

# ISHWAR & GOPAL

CHARTERED ACCOUNTANTS

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## Independent Auditor's Report

To the Members of Cerebra LPO India Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Cerebra LPO India Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March 2021, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 Company and for preventing and detecting

frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

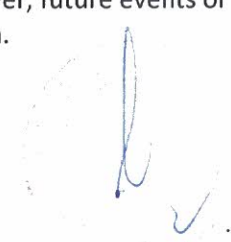
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain Professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Material Uncertainty Regarding Going Concern**

Without qualifying our opinion, we draw attention to the negative net worth of Rs.702.84 Lakhs in the financial statements as on 31st March 2021. The net worth of the Company has been completely eroded and the Company's ability to continue as a going concern depends on the management's ability to restructure the operations and raise long term funds. This indicates material uncertainty exists over the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

Further to our comments in Annexure A, 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 purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the standalone financial statements dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31<sup>st</sup> March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion;
- g. 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, 2016 (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 the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. The company is not required to transfer any amount to the Investor Education and Protection Fund by the Company;
- h. Report under section 197(16): The company has not paid any remuneration paid during the current year to its directors. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us

For Ishwar and Gopal,  
Chartered Accountants,  
FRN: 001154S

  
K V Gopalakrishnayya  
Partner  
MRN 021748

Date: 28<sup>th</sup> June 2021  
Place: Bangalore  
UDIN: 21021748AAAAUS2500

15/06/2021 11:51 AM  
K V Gopalakrishnayya  
Sri Vigneshwara Chartered Accountants  
21/2, 15th Cross, 1st Stage, 1st  
BANGALORE



**Annexure - A To The Independent Auditor's Report Of Even Date to The Members Of Cerebra LPO India Limited On The Standalone Financial Statements for the Year Ended 31<sup>st</sup> March 2021**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- 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. As on balance sheet date no immovable properties are held in the name of the company.
- ii. The nature of operations of the Company do not involve any inventories and hence clause 3 (ii) of the Companies (Auditor's Report) Order 2016 is not applicable.
- iii. The company has not granted loans secured or unsecured to parties covered in the register maintained under Section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has not made any loans, investments, guarantees and securities. Hence clause 3(iv) of the Companies (Auditor's Report) Order 2016 is not applicable.
- 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, 2021 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
Finance Act, 1994	Excise Duty	98.60/-	2011-2017	Various dates	Not Paid as on the date of this report

c. According to the information and explanation given to us, there are no disputed 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 does not have any loans or borrowings from any financial institution, Government or Debenture holders during the year. Accordingly, clause 3 (viii) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- 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 not paid any managerial remuneration during the year under review. Accordingly, clause 3 (xi) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- 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 explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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 and Gopal,  
Chartered Accountants,  
FRN: 001154S



K V Gopalakrishnayya  
Partner  
MRN 021748

Date: 28<sup>th</sup> June 2021  
Place: Bangalore  
UDIN: 21021748AAAAUS2500

ISHWAR & GOPAL  
Chartered Accountants  
Firm No. 001154S  
217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 539, 541, 543, 545, 547, 549, 551, 553, 555, 557, 559, 561, 563, 565, 567, 569, 571, 573, 575, 577, 579, 581, 583, 585, 587, 589, 591, 593, 595, 597, 599, 601, 603, 605, 607, 609, 611, 613, 615, 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3005, 3007, 3009, 3011, 3013, 3015, 3017, 3019, 3021, 3023, 3025, 3027, 3029, 3031, 3033, 3035, 3037, 3039, 3041, 3043, 3045, 3047, 3049, 3051, 3053, 3055, 3057, 3059, 3061, 3063, 3065, 3067, 3069, 3071, 3073, 3075, 3077, 3079, 3081, 3083, 3085, 3087, 3089, 3091, 3093, 3095, 3097, 3099, 3101, 3103, 3105, 3107, 3109, 3111, 3113, 3115, 3117, 3119, 3121, 3123, 3125, 3127, 3129, 3131, 3133, 3135, 3137, 3139, 3141, 3143, 3145, 3147, 3149, 3151, 3153, 3155, 3157, 3159, 3161, 3163, 3165, 3167, 3169, 3171, 3173, 3175, 3177, 3179, 3181, 3183, 3185, 3187, 3189, 3191, 3193, 3195, 3197, 3199, 3201, 3203, 3205, 3207, 3209, 3211, 3213, 3215, 3217, 3219, 3221, 3223, 3225, 3227, 3229, 3231, 3233, 3235, 3237, 3239, 3241, 3243, 3245, 3247, 3249, 3251, 3253, 3255, 3257, 3259, 3261, 3263, 3265, 3267, 3269, 3271, 3273, 3275, 3277, 3279, 3281, 3283, 3285, 3287, 3289, 3291, 3293, 3295, 3297, 3299, 3301, 3303, 3305, 3307, 3309, 3311, 3313, 3315, 3317, 3319, 3321, 3323, 3325, 3327, 3329, 3331, 3333, 3335, 3337, 3339, 3341, 3343, 3345, 3347, 3349, 3351, 3353, 3355, 3357, 3359, 3361, 3363, 3365, 3367, 3369, 3371, 3373, 3375, 3377, 3379, 3381, 3383, 3385, 3387, 3389, 3391, 3393, 3395, 3397, 3399, 3401, 3403, 3405, 3407, 3409, 3411, 3413, 3415, 3417, 3419, 3421, 3423, 3425, 3427, 3429, 3431, 3433, 3435, 3437, 3439, 3441, 3443, 3445, 3447, 3449, 3451, 3453, 3455, 3457, 3459, 3461, 3463, 3465, 3467, 3469, 3471, 3473, 3475, 3477, 3479, 3481, 3483, 3485, 3487, 3489, 3491, 3493, 3495, 3497, 3499, 3501, 3503, 3505, 3507, 3509, 3511, 3513, 3515, 3517, 3519, 3521, 3523, 3525, 3527, 3529, 3531, 3533, 3535, 3537, 3539, 3541, 3543, 3545, 3547, 3549, 3551, 3553, 3555, 3557, 3559, 3561, 3563, 3565, 3567, 3569, 3571, 3573, 3575, 3577, 3579, 3581, 3583, 3585, 3587, 3589, 3591, 3593, 3595, 3597, 3599, 3601, 3603, 3605, 3607, 3609, 3611, 3613, 3615, 3617, 3619, 3621, 3623, 3625, 3627, 3629, 3631, 3633, 3635, 3637, 3639, 3641, 3643, 3645, 3647, 3649, 3651, 3653, 3655, 3657, 3659, 3661, 3663, 3665, 3667, 3669, 3671, 3673, 3675, 3677, 3679, 3681, 3683, 3685, 3687, 3689, 3691, 3693, 3695, 3697, 3699, 3701, 3703, 3705, 3707, 3709, 3711, 3713, 3715, 3717, 3719, 3721, 3723, 3725, 3727, 3729, 3731, 3733, 3735, 3737, 3739, 3741, 3743, 3745, 3747, 3749, 3751, 3753, 3755, 3757, 3759, 3761, 3763, 3765, 3767, 3769, 3771, 3773, 3775, 3777, 3779, 3781, 3783, 3785, 3787, 3789, 3791, 3793, 3795, 3797, 3799, 3801, 3803, 3805, 3807, 3809, 3811, 3813, 3815, 3817, 3819, 3821, 3823, 3825, 3827, 3829, 3831, 3833, 3835, 3837, 3839, 3841, 3843, 3845, 3847, 3849, 3851, 3853, 3855, 3857, 3859, 3861, 3863, 3865, 3867, 3869, 3871, 3873, 3875, 3877, 3879, 3881, 3883, 3885, 3887, 3889, 3891, 3893, 3895, 3897, 3899, 3901, 3903, 3905, 3907, 3909, 3911, 3913, 3915, 3917, 3919, 3921, 3923, 3925, 3927, 3929, 3931, 3933, 3935, 3937, 3939, 3941, 3943, 3945, 3947, 3949, 3951, 3953, 3955, 3957, 3959, 3961, 3963, 3965, 3967, 3969, 3971, 3973, 3975, 3977, 3979, 3981, 3983, 3985, 3987, 3989, 3991, 3993, 3995, 3997, 3999, 4001, 4003, 4005, 4007, 4009, 4011, 4013, 4015, 4017, 4019, 4021, 4023, 4025, 4027, 4029, 4031, 4033, 4035, 4037, 4039, 4041, 4043, 4045, 4047, 4049, 4051, 4053, 4055, 4057, 4059, 4061, 4063, 4065, 4067, 4069, 4071, 4073, 4075, 4077, 4079, 4081, 4083, 4085, 4087, 4089, 4091, 4093, 4095, 4097, 4099, 4101, 4103, 4105, 4107, 4109, 4111, 4113, 4115, 4117, 4119, 4121, 4123, 4125, 4127, 4129, 4131, 4133, 4135, 4137, 4139, 4141, 4143, 4145, 4147, 4149, 4151, 4153, 4155, 4157, 4159, 4161, 4163, 4165, 4167, 4169, 4171, 4173, 4175, 4177, 4179, 4181, 4183, 4185, 4187, 4189, 4191, 4193, 4195, 4197, 4199, 4201, 4203, 4205, 4207, 4209, 4211, 4213, 4215, 4217, 4219, 4221, 4223, 4225, 4227, 4229, 4231, 4233, 4235, 4237, 4239, 4241, 4243, 4245, 4247, 4249, 4251, 4253, 4255, 4257, 4259, 4261, 4263, 4265, 4267, 4269, 4271, 4273, 4275, 4277, 4279, 4281, 4283, 4285, 4287, 4289, 4291, 4293, 4295, 4297, 4299, 4301, 4303, 4305, 4307,

**Annexure - B to The Independent Auditor's Report Of Even Date to The Members Of Cerebra LPO India Limited On The Standalone Financial Statements for the Year Ended 31<sup>st</sup> March 2021**

**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")**

In conjunction with our audit of the standalone financial statements of the Cerebra LPO India Limited ("the Company") as at 31 March 2021, we have audited the internal financial controls over financial reporting of company as of 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**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, 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.

For Ishwar and Gopal,  
Chartered Accountants,  
FRN: 001154S



K V Gopalakrishnayya  
Partner  
MRN 021748

Date: 28<sup>th</sup> June 2021  
Place: Bangalore  
UDIN:21021748AAAAUS2500

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA  
100, RAJAGHAT ROAD, CHENNAI - 600 088  
TELEPHONE: 044-2636 4000  
FAX: 044-2636 4001  
WWW.ICAI.ORG

**Cerebra LPO India Limited**  
**Balance Sheet as on 31st March 2021**

INR in Lakhs

Particulars	Note No	31-03-2021	31-03-2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	-	-
Financial assets			
i) Other financial assets	4	0.03	0.03
<b>Current assets</b>			
Financial assets			
i) Trade receivables	5	-	-
ii) Cash and cash equivalents	6	0.27	0.44
Other current assets	7	0.25	0.06
<b>Total assets</b>		<b>0.54</b>	<b>0.53</b>

Particulars	Note No		
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	8	5.00	5.00
(b) Other equity	9	-707.84	-706.76
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	10	593.98	593.97
ii) Trade payable	11		
a) Total outstanding dues of micro enterprise and small enterprise		-	-
b) Total outstanding dues of creditors other than micro enterprise and small enterprise		-	-
iii) Other financial liabilities	12	8.47	7.39
Provisions	13	2.33	2.33
Other current liabilities	14	98.60	98.60
<b>Total equity and liabilities</b>		<b>0.54</b>	<b>0.53</b>

See accompanying notes to financial statements

1 to 29

As per our attached report of even date

For and on behalf of the Board

For Ishwar & Gopal  
Chartered Accountants

**For CEREBRA LPO INDIA LIMITED**

*V. Ranganathan*  
**Director**

K V Gopalakrishnayya  
Partner  
M.No. 021748  
Firm Reg. No: 0011545

V. Ranganathan  
Director

P Vishwamurthy  
Director

Place: Bangalore

Dated: 28th June 2021

UDIN: 21021748AAAAUS2500



**Cerebra LPO India Limited**  
**Statement of Profit or loss for the Year Ended 31st March 2021**

INR in Lakhs

Particulars	Note No	For the Year ended 31-03-2021	For the Year ended 31-03-2020
<b>Income</b>			
Revenue from operations	15	-	56.14
Other income	16	-	0.11
<b>Total Income</b>		-	<b>56.25</b>
<b>Expenses</b>			
Cost of material consumed	17	-	56.14
Employee benefits expense	18	-	0.53
Finance costs	19	0.01	2.47
Depreciation and amortisation expense	3	-	-
Other Expenses	20	1.07	2.51
<b>Total Expenses</b>		<b>1.08</b>	<b>61.65</b>
<b>Profit before exceptional items and tax</b>		<b>-1.08</b>	<b>-5.39</b>
Exceptional Item		-	-
<b>Profit before tax</b>		<b>-1.08</b>	<b>-5.39</b>
Income tax Expenses			
a) Current tax		-	-
b) Prior period tax		-	-
c) Deferred tax		-	-
<b>Total tax expenses</b>		-	-
<b>Profit for the year</b>		<b>-1.08</b>	<b>-5.39</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		-	-
Income Tax relating to above		-	-
<b>Total other comprehensive Income</b>		-	-
<b>Total Comprehensive Income</b>		<b>-1.08</b>	<b>-5.39</b>

See accompanying notes to financial statements 1 to 29

As per our attached report of even date

For and on behalf of the Board

For Ishwar & Gopal  
Chartered Accountants

**For CEREBRA LPO INDIA LIMITED**

  
Director

K V Gopalakrishnayya  
Partner  
M.No. 021748  
Firm Reg. No: 001154S

V. Ranganathan  
Director

P Vishwamurthy  
Director

Place: Bangalore  
Dated: 28th June 2021  
UDIN: 21021748AAAAUS2500

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**Cerebra LPO India Limited**  
Cash flow Statement for the Year Ended 31st March 2021

Amt in Lakhs

Particulars	2020-21		2019-20	
	Rs.	Rs.	Rs.	Rs.
<b>A.Cashflow from operating activities</b>				
Net profit before tax and extraordinary items		-1.08		-5.39
Adjustments for:				
Interest expenditure	-		2.47	
Interest income	-		-0.11	
Provision for Bad Debts	-		1.36	
		-		3.73
Operating profit/(Loss)before working capital changes		-1.08		-1.66
Adjustments for changes in :				
(Increase)/Decrease in Trade & other recivables	-0.19		1.99	
Increase/(Decrease) in Trade & Other Payable	1.08		3.30	
		0.89		5.29
Cash generated from operations		-0.19		3.63
Income tax paid(net)		-		-
<b>Net cashflow from operating activities</b>		<b>-0.19</b>		<b>3.63</b>
<b>B.Cashflow from investing activities</b>				
Interest income	-		0.11	
<b>Net cash used in investing activities</b>		<b>-</b>		<b>0.11</b>
<b>C.Cashflow from Financing activities</b>				
Repayment of Loan to Holding Company	0.01		-1.28	
Interest paid	-		-2.47	
<b>Net cash used in Financing activities</b>		<b>0.01</b>		<b>-3.75</b>
<b>Net increase/(Decrease)in Cash &amp; Cash equivalents(A+B+C)</b>		<b>-0.18</b>		<b>-0.02</b>
Cash &Cash equivalents				
Opening balance		0.44		0.46
Closing balance		0.27		0.44
<b>Net increase/Decrease in cash and cash equivalents</b>		<b>-0.18</b>		<b>-0.02</b>

See accompanying notes to the financial statements

01-29


As per our attached report of even date

For Ishwar & Gopal  
Chartered Accountants

  
K V Gopalakrishnayya  
Partner  
M.No. 021748  
Firm Reg. No: 001154S

Place: Bangalore  
Dated: 28th June 2021  
UDIN: 21021748AAAAUS2500

For and on behalf of the Board  
**For CEREBRA LPO INDIA LIMITED**

  
Director

V. Ranganathan    P Vishwamurthy  
Director                      Director



Cerebra Integrated Technologies Limited  
Statement of Changes In Equity

A) Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	Number	INR in Lakhs
On 31st March 2019	50,000.00	5.00
Issue during the year	-	-
<b>Balance at March 31, 2020</b>	<b>50,000.00</b>	<b>5.00</b>
Issue during the year	-	-
<b>Balance at March 31, 2021</b>	<b>50,000.00</b>	<b>5.00</b>

B) Other equity

INR in Lakhs

Particulars	Other Equity		Total
	Retained earnings	Other Comprehensive Income	
Balance at April 1, 2019	-702.93	1.56	-701.37
Profit for the year/Additions during the Year	-5.39	-	-5.39
<b>Balance as at March 31, 2020</b>	<b>-708.32</b>	<b>1.56</b>	<b>-706.76</b>
Profit for the year/Additions during the Year	-1.08	-	-1.08
<b>Balance as at March 31, 2021</b>	<b>-709.40</b>	<b>1.56</b>	<b>-707.84</b>

See accompanying notes to the financial statements

01-29

As per our attached report of even date

For and on behalf of the Board

**For CEREBRA LPO INDIA LIMITED**

For Ishwar & Gopal  
Chartered Accountants

  
**Director**

K V Gopalakrishnayya  
Partner  
M.No. 021748  
Firm Reg. No: 0011545

V. Ranganathan  
Director

P Vishwamurthy  
Director

Place: Bangalore  
Dated: 28th June 2021  
UDIN: 21021748AAAAUS2500

*[Faint, illegible text, possibly a stamp or watermark]*

## 3 Property, Plant and Equipment

Amt In lakhs

Particulars	Office Equipment	Electrical Installations	Furniture and Fixtures	Total
<b>Carrying Amount (Gross Block)</b>				
<b>Gross Block</b>				
Balance as at 31st March 2019	0.03	6.53	10.04	16.60
Additions	-	-	-	-
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2020	0.03	6.53	10.04	16.60
				-
<b>Accumulated Depreciation</b>				
Balance as at 31st March 2019	0.03	6.53	10.03	16.59
Additions	-	-	-	-
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2020	0.03	6.53	10.03	16.59
<b>Net carrying amount as at 31st March 2019</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net carrying amount as at 31st March 2020</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Gross Block</b>				
Balance as at 31st March 2020	0.03	6.53	10.04	16.60
Additions	-	-	-	-
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2021	0.03	6.53	10.04	16.60
				-
<b>Accumulated Depreciation</b>				
Balance as at 31st March 2020	0.03	6.53	10.03	16.59
Additions	-	-	-	-
Deductions/ Adjustment	-	-	-	-
Balance as at 31st March 2021	0.03	6.53	10.03	16.59
<b>Net carrying amount as at 31st March 2020</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net carrying amount as at 31st March 2021</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

\* 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.





**Cerebra LPO India Limited**  
Notes Forming Part of Financial Statements for as at 31st March 2021

Note Number	Particulars	As at 31st March 2021	As at 31st March 2020
4	<b>Other financial assets</b>		
	Security deposits considered good	0.03	0.03
	<b>Total</b>	<b>0.03</b>	<b>0.03</b>
5	<b>Trade Receivables</b>		
	Trade Receivables unsecured- considered good	-	-
	Trade Receivables unsecured- considered doubtful	712.22	712.22
	Trade Receivables which have significant increase in credit risk	-	-
	Trade Receivables - Credit Impaired	-	-
	<b>Sub Total</b>	<b>712.22</b>	<b>712.22</b>
	Less: Allowance for Doubtful Trade Receivables	712.22	712.22
	<b>Total</b>	<b>-</b>	<b>-</b>
6	<b>Cash and Cash Equivalents</b>		
	<b>A) Balances with Banks</b>		
	i) In Current account with scheduled bank	0.22	0.27
	<b>B) Cash in hand</b>		
	i) In Indian rupee	0.05	0.05
	ii) In Foreign currency	-	0.12
	<b>Total</b>	<b>0.27</b>	<b>0.44</b>
7	<b>Other current assets</b>		
	Balance with statutory/ government authorities	0.25	0.06
	<b>Total</b>	<b>0.25</b>	<b>0.06</b>

**8 Equity Share Capital**

Particulars		As at 31st March 2021	As at 31st March 2020
		Number	Number
a	Authorised Equity Share Capital	5.00	5.00
	Equity Shares of Rs. 10 Each		
b	Issued Subscribed and fully paid up Equity Share Capital(Par Value per Share Rs.	5.00	5.00
	Equity Shares of Rs. 10 Each		
	<b>Total</b>	<b>5.00</b>	<b>5.00</b>

d	Reconciliation of No of equity share and share capital outstanding	As at 31st March 2021		As at 31st March 2020	
		Number	Amount	Number	Amount
	Opening number of share outstanding	50,000	5.00	50,000	5
	Add: No of Shares/ Share Capital issued/ subscribed during the year	-	-	-	-
	<b>Closing Number of shares outstanding</b>	<b>50,000</b>	<b>5.00</b>	<b>50,000</b>	<b>5</b>

**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.

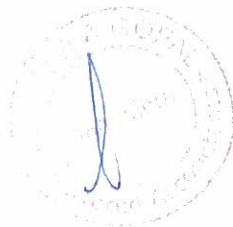
**f Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held**

Name of the Shareholders	As at 31st March 2021		As at 31st March 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Cerebra Integrated Technologies Ltd	35,000	70	35,000	70
Gururaj K Upadhya	2,500	5	2,500	5
P.Bharath	2,500	5	2,500	5
P.Vishwamurthy	2,500	5	2,500	5
Shridhar S Hegde	2,500	5	2,500	5
Uma Ranganathan	2,500	5	2,500	5
V Ranganathan	2,500	5	2,500	5



Other Equity

9	Particulars	As at 31st March 2021	As at 31st March 2020
i)	<b>Surplus</b>		
	Balance as per last financial Statement	-708.32	-702.93
	Add:- Profit for the year	-1.08	-5.39
	<b>Balance as on balance sheet date</b>	<b>-709.40</b>	<b>-708.32</b>
ii)	<b>Other Comprehensive Income</b>		
	Balance as per last financial Statement	1.56	1.56
	Add:- For the year	-	-
	<b>Balance as on balance sheet date</b>	<b>1.56</b>	<b>1.56</b>
	<b>Total</b>	<b>-707.84</b>	<b>-706.76</b>
10	<b>Borrowings</b>		
	Loan from Holding company	593.98	593.97
	<b>Total</b>	<b>593.98</b>	<b>593.97</b>
11	<b>Trade Payables</b>		
	Total outstanding dues of micro enterprise and small enterprise	-	-
	Total outstanding dues of creditors other than micro enterprise and small	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
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.			
Sl.No.	Particulars	INR in Lakhs	
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
	Principal amount	Nil	Nil
	Interest due thereon	Nil	Nil
b.	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
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
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e.	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
12	<b>Other Financial Liabilities</b>		
	Liabilities for expenses	8.47	7.39
	<b>Total</b>	<b>8.47</b>	<b>7.39</b>
13	<b>Employee Benefit Obligation(Non Current)</b>		
	Provision for Bonus Payable	2.33	2.33
	<b>Total</b>	<b>2.33</b>	<b>2.33</b>
14	<b>Other Current Liabilities</b>		
	Statutory liabilities	98.60	98.60
	<b>Total</b>	<b>98.60</b>	<b>98.60</b>



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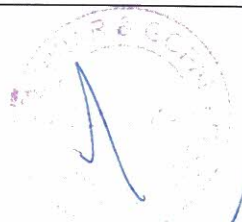




Cerebra LPO India Limited  
Notes Forming Part of Financial Statements for the year ending 31st March 2021

INR in Lakhs

Note Number	Particulars	Year ending 31.03.2021	Year ending 31.03.2020
15	<b>Revenue from operations</b>		
	Sale of Goods	-	56.14
	<b>Total</b>	-	<b>56.14</b>
16	<b>Other income</b>		
	Interest income	-	0.11
	Net gain on foreign currency transaction	-	0.00
	<b>Total</b>	-	<b>0.11</b>
17	<b>Cost of material consumed</b>		
	Purchases	-	56.14
	<b>Total</b>	-	<b>56.14</b>
18	<b>Employee Benefit Expenses</b>		
	Contribution to provident & other funds	-	0.53
	<b>Total</b>	-	<b>0.53</b>
19	<b>Financial Costs</b>		
	Interest on statutory dues	-	-
	Other Borrowing Costs	0.01	2.47
	<b>Total</b>	<b>0.01</b>	<b>2.47</b>
20	<b>Other Expenses</b>		
	Rates & Taxes, excluding taxes on income	0.04	0.03
	Legal & Professional Charges*	0.92	0.91
	Communication expenses	0.10	0.16
	Provision for allowance	-	1.36
	Security Deposit Written Off	-	0.05
	<b>Total</b>	<b>1.07</b>	<b>2.51</b>
	<b>* Legal and Professional Charges includes Statutory Auditor's Remuneration:-</b>	<b>Year ending 31.03.2021</b>	<b>Year ending 31.03.2020</b>
	<b>Particulars</b>		
	Audit fees	0.75	0.75
	<b>Total</b>	<b>0.75</b>	<b>0.75</b>



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**Note No. 21**

Particulars	INR in Lakhs	
	31-03-2021	31-03-2020
Contingent Liabilities (to the extent not provided for)	Nil	Nil

**Note No. 22 Operating Lease**

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

Particulars	INR in Lakhs	
	31-03-2021	31-03-2020
Not Less than one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-

**Expenses recognised in the Statement of Profit and Loss:**

Particulars	INR in Lakhs	
	31-03-2021	31-03-2020
Fixed Rentals	-	-
Contingent rents	-	-
<b>Total</b>	-	-





Note no 23

a) Financial instruments by category:

As on March 31, 2021

Particulars	INR in Lakhs			
	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
<b>Financial Assets</b>				
<b>Not measured at fair value</b>				
Loans and Advances	-	-	0.03	0.03
Trade Receivable	-	-	-	-
Cash and Cash Equivalents	-	-	0.27	0.27
<b>Total</b>	-	-	0.29	0.29
<b>Financial Liabilities</b>				
<b>Not Measured at Fair value</b>				
Borrowings	-	-	593.98	593.98
Trade Payable	-	-	-	-
Other Financial Liabilities	-	-	8.47	8.47
<b>Total</b>	-	-	602.45	602.45

As on March 31, 2020

Particulars	INR in Lakhs			
	FVTPL	FVOCI	Amortised Cost	Total Carrying Value
<b>Financial Assets</b>				
<b>Not measured at fair value</b>				
Loans and Advances	-	-	0.03	0.03
Trade Receivable	-	-	-	-
Cash and Cash Equivalents	-	-	0.44	0.44
<b>Total</b>	-	-	0.47	0.47
<b>Financial Liabilities</b>				
<b>Not Measured at Fair value</b>				
Borrowings	-	-	593.97	593.97
Trade Payable	-	-	-	-
Other Financial Liabilities	-	-	7.39	7.39
<b>Total</b>	-	-	601.36	601.36

b) Fair Value hierarchy

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.

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.



**Note No. 24 Financial Risk Management**

**Risk management framework**

The company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), liquidity 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 under policies approved by the Board of Directors, the finance department identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. 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, use of non-derivative financial instruments, and investment of excess liquidity.

**A) Market Risk**

**i) Foreign Currency Risk**

Foreign currency risk arises from future commercial transactions and recognized assets or 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 as at the end of the year expressed in INR Million are as follows :

Currency	Amt in Lakhs	
	Receivables	Payables
<b>As on March 31, 2021</b>		
US Dollars (USD)	710.86	-
<b>As on March 31, 2020</b>		
US Dollars (USD)	710.86	-

**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.

Details of outstanding trade receivables	Amt in Lakhs		
	Upto 6 Months	More than 6 Months but less than 3 years	More than Three Years
As on 31-03-2021	-	-	710.86
As on 31-03-2020	-	-	710.86



*[Handwritten signature]*



Reconciliation of loss allowance provision – Trade receivables

	Amt in Lakhs
Loss Allowance as on March 31, 2019	710.86
Changes in Loss Allowance	1.36
Loss Allowance as on March 31, 2020	712.22
Changes in Loss Allowance	-
Loss Allowance as on March 31, 2021	712.22

Details of allowance debited to Statement of profit and loss

Particulars	Amt in Lakhs	
	YE 31.03.2021	YE 31.03.2020
Trade receivables provided in books	-	1.36

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) 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, 2021

Financial Liabilities	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
i) Borrowings	593.98	-	-
ii) Trade Payable	-	-	-
iii) Other Financial Liabilities	8.47	-	-

As on March 31, 2020

Financial Liabilities	Not Later than 1 year	Between 1 and 5 years	Later than 5 Years
i) Borrowings	593.97	-	-
ii) Trade Payable	-	-	-
iii) Other Financial Liabilities	7.39	-	-



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Note No 25: Related Party Disclosure

a) Related Parties

Name	Nature
Cerebra Integrated technologies Ltd	Holding company
Cerebra Middle East FZCO	Co- Subsidiary

b) Key Management Personal

Name	Designation
V. Ranganathan	Director
P. Vishwamurthy	Director
P. Bharath	Director from 27th July 2020
Shridhar S Hegde	Director till 16th August 2020

c) Transaction with Related Parties

Particulars	Transaction	INR in Lakhs	
		Year ended 31-Mar-2020	Year ended 31-Mar-2019
Cerebra Integrated technologies Ltd	Loan received/(Repaid)(Net)	0.01	-1.28

d) Balance with Related Parties

Particulars	INR in Lakhs	
	31-03-2020	31-03-2019
Cerebra Integrated technologies Ltd	593.98	593.97



Note No 26 : Balances of Sundry Debtors, advances given to parties, creditors and advances received from parties are subject to confirmation

Note No 27: Earnings Per Share

Sl No	Particulars	Year ended 31st March 2020	Year ended 31st March 2019
A)	<b>Basic &amp; Diluted Earnings per share</b>		
	Profit after tax	-1.08	-5.39
	Weighted number of equity shares considered for calculation of basic earnings per share	50,000	50,000
	Earnings Per share- Basic	-2.15	-10.79

Note No 28: Defferd tax assets are not recognised as the company is incurring losses.

Note No 29: Figures in bracket relates to previous year.

As per our attached report of even date

For Ishwar & Gopal  
Chartered Accountants



K V Gopalakrishnayya  
Partner  
M.No. 021748  
Firm Reg. No: 001154S

Place: Bangaluru,  
Dated: 28th June 2021  
UDIN: 21021748AAAAUS2500

For CEREBRA LPO INDIA LIMITED

  
Director

V. Ranganathan  
Director

P Vishwamurthy  
Director

*[Faint, illegible text, possibly a stamp or additional signature]*

## **Note 1: Corporate Information**

Cerebra LPO India Limited is a company limited by shares, incorporated and domiciled in India having its Registered Office at S-5, Off 3rd Cross, Peenya Industrial Area, Peenya 1st Stage Bangalore - 560 058.

The company is a subsidiary of Cerebra Integrated Technologies Limited, a listed company. The company is engaged in the business of legal process, medical process, knowledge process outsourcing and other kind of business process outsourcing.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 28, 2021.

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

### **A. Basis of preparation:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

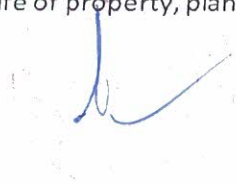
### **B. Convention:**

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.

### **C. 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.



## D. Significant Accounting Policies

### 1. Revenue Recognition:

#### (i) Income from operations:

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

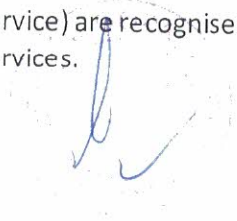
The Employee Payment of Gratuity Act, provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity 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 Ind AS 101 First-time Adoption of Indian Accounting Standard.

#### **8. 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.

#### **9. 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.

#### **10. 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.

#### **11. Statement of Cash Flows:**

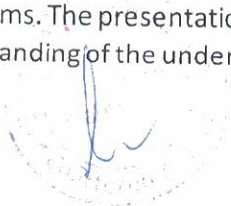
Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

#### **12. 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.

#### **13. 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.

#### 14. 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.

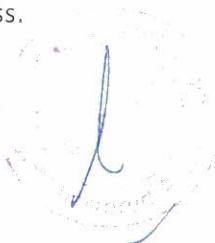
All financial liabilities are recognised initially at fair value.—Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

**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.





## 15. Accounting of Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases; the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term

### Recent accounting pronouncements:

There are no significant changes to Companies (Indian Accounting Standards) Rules 2015, which materially impacts the company.

