture.

We take this opportunity to thank you all Shareholders, employees, vendors, bankers, advisors, Government of Karnataka and the Government of India for their continued support.

With warm regards,

V Ranganathan  
Managing Director  
DIN: 01247305

**CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

CIN: L85110KA1993PLC015091

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

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

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**NOTICE**

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Monday, 21<sup>st</sup> August, 2017 at 10:30 A.M. at the Registered Office of the Company at # S-5, off 3<sup>rd</sup> Cross, I Stage, Peenya Industrial Area, Bangalore-560 058 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report.
2. To appoint a Director in place of Mr. V. Ranganathan (holding DIN: 01247305), who retires by rotation and is eligible for re-appointment.
3. To ratify the appointment of Statutory Auditors of the Company:

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

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of Messrs Ishwar & Gopal, Chartered Accountants, registered with the Institute of Chartered Accountants of India (ICAI) under the Firm Registration No. 001154S as the Statutory Auditors of the Company for the financial year ending 31<sup>st</sup> March, 2018 who were appointed as Auditors of the Company in the 21<sup>st</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2015 to hold office until the conclusion of 26<sup>th</sup> AGM on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to applicable taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

**SPECIAL BUSINESS:**

**4. Re-appointment of Mr. V Ranganathan (DIN: 01247305) as Managing Director 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 Sections 2(54), 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Schedule V of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any Statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government as may be required, approval of the members be and is hereby accorded to appoint Mr. V Ranganathan (holding DIN: 01247305), as Managing Director of the Company for a period of three (3) years with effect from 1<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2020.

RESOLVED FURTHER THAT remuneration payable to Mr. V Ranganathan, Managing Director of the Company is as per the existing terms and conditions as mentioned below:

**Remuneration:**

- i. Rs. 2,00,000/- per month
- ii. Conveyance Allowance

He will be eligible for reimbursement towards fuel and car maintenance expenses at actually on production of bills. He and his family will be eligible for the health insurance. He shall not be entitled for any other allowances or benefits, other than mentioned above.

**Leave Facilities:**

He will be provided with 21 days of leave and 5 days of casual leave during the tenure. Unutilized shall not be eligible for carry forward or for encashment.

**Other Benefits:**

Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

**Minimum Remuneration:**

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of salary and perquisites shall be deemed as minimum remuneration but however subject to the approval of the Central Government and/ or limits laid down under Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof as may be for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be directed by the Central Government and as may be agreed to by the Board of Directors and Mr. V Ranganathan.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

**5. Re-appointment of Mr. Shridhar S Hegde (DIN: 01247342) as Whole Time Director 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 Sections 2(94), 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Schedule V of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any Statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government as may be required, approval of the members be and is hereby accorded to appoint Mr. Shridhar S Hegde (holding DIN: 01247342), as Whole Time Director of the Company for a period of three (3) years with effect from 1<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2020.

RESOLVED FURTHER THAT remuneration payable to Mr. Shridhar S Hegde, Whole Time Director of the Company is as per the existing terms and conditions as mentioned below:

**Remuneration:**

- i. Rs. 2,00,000/- per month
- ii. Conveyance Allowance

He will be eligible for reimbursement towards fuel and car maintenance expenses at actually on production of bills. He and his family will be eligible for the health insurance. He shall not be entitled for any other allowances or benefits, other than mentioned above.

**Leave Facilities:**

He will be provided with 21 days of leave and 5 days of casual leave during the tenure. Unutilized shall not be eligible for carry forward or for encashment.

**Other Benefits:**

Apart from the aforesaid remuneration, the Whole Time Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Whole Time Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

### Minimum Remuneration:

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of salary and perquisites shall be deemed as Minimum Remuneration but however subject to the approval of the Central Government and/ or limits laid down under Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof as may be for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be directed by the Central Government and as may be agreed to by the Board of Directors and Mr. Shridhar S Hegde.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

### 6. Re-appointment of Mr. P. Vishwamurthy (DIN: 01247336) as Whole Time Director 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 Sections 2(94), 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Schedule V of the Act of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any Statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government as may be required, approval of the members be and is hereby accorded to appoint Mr. P. Vishwamurthy (holding DIN: 01247336), as Whole Time Director of the Company for a period of three (3) years with effect from 1<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2020.

RESOLVED FURTHER THAT remuneration payable to Mr. P. Vishwamurthy, Whole Time Director of the Company is as per the existing terms and conditions as mentioned below:

### Remuneration:

- i. Rs. 2,00,000/- per month
- ii. Conveyance Allowance

He will be eligible for reimbursement towards fuel and car maintenance expenses at actually on production of bills. He and his family will be eligible for the health insurance. He shall not be entitled for any other allowances or benefits, other than mentioned above.

### Leave Facilities:

He will be provided with 21 days of leave and 5 days of casual leave during the Tenure. Unutilized shall not be eligible for carry forward or for encashment.

### Other Benefits:

Apart from the aforesaid remuneration, the Whole Time Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Whole Time Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

### Minimum Remuneration:

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the above remuneration payable by way of salary and perquisites shall be deemed as Minimum Remuneration but however subject to the approval of the Central Government and/ or limits laid down under Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof as may be for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter or modify the terms and conditions including remuneration as may be directed by the Central Government and as may be agreed to by the Board of Directors and Mr. P. Vishwamurthy.



RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

#### **7. Rectification of Special Resolution for further issue of Equity Shares on preferential basis:**

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

"RESOLVED THAT in continuation of Special Resolution already passed by the Shareholders in the Extra Ordinary General Meeting of the Company held on 28<sup>th</sup> April, 2017 and in order to modify the Explanatory Statement and add certain additional information, as mandated by the Stock Exchanges the following Special Resolution be once again passed by the Shareholders.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made there under (including any statutory modification(s) or re-enactment(s) thereof for time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the rules, regulations and guidelines of the Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (ICDR Regulations), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other Listing Regulations as may be applicable and subject to the approval(s), consent(s), permission(s) and sanction(s) of any authorities as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed if any of the appropriate authorities, institutions, as may be required and subject to such other conditions as may be prescribed by any of them while granting any such approval(s), consents(s), permission(s) and sanction(s), which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of Directors duly constituted or to be constituted thereof to exercise its powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot from time to time upto 1,19,00,000 (One Crore Nineteen Lakhs) Equity Shares of the Company i.e., face value of Rs. 10/- (Rupees Ten only) each on a preferential basis to Kuber Global Fund, a company registered according to the laws of Mauritius on such terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting at a price of Rs. 40/- (Rupees Forty only) per Share including premium of Rs. 30/- (Rupees Thirty only) per Share or at a price not less than the price determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), whichever is higher and that the Company shall issue shares through offer letter and/or such other documents / writings or such other manner and on such terms and conditions as may be determined by the Board at its absolute discretion or such other higher price as may be arrived at, in accordance with the SEBI (ICDR) Regulations (Issue price).

<b>Sl. No.</b>	<b>Name of the Investor</b>	<b>No. of Shares</b>
1	Kuber Global Fund	11900000
	<b>Total</b>	<b>11900000</b>

RESOLVED FURTHER THAT in accordance with the provisions of SEBI (ICDR) Regulations, the 'Relevant Date' for the purpose of calculating the price of Equity Shares to be issued in terms hereof shall be 29<sup>th</sup> March, 2017, being the date 30 days prior to the date of Extra Ordinary General Meeting i.e. 28<sup>th</sup> April, 2017.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall be subject to lock-in as provided under the provisions of the SEBI (ICDR) Regulations and the Equity Shares so offered, issued and allotted shall rank pari passu with the existing Equity Shares of the Company in all respects including payment of Dividend, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may needs absolute discretion deem necessary, desirable and expedient for such purpose including without limitations to issue and allot Equity Shares and settle any question, difficulty or doubt that may arise from time to time in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to delegate all or any of the powers herein conferred by this Resolution to any Director(s) or any Committee of Directors, as permitted under the law, to give effect to the aforesaid Resolution."

### 8. Rectification of Special Resolution for issue of Warrants to Promoters on preferential basis:

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

"RESOLVED THAT in continuation of Special Resolution already passed by the Shareholders in the Extra Ordinary General Meeting of the Company held on 28<sup>th</sup> April, 2017 and in order to modify the Explanatory Statement and add certain additional information, as mandated by the Stock Exchanges the following Special Resolution be once again passed by the Shareholders.

"RESOLVED THAT in accordance with the provisions of the Section 62 (1) (c) and all other applicable provisions, if any, of the Companies Act, 2013, provisions of the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and Guidelines and other applicable provisions including any statutory modification(s) or re-enactment thereof, for the time being in force, the provisions of the Memorandum and Articles of Association of the Company, the relevant Guidelines for Preferential Issue as specified under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereof, any other Guidelines or Regulations of SEBI, Listing Regulations the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other Listing Regulations as may be applicable and subject to the consent/approval of any other authority / institution, consent of the members be and is hereby accorded to create, offer, issue and allot up to 53,00,000 (Fifty Three Lakhs) Warrants convertible into Equity Shares on a preferential basis to the following Promoters as set out herein below (hereinafter referred to as "Warrants") with each Warrant convertible into one Equity Share of the Company of nominal value of Rs.10/- (Rupees Ten only) each at a premium of Rs. 30/- (Rupees Thirty only) per share, so that the total number of Equity Shares to be issued by the Company upon conversion of the Warrants does not exceed 53,00,000 (Fifty Three Lakhs) Equity Shares, on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any duly authorized Committee thereof) at the time of issue or allotment:

Sl. No.	Names of the Promoters	No. of Warrants
1.	Mr. Phalanetra Vishwamurthy	2000000
2.	Mr. Venkatraman Ranganathan	700000
3.	Mr. Phalanetra Bharath	2000000
4.	Mr. Shridhar Shankar Hegde	600000
<b>Total</b>		<b>5300000</b>

RESOLVED FURTHER THAT the "Relevant Date" in relation to the issue of Warrants in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 would be 29<sup>th</sup> March, 2017, being 30 days prior to the date of passing of this Resolution.

RESOLVED FURTHER THAT the aforementioned issue of Warrants shall be subject to the following terms and conditions:

1. The Warrants shall be convertible (at the sole option of the Warrant holders) at any time but within a period of 18 months from the date of allotment of Warrants.
2. Each Warrant shall be convertible into one Equity Share of nominal value of Rs. 10/- (Rupees Ten only) each of the Company.
3. The Warrant holder(s) shall, on the date of allotment of Warrants, pay an amount equivalent to 25% of the total consideration per Warrant viz., Rs. 10/- (Rupees Ten only) per Warrant, each Warrant priced at Rs. 40/- (Rupees Forty only) inclusive of Premium of Rs. 30/- (Rupees Thirty only).
4. The Warrant holder(s) shall, before the date of conversion of the Warrants into Equity Shares, pay the balance 75% i.e., Rs. 30/- (Rupees Thirty only) per Warrant being the balance consideration towards the subscription to each Equity Shares.