

**ISO
9002**

CERTIFIED COMPANY

CEREBRA

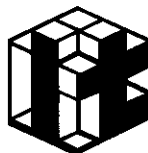
ANNUAL REPORT 1998 - 1999



For CEREBRA INTEGRATED TECHNOLOGIES LTD.

V. Ranganathan

CHAIRMAN & MANAGING DIRECTOR



Cerebra Integrated Technologies Ltd.

24, 12th Main, 1st Block, Rajajinagar, Bangalore - 560 010.

Tel : 332 3054, 332 0990, 332 8171, 332 2490 Fax : 332 7313

e-mail : cerebra@blr.vsnl.net.in



CEREBRA INTEGRATED TECHNOLOGIES LTD., BANGALORE

Board of Directors

- | | |
|------------------------------|---------------------|
| 1. Mr. V. Ranganathan | - Managing Director |
| 2. Mr. Gururaja K. Upadhyaya | - Director |
| 3. Mr. V. Krishnan | - Director |
| 4. Mr. Sridhar S. Hegde | - Director |
| 5. Mr. P. Vishwamurthy | - Director |
| 6. Mr. S. Gopalakrishnan | - Director |
| 7. Mrs. Medha S. Hegde | - Director |
| 8. Mrs. Chitra Vishwamurthy | - Director |
| 9. Mr. P.E. Krishnan | - Director |
| 10. Mr. T.S. Suresh Kumar | - Director |

Auditors

M.S. Reddy & Associates
Chartered Accountants,
No. 1393, II Floor, 5th 'A' Main,
'D' Block, II Stage, Rajajinagar,
Bangalore - 560 010
Ph : 3422430

Bankers

Canara Bank, Seshadripuram Branch, Bangalore

Registered Office

No.24, 12th Main, I Block,
Rajajinagar, Bangalore - 560 010



CEREBRA INTEGRATED TECHNOLOGIES LTD., BANGALORE

Notice

Notice is hereby given that the Fifth Annual General Meeting of the Members of Cerebra Integrated Technologies Ltd., will be held at the Registered Office of the Company at No. 24, 12th Main, I Block, Rajajinagar, Bangalore -560 010 on Friday the 26th day of November, 1999 at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, Consider and adopt the Director's Report, profit and Loss Account for the year ended 31st March, 1999 and the Balance Sheet as at that date together with the Auditor's Report thereon.
2. To Declare a Dividend.
3. To appoint a Director in the place of Mr. P.E. Krishnan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mrs. Medha Hegde, who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint Auditors M/S. M.S. Reddy & Associates, Chartered Accountants, Bangalore to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

By Order of the Board of Directors

Sd/-

Place : BANGALORE

Date : 01st November, 1999

(V. Ranganathan)

Chairman & Managing Director

NOTE :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote himself/herself and the proxy so appointed need not be a member of the Company. The proxy form duly filled in should be lodged at the Registered Office of the Company before forty eight hours of the time fixed for the meeting.
2. For the purposes of Dividend, the record date will be as at 10.11.1999



CEREBRA INTEGRATED TECHNOLOGIES LTD., BANGALORE

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifth Annual Report of your Company along with the Audited Statement of Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS :

	For the year ended 31.03.99 (Rs.)	For the year ended 31.03.98 (Rs)
TOTAL INCOME	178,272,044	134,145,690
1 Profit before Depreciation and Taxation	5,799,129	3,816,293
2 Depreciation	800,117	642,087
3 Provision for Taxation	1,300,000	760,142
4 Profit after Tax	3,699,012	2,414,064
5. Provision for Dividend	208,554	120,773
6. Balance carried forward to Balance Sheet.	3,490,458	2,293,291

DIVIDEND

In view of the impressed results, the Directors are pleased to recommend a dividend of 5% for the year ended 31st March, 1999. The Dividend, if approved by the Share Holders will result in outflow of Rs. 208554/- for which necessary provision has been made in the accounts.

FUTURE PROSPECTS

We have successfully increased our market share for computers and other products, increasing the customer base both at public sector and private to the list of clients and are exploring the possibilities of exporting our products to other countries also.

With all these, your Directors are confident of achieving better results during the current financial year.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year under reference.



UNSECURED LOANS

Your Company has taken unsecured loans from close friends, associates and relatives of directors and not from Public. The amount so received is within the Rules prescribed under Section 58A of the Companies Act, 1956 and the rate of interest is also within the limits prescribed under the aforesaid Rules. The entire loans are repaid as on date.

CONFIRMATION FROM SUNDRY DEBTORS AND SUNDRY CREDITORS

Your company has obtained confirmation of Balances from many Sundry Debtors and Creditors and is in the process of obtaining from the remaining parties.

SHARE APPLICATION MONEY

Your company has received amount towards Share Application Money which was pending realisation as on 31.03.1999. Shares are since allotted after the realisation of Share Application Money.

DIRECTORS

In terms of the provisions of the Articles of Association, Mr. P.E. Krishnan and Mrs. Medha Hegde would retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment

AUDITORS

M/s. M.S. Reddy & Associates, Chartered Accountants, Auditors of the Company retire at the conclusion of the forthcoming annual General Meeting and being eligible offer themselves for re-appointment.

The Company has received letter from the Auditors that their appointment, if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

PERSONNEL

The relationship with the Employees continue to remain cordial. The Board wishes to place on record its sincere appreciation for the contribution made by the Employees at all levels.

ANNUAL GENERAL MEETING

Your Directors have obtained necessary approval from Registrar of Companies, Karnataka to hold the fifth Annual General Meeting beyond the statutory period

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

As required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules 1988, information relating to the foregoing matters is furnished hereunder:



CEREBRA INTEGRATED TECHNOLOGIES LTD., BANGALORE

A. Conservation of Energy	: Nil
B. Technology Absorption, Adoption and Innovation	: Nil
C. FOREIGN EXCHANGE EARNINGS AND OUTGO :	
Foreign Exchange Earnings	: Nil
Foreign Exchange Used	
Technical Know-how Fees	: Nil
Import of Raw Material & Components	: 43.47 lacs
Other Expenditure	: Nil

PARTICULARS OF EMPLOYEES

There are no Employees covered by Section 217(2A) of the Companies Act, 1956 as amended by the Companies (Amendment Act, 1988.)

ACKNOWLEDGMENTS

The Directors wish to place on record their gratitude to Canara Bank, Canbank Factors Ltd., Government Authorities, Dealers and Shareholders for their valuable co-operation and assistance.

Your company is confident of meeting the challenges, competition and taking advantage of the emerging national and global business opportunities in large part, because of the competent and experience of the staff. Time and again you company's team has proven its creativity, versatility and responsiveness to a range of challenges. Directors wish to acknowledge their contribution with a sense of great pride.

For and on behalf of the
Board of Directors

Sd/-

(V. Ranganathan)
Chairman & Managing Director

Place : BANGALORE
Date : 01st November, 1999



AUDITOR'S REPORT

To,
THE MEMBERS OF
CEREBRA INTEGRATED TECHNOLOGIES LIMITED

We have audited the attached Balance Sheet of CEREBRA INTEGRATED TECHNOLOGIES LIMITED as at 31st March, 1999 and Profit and Loss Account of the Company for the year ended on that date annexed thereto, and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we state that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) The Balance Sheet and the Profit and Loss Account dealt with by this report have been prepared in compliance with the accounting standards referred to in sub section(3C) of Section 211 of the companies Act, 1956 to the extent applicable.
 - (e) In our opinion and to the best of our information and explanation given to us, read together with other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 1999 and
 - ii) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date and
we report that
 - a) Confirmation of balances from Sundry Debtors and Sundry Creditors is pending as per Note No. 3 of notes to accounts and
 - b) Share application money includes amount received pending realisation as on 31.03.1999.

for M.S. Reddy & Associates
Chartered Accountants

Sd/-
M. Sridhar Reddy
Proprietor

Place : BANGALORE
Date : 22nd September, 1999