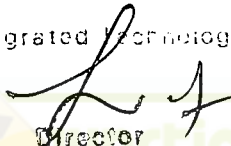



CEREBRA INTEGRATED TECHNOLOGIES LIMITED

CERTIFIED TRUE COPY

For Cerebra Integrated Technologies Ltd.


Director

Report  Junction.com

14th

A N N U A L R E P O R T

2007-2008

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

BOARD OF DIRECTORS

V. Ranganathan - Managing Director
Gururaj K. Upadhyay - Director Technical
Shridhar S. Hegde - Director
P. Vishwamurthy - Director
T. S. Suresh Kumar - Director
P. E. Krishnan - Director
S. Gopalakrishnan - Director

REGISTERED OFFICE, FACTORY AND WORKSTATION

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

ITES FACILITIES

26/4, 'a' Block, 2nd Floor
Industrial Suburb, Rajajinagar
Bangalore- 560 010

STATUTORY AUDITORS

M.S. Reddy & Associates
Chartered Accountants
#726, II Floor, 3rd Main, 3rd Cross,
"D" Block, II Stage,
Rajajinagar, Bangalore - 560 010.
Tel. 91 - 80 - 23422430

BANKERS

Part of year
Canara Bank
State Bank of India

Current

Bank of India

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Pvt Limited,
17-24, Vittal Rao Nagar,
Madhapur
Hyderabad - 500081
Ph: 040-23420818-824
Fax: 040-23420814
Email: sanjayrao@karvy.com

ENLISTMENTS

Bombay Stock Exchange
Limited (BSE)
Bangalore Stock Exchange
The Stock Exchange, Ahmedabad

Calcutta Stock Exchange
Association Ltd

DEPOSITORIES

National Securities Depository Limited
Central Depository Services Limited

Dear Stakeholder,

It gives me great pleasure to communicate to all of you with immense pride on our 'come back' saga. Your Company having been saddled with innumerable hurdles in the past 4-5 years, has now become debt free. With the infusion of huge efforts by the Team Cerebra and support extended by all Acquaintances, we were able to have decent business and get back to our past profit track for the year ended Sept 08. Your Company has performed much beyond expectations and is looking forward to coming back to its days of glory very soon. We hope to be rid of all problems and be out of BIFR shortly.

In spite of the economic scenario worldwide looking bleak, we are very bullish about our future. Our order book is full in all divisions and we are now very confident of wiping out all our losses in the next year and half.

Our hardware division is doing well with some very good orders both on the PC side and also on the contract manufacturing side. Our margins in the contract manufacturing division are very encouraging.

The newly introduced ITES division has also started performing and under this, our full focus will be on the LPO (Legal Process Outsourcing) division for the time being. In spite of the worldwide downturn, this is one industry which will perform much beyond expectations and the margins here are very good at present. We have a team of dedicated advocates heading this and with their knowledge and dedication, we are well on our way to become an established player in the LPO space.

We have now established a marketing office in the United Kingdom at London and also in the US at Atlanta under experienced people. We are also working towards a plan to grow inorganically and have identified good companies to acquire in similar businesses in the UK and in the US which will propel your company to greater heights faster.

My grateful thanks to all those who have made this dream possible and I am sure you will continue to support your Company in future. Very soon we will be very proud to say that we all form part of this great Company and we were responsible for bringing it back to profitability level.

Bangalore
24th November, 2008

V. Ranganathan
Managing Director

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Company will be held at 10.00 a.m. on Tuesday, the 23rd December, 2008 at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at September 30, 2008 and the Profit and Loss Account for the year ended on that date along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shridhar S Hegde, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. P Vishwamurthy., who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Messrs. M.S. Reddy & Associates, Chartered Accountants, Bangalore who retire at the end of the ensuing Annual General Meeting and being eligible, offer themselves for appointment and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, Listing Agreements, Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and in pursuant to the all other applicable laws, rules, regulations and guidelines and subject to all such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions 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 thereof for the time being exercising the powers conferred on the Board by this Resolution), consent of the Company be and is hereby accorded to the Board to delist the Equity Shares of the Company from Bangalore Stock Exchange, the Stock Exchange Ahmadabad and Calcutta Stock Exchange Association Limited.

RESOLVED FUTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized to provide any clarifications/ information in this regard and to take all necessary steps as may be required in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things, as may be necessary, and further to authorize any of its Directors or any of the Officers of the Company to do all such acts, deeds, matters and things that may be necessary to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 21 of the Companies Act, 1956, and subject to the approval of Central Government, the name of the Company be changed from 'Cerebra Integrated Technologies Limited' to 'Cerebra Limited' or 'Cerebra IT Limited' or 'Cerebra Tech Limited' or any other names as may be approved by the Registrar of Companies."

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

"RESOLVED THAT pursuant to the provisions of Section 21 and any other provisions of the Companies Act, 1956, as may be applicable and as per the approval to be received from the Registrar of Companies

or Ministry of Corporate Affairs, Clause I of the Memorandum of Association be altered by deleting in the existing Clause I the name 'Cerebra Integrated Technologies Limited' and by substituting the same with such name as may be approved by the Registrar of Companies or the Ministry of Corporate Affairs and that accordingly the name be substituted with the new name wherever it appears in the Memorandum of Association elsewhere."

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

"RESOLVED THAT pursuant to the provisions of Section 21 and any other provisions of the Companies Act, 1956, as may be applicable and as per the approval received from the Registrar of Companies or Ministry of Corporate Affairs, the Article 2 (a) of the Articles of Association be altered by deleting the existing Article 2 (a) the name 'Cerebra Integrated Technologies Limited' and by substituting the same with such name as may be approved by the Registrar of Companies or the Ministry of Corporate Affairs and that accordingly the name be substituted with the new name wherever it appears in the Articles of Association elsewhere"

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, as amended and subject to such permissions, consents and approvals, if any, from Central Government and subject to such conditions, if any, that may be imposed by the Central Government while granting their consents, permissions and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords approval to the appointment of Mr. Shridhar S. Hegde as Whole-time Director in charge of Marketing of the Company from 1st January, 2009 on the terms and conditions as to remuneration by way of salary and perquisites as set out in the explanatory statement.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to increase the remuneration and/or perquisites of Mr. Shridhar S. Hegde, in its absolute discretion within such guidelines or ceilings of Schedule XIII subject to such approvals of Central Government or any other authority, wherever applicable, and required and for which consent of the Company as required under various provisions of the Companies Act, 1956, be and is hereby granted.

FURTHER RESOLVED THAT in the event where in any financial year during the currency of his appointment, the Company has no profit or its profits are inadequate, it may pay remuneration to Whole-time Director the total of which shall not exceed the ceiling limits as provided in Schedule XIII of the Act, or such other amount as may be specified by the Government from time to time by any amendment to the Act.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act, as amended and subject to such permissions, consents and approvals, if any, from Central Government and subject to such conditions, if any, that may be imposed by the Central Government while granting their consents, permissions and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords approval to the appointment of Mr. P. Vishwamurthy as Whole-time Director in charge of ITES Business of the Company from 1st January, 2009 on the terms and conditions as to remuneration by way of salary and perquisites as set out in the explanatory statement.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to

increase the remuneration and/or perquisites of Mr. P. Vishwamurthy, in its absolute discretion within such guidelines or ceilings of Schedule XIII or subject to such approvals of Central Government or any other authority, wherever applicable, and required and for which consent of the Company as required under various provisions of the Companies Act, 1956, be and is hereby granted.

FURTHER RESOLVED THAT in the event where in any financial year during the currency of his appointment, the Company has no profit or its profits are inadequate, it may pay remuneration to Whole-time Director the total of which shall not exceed the ceiling limits as provided in Schedule XIII of the Act, or such other amount as may be specified by the Government from time to time by any amendment to the Act.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board

Place : Bangalore

Date : 24th November 2008

V. RANGANATHAN
MANAGING DIRECTOR

NOTES:

1. Explanatory Statements in terms of Section 173 of the Companies Act, 1956 in respect of Special Business is attached.
2. 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.
3. Members/proxies should bring in the duly filled in attendance slips sent herewith for attending the meeting.
4. The Register of Members and the share transfer books of the Company will remain closed on 23rd December, 2008
5. Members are requested to notify their change in address to the Registrars and Transfer Agents by quoting their relevant registered Folio Number.
6. Members are requested to carry the Annual Report circulated to them. As a measure of economy, no copies of the Annual Report will be made available to the Members at the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 5:**

The Equity Shares of the Company are at present listed on Bangalore Stock Exchange, the Ahmedabad Stock Exchange, Calcutta Stock Exchange Association Limited and are also traded on the premier Stock Exchange at Mumbai i.e. BSE.

With the extensive networking of Bombay Stock Exchange (BSE) and extension of the BSE terminals to other cities as well, investors have access to online dealings in the Company's Equity Shares in any case takes place on the BSE and the depth and liquidity of trading in the Company's securities on all other stock exchanges are almost nil. Further, the listing fees required to be paid to other stock exchanges are disproportionately higher and the trading volume and liquidity are nil compared to BSE.

Further, as per Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 issued by Securities and Exchange Board of India (SEBI), exit opportunities need not be provided to the shareholders of the Company on delisting of its Equity Shares from other Stock Exchanges, provided the Shares of the Company continue to be listed at BSE or NSE and the Company has obtained the approval of members through Special Resolution.

Hence, Board recommends the Special Resolution for voluntary delisting of Company's Equity Shares from Bangalore Stock Exchange, the Ahmedabad Stock Exchange and Calcutta Stock Exchange Association Limited for your approval.

The said voluntary delisting of Company's securities from three Stock Exchanges will, apart from the savings resulting from the non payment of annual listing fees, also reduce a lot of administrative work. The said delisting will not adversely affect the investors as the Company's securities will continue to be listed on BSE. The delisting will take effect after all approvals, permissions and sanctions are received.

Your Directors recommend the passing of the Resolution as a Special Resolution.

None of the Directors of the Company is concerned or interested in the proposed resolution except to the extent of their Shareholders, if any.

Item No. 6, 7 & 8 :

In order to truly communicate the nature of business of the Company and in view of the Company having already got in to ITES segment business, approval of Registrar of Companies, Bangalore is being sought to change the name to Cerebra Limited or Cerebra IT Limited or Cerebra Tech Limited or such other name as may be approved by the Registrar of Companies. The Board recommends the members to approve the above given resolution to give effect to the change of name and consequential alterations in the Memorandum and Articles of Association of the Company.

Your Directors recommend the passing of the Resolution as a Special Resolution.

None of the Directors of the Company are interested in the proposed resolution except to the extent of their Shareholders, if any.

Item no. 9:

The Board based on the recommendations of the Remuneration Committee, considered various factors and recommended the fresh appointment of Mr. Shridhar S. Hegde as Wholetime Director from 01.01.2009 for a period of 3 (three) years

The Board of Directors of the Company at their meeting held on 24.11.2008 recommended Mr. Shridhar S. Hegde as Wholetime Director of the Company for a period of 3 years commencing from 01.01.2009 subject to approval in the next General Meeting.

Mr. Shridhar S. Hegde, aged 47 years holds a Graduation degree from Bangalore University and has 27 years of experience in Marketing and as Director Marketing in the Company for 15 years

Mr. Shridhar S Hegde has been responsible for marketing and administration work of the Company.

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The remuneration, detailed below, payable to Mr. Shridhar S. Hegde is within the ceilings specified under Schedule XIII of the Companies Act, 1956.

In terms of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment as well as Memorandum of concern/interest of the concerned Director is set out as follows:

REMUNERATION:

Rs.25,000/- per month

Conveyance Allowance:

He will be eligible for reimbursement towards fuel and Car maintenance expenses at actually on production of bills. 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 leave shall not be eligible for Carry Forward / Cash reimbursement.

OTHER BENEFITS

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

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

The total remuneration including perquisites shall not exceed the overall limits in accordance with Section 349 and 350 of the Companies Act, 1956.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Wholetime 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.

MEMORANDUM OF CONCERN OR INTEREST

Except Mr. Shridhar S. Hegde himself, no other Director is concerned / interested in the resolution.

Item no. 10:

The Board based on the recommendations of the Remuneration Committee, considered various factors and recommended the fresh appointment of Mr. P Vishwamurthy as Wholetime Director from 01.01.2009 for period of 3 (three) years

The Board of Directors of the Company at their meeting held on 24.11.2008 recommended Mr. P. Vishwamurthy as Wholetime Director of the Company for a period of 3 years commencing from 01.01.2009 subject to approval in the next General Meeting.

Mr. P. Vishwamurthy, aged 41 years holds Engineering degree from Mysore University, and has 15 years of experience in IT Industry. Mr. P. Vishwamurthy has been responsible for ITES Business of the Company.

The remuneration, detailed below, payable to Mr. P. Vishwamurthy is within the ceilings specified under Schedule XIII of the Companies Act, 1956.

In terms of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment as well as Memorandum of concern/interest of the concerned Director is set out as follows:

REMUNERATION:

Remuneration Rs.25,000/- per month

Conveyance Allowance:

He will be eligible for reimbursement towards fuel and Car maintenance expenses at actually on production of bills. 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 leave shall not be eligible for Carry Forward / Cash reimbursement.

OTHER BENEFITS

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

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

The total remuneration including perquisites shall not exceed the overall limits in accordance with Section 349 and 350 of the Companies Act, 1956.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein where in any financial year during the currency of tenure of the Wholetime 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.

MEMORANDUM OF CONCERN OR INTEREST

Except Mr. P. Vishwamurthy himself, no other Director is concerned/interested in the resolution.

Place : Bangalore
24th November 2008

By Order of the Board

V. RANGANATHAN
MANAGING DIRECTOR

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING:

- 1 Shridhar S. Hegde:
Date of Birth: 27.01.1961
Qualification: B Sc
Expertise: Marketing
No. of Board Meetings attended during the year: All
- 2 P. Vishwamurthy:
Date of Birth: 03.05.1967
Qualification: B E
Expertise: Software
No. of Board Meetings attended during the year: All

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Registered. Office: # S 5, off 3rd Cross, I stage, Peenya Industrial Area, Bangalore 560058

DIRECTORS' REPORT

Your Directors present their Fourteenth Annual Report together with the audited Balance Sheet and Profit and Loss Account for the year ended September 30, 2008.

FINANCIAL RESULTS:

<i>(Rs. in lakhs)</i>		
Particulars	2007-08	2006-07
Total Income	1646.79	369.05
Total Expenditure	1517.77	277.14
Operating Profits (PBITD)	129.02	91.92
Interest	6.21	26.58
Depreciation	16.30	15.61
Profit Before Extra Ordinary Income	106.51	49.73
Extra Ordinary Income	878.94	-
Provision for Tax - Current	0.72	0.20
Profit after Current Tax but before Deferred Tax	984.73	49.53
Deferred Tax	-	-
Profit available for appropriations/(Loss)	984.73	49.53

REVIEW OF OPERATIONS:

After a period of 5 years, your Board is pleased to report that the efforts infused in all directions to revive the Company have begun to yield results. Shareholders will note that the Financial Results validate the performance of the Company. Substantially higher growth coupled with robust enhanced profits have instilled tremendous confidence in Team Cerebra. The Company during the year executed orders in the hardware sector. The Company has entered into contracts with some companies on Electronic Manufacturing Services (EMS) and job work for its EMS Division. Your Company explored the opportunities and started operations in the areas of Legal Process Outsourcing, Medical Transcription etc., for its IT/ITeS division. The Company has earned some profits through sale of software products. The Company continues to remain under BIFR and is likely to be out of this during this financial year.

With sustained efforts, some investors who were convinced of the revival of the Company came forward to support and supplement the efforts of the Management. The One Time Settlement with the Banks was completed with the approval of the BIFR and today, your Company has no borrowings from any Banks or Financial Institutions.

20,00,000 Warrants convertible into Equity Shares at Rs. 10/- each and 25,25,000 Warrants convertible into Equity Shares at Rs 21/- each are outstanding.

DIVIDEND:

Your Directors regret to inform you that no dividend is declared for the year-ended 30-09-2008 in view of the Company requiring its profits for working capital and revival of all its units to its full capacity.

DIRECTORS:

Mr. Shridhar S. Hegde and Mr P Vishwamurthy, Directors, retire by rotation. In accordance with the Companies Act, 1956 and Articles of Association of the Company and being eligible, they offer themselves for re-appointment.