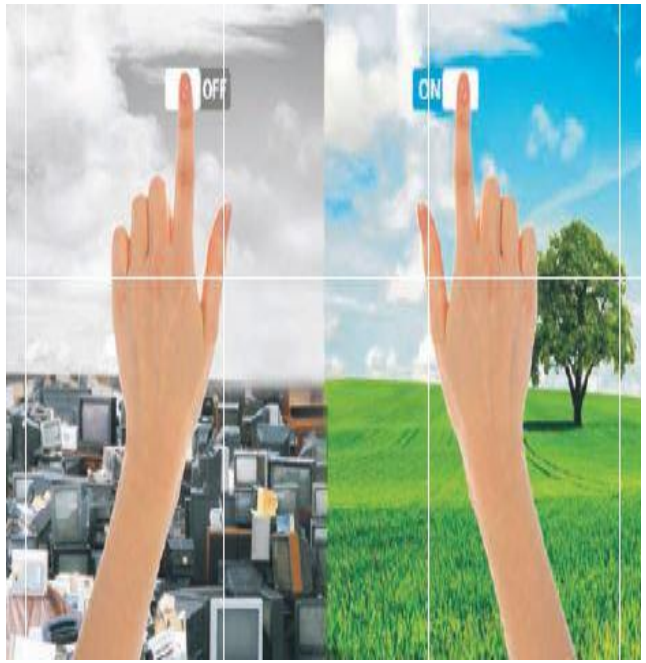

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Marching Towards Green Growth

CEREBRA
Total I.T. Solutions
An ISO 9001:2008 Company

INVESTOR PRESENTATION

May - 2016

Safe Harbor

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Agenda

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1. Company Overview
2. Hardware Manufacturing
3. E-Waste Space: New Growth Area
4. Financial Performance

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Company Overview

Cerebra Integrated Technologies …

Leading hardware manufacturing company …

- Design & manufacture motherboards, memory modules, servers, workstations etc.
- Commenced operations in 1992 in Bangalore
- Manufacturing facility in Peenya, Bangalore
- Reputed diversified clientele across industry
- Nationwide presence with over 100 channel partners for distribution

… Foraying into E-Waste Recycling

- Setting up one of India's largest integrated E-Waste recycling facility at Narsapura, Bangalore
- Capacity of 96,000 Tons per annum
- Received license from Karnataka State Pollution Control Board
- Project expected to be operational by October 2016

Veteran management team …

Mr. V. Ranganathan, MD

- An Electrical & Eletronics Engineer, has around 29 years of experience in manufacturing & trading of computers and electronic products
- Founded Elco Systems in 1987, which manufactured Personal Computers and traded in Electronic components
- Leading the marketing initiatives at Cerebra, he is a driving force behind the team at Cerebra

Mr. Shridhar S Hegde, ED & CFO

- A Law graduate, started his career in 1982 with a leading pharmaceutical company
- He is responsible for obtaining major orders from Government, PSU and Corporates

Mr. P. Bharath, COO

- A Civil Engineer, started his own business by trading in Air conditioners
- He was responsible for setting up the factory at Peenya and is currently leading production activities at SMT Division

Mr. P. Vishwamurthy, ED

- A Mechanical Engineer, started his career in Vishwa Bharathi Electronics, a trading firm in 1991
- His responsibilities include resource management, client relationships and engagements

Mr. Asit Ahuja, CEO, Cerebra ME

- One of the Founder Directors of Cerebra Middle East FZCO, he is responsible for day to day operations
- He brings with him 24 years experience in IT Sales & Marketing, out of which 6 years have been in the Middle East

… transforming business towards growth

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1992

Started in May 1992 with manufacturing of Personal Computers and solutions built around PCs

1994

Backward Integration - started manufacturing Motherboards, Add-on Cards, etc.

2000

Maiden Public Issue subscribed by 6 times; Set-up SMT division

2004

Global downturn & expansion into Software rapidly in USA & Europe led the Company to heavy losses - Company reported to BIFR

2007

Restructure of Company; Share capital increased from Rs. 7.2 Crores to Rs. 15 Crores

2016

Forays into E-Waste Recycling; Setting-up integrated E-Waste recycling facility in Narsapura, Bangalore

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Catering to prestigious clients across industry

Banks

- Reserve Bank of India
- Bank of India – Relationship beyond banking
- Allahabad Bank
- Union Bank of India
- UCO Bank
- Deutsche Bank
- ING Vysya Bank

PSUs

- Electronics Corporation of India Limited – A Govt. of India (Dept. of Atomic Energy) Enterprise
- BHEL
- National Aerospace Laboratories
- Bharat Electronics
- Beml – New Frontiers. New Dreams
- Airports Authority of India
- HAL
- CMC Limited – Your IT Partner
- ITI

Govt. Agencies

- Government of India, Department of Atomic Energy, Indira Gandhi Centre for Atomic Research
- Indian Railways
- India Post
- BSNL – Connecting India
- CDAC
- ONGC
- CPWD
- High Court of Karnataka

Other Major Clients

- Thermax
- IIMB – तेजस्वि नावधीतमस्तु
- L&T
- Himalaya – Wellness Since 1930
- Sasken
- Avaya
- Pidilite
- VXL Instruments
- Trent
- Accelfrontline – Global IT Services
- Siemens
- Lucent Technologies – Bell Labs Innovations
- Crompton Greaves – Everyday Solutions
- KSSIDC

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Hardware Manufacturing

One of the Pioneers in Hardware Space in India

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Electronic Manufacturing Service (EMS)

- State-of-art SMT machines at Ultra modern facility in Bangalore
- Manufactures motherboards, memory modules, graphic cards
- Manufacturing plant at Peenya Ind. Area, Bangalore
- Installed capacity - 30,000 units / month

Enterprise Solutions Division (ESD) & Infrastructure Management

- Offers complete solutions for IT infrastructure based projects
- Provides networking, servers, storage, endpoints, operating systems, application software
- Automating process of conducting driving tests for Transport Department, Karnataka
- To Manufacture Cerebra branded storage server & other Storage products

Huge opportunity in Indian IT Infrastructure market

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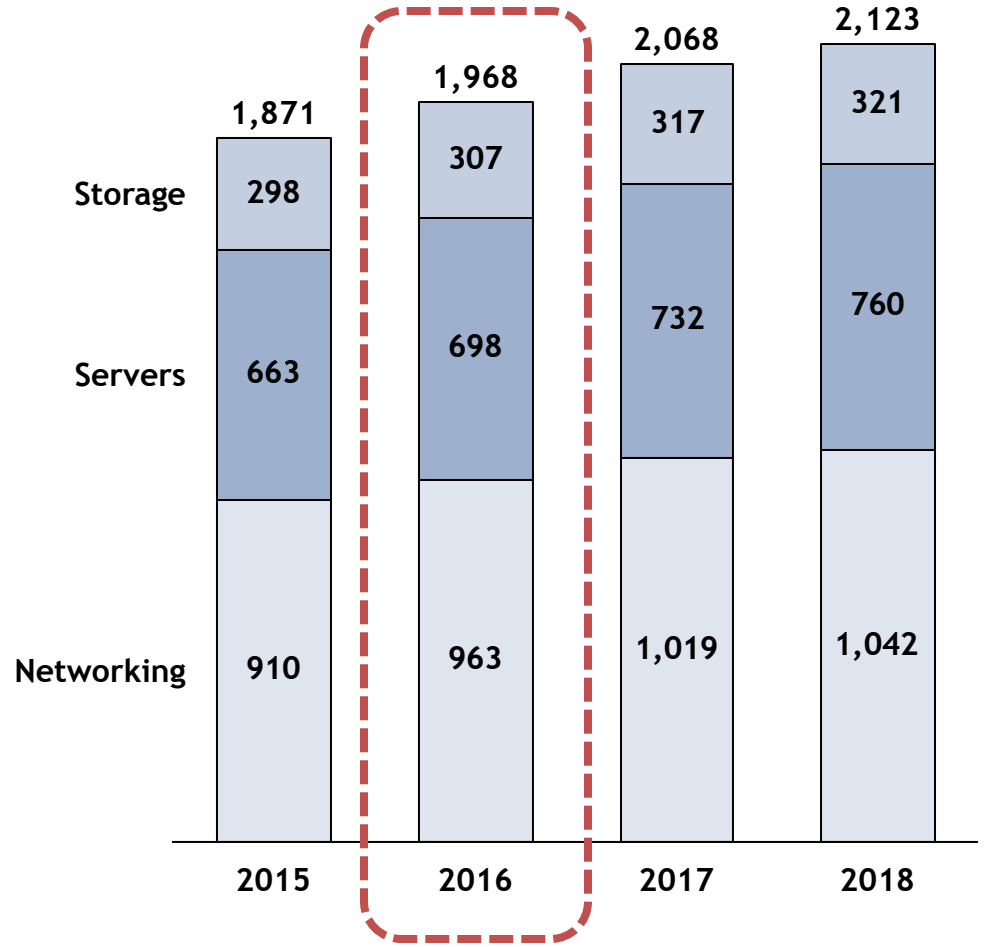
Indian IT Infrastructure: Key Facts

1. Indian data center infrastructure market estimated at $1,968 mn in 2016
2. Key drivers: storage modernization & consolidation, backup & recovery, disaster recovery
3. Escalation of both public as well private cloud adding huge data and driving storage needs

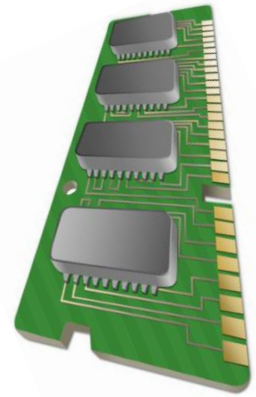
Revenue By Technology ($ mn)



Source: Gartner, Nov 2015

1. Electronic manufacturing service (EMS)

- Offers Box building & testing capabilities to customers
  - » Strategic tie-ups to offer full fledged In-Circuit testing
- Line consists of 7 zone Reflow oven from Vitronics Soltec, USA
  - » Line Speed of machines - ~20,500 components / hour
  - » Fully RoHS compliant SMT Line
  - » Adding two more lines to augment capacity
- R&D team for new product development & Indigenization
- Provide services to national & multinational companies
  - » Sectors like automotive, electronics, data communications and engineering



2. Infrastructure management & ESD

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Automated Driving Test System Project for RTO, Bangalore

- Unique order win for Automated Driving Test System (ADTS) from Transport department, Government of Karnataka
  - To automate process of conducting driving tests & issuance of licenses at select RTO center
  - 5 year contract to implement, Operate and maintain
  - Project value estimated at Rs 21.6 Crore - includes software, servers & other related hardware
- Multiple advantages of ADTS
  - Removes subjective opinion, Same yardstick to assess every candidate
  - Separate dedicated tracks for Heavy Vehicle, Light Motor Vehicle & Motorcycle
- Cerebra in discussion with other state Governments to implement ADTS

3. Security Surveillance – large market in GCC

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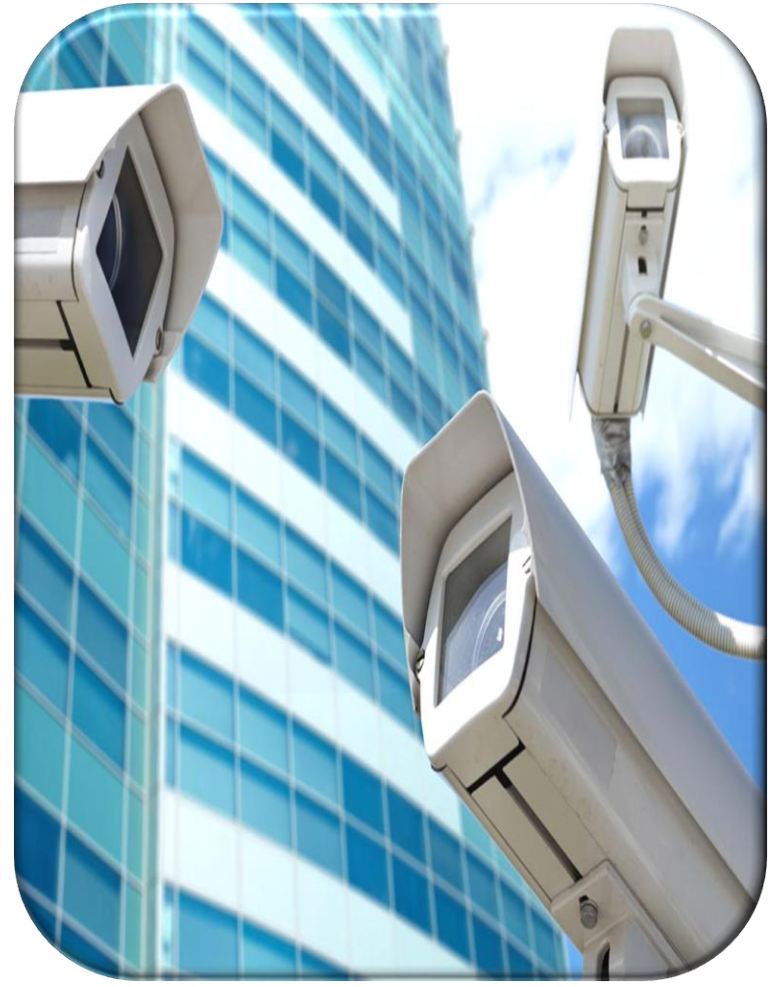
Distributor for Canon in UAE for Security Surveillance

- Canon (Japan) appointed Cerebra Middle East FZCO (Subsidiary of Cerebra) as a value added distributor for UAE region
- Cerebra ME will supply regional channel with Canon camera offerings for personalized control of security surveillance
- UAE's security and surveillance market to witness rapid growth due to EXPO 2020 in Dubai

Other Partnerships as Value Added Distributor

inventum inventive continuum
FUJITSU
neverfail business continuity made simple
SOLUS
fibrenetix
NetApp
MINDware
Brickcom
milestone
EchoStreams Innovative Solutions
ORACLE
FalconStor



Exploring entry into storage servers market

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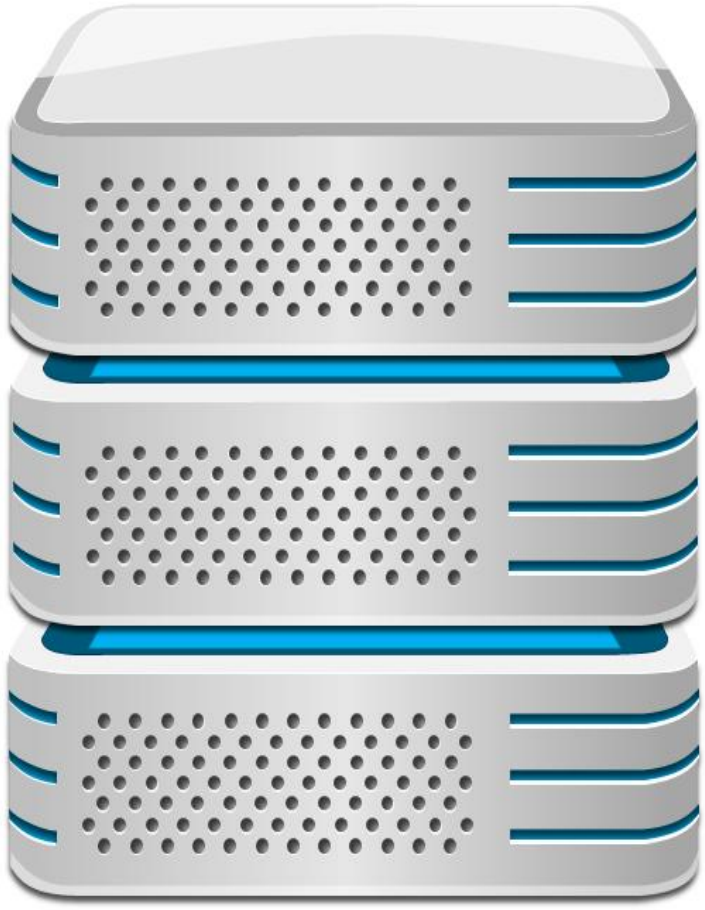
- **Offers complete range of storage solution**
  - Tie up with **Hitachi** for medium to large storage solutions
  - Tie up with **Dell** enables to offer Server and entry level storage solutions

- **Manufacture Cerebra branded storage server & other storage products for India & MENA regions**
  - Signed MOU with Echostreams Innovative Solutions, CA, USA
  - Echostream to provide engineering & design expertise

- **Government initiatives to fuel growth**
  - Make in India policy to favor products manufactured locally



Leverage its extensive dealer & sales network and target customers all over India & MENA region

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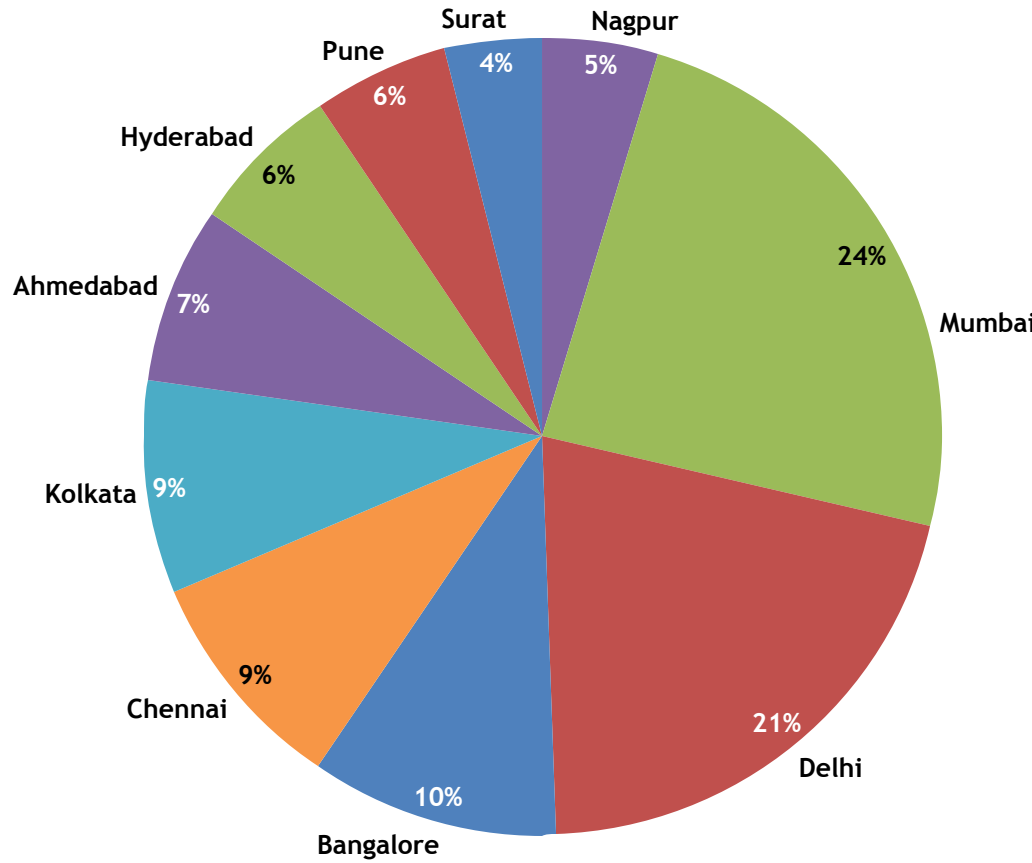
E-Waste Space: New Growth Area

E-Waste : Big Urban Problem…..

- **E-Waste is one of the fastest growing waste streams in the world**
  - Any discarded electronic and electrical product is an e-Waste
  - India generates more than 3.2 million tonnes per year of e-Waste, 5th largest e-Waste generator
  - IT proliferation has resulted in huge amounts of e-Waste being generated

- **Disposal of e-Waste is a critical issue today with huge toxic accumulation**
  - Unsustainable & unscientific handling of e-Waste has resulted in huge environmental hazards
  - 50 M tons of e-Waste is produced every year and is the fastest growing waste stream in world
  - Globally it is estimated that only 13% of e-Waste undergoes some form of recycling

City wise e-waste generation



Source: Dept. of Information Technology

…. Large opportunity for "Urban Mining"

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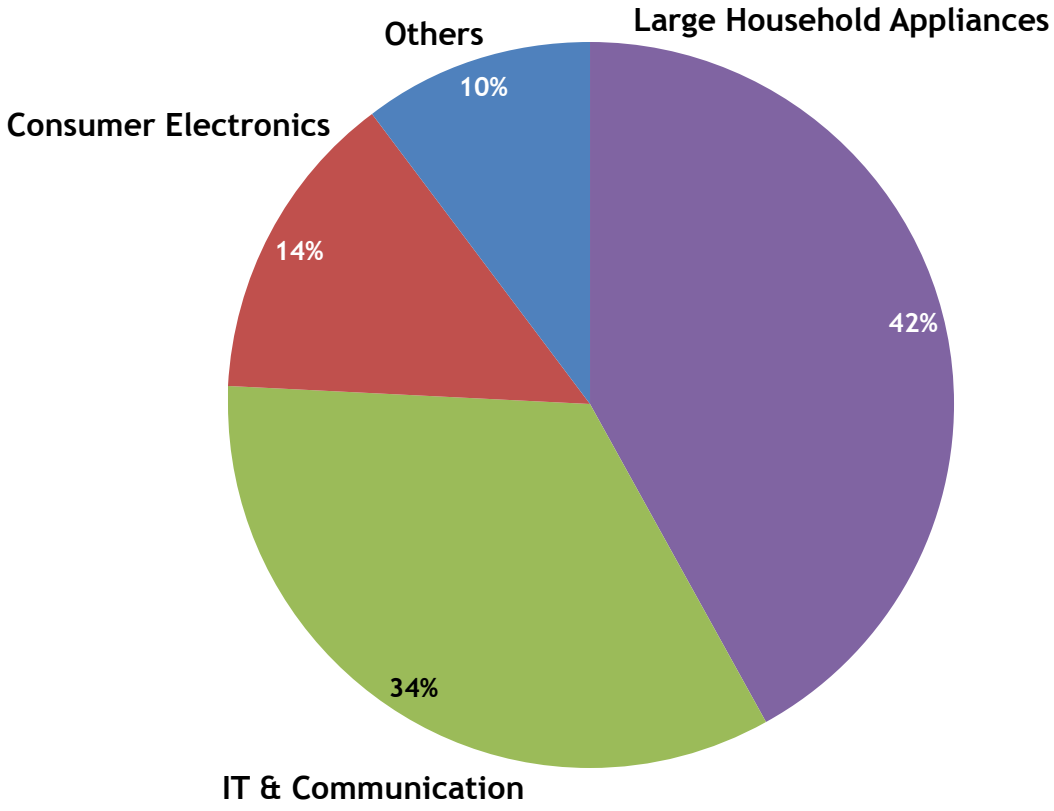
E-Waste Contributors



Source: Pollution Control Board

Urban Mining

1 MT of E-waste

Rs. 15 – Rs.20 per Kg.

Material	Weight (in gm)
Gold	16
Silver	189
Copper	69,287
Aluminum	141,723
Tin	10,078
Lead	62,988
Zinc	22,046
Iron	204,712
Plastics	229,907

Sufficient metals & non-metals can be recovered from E-Waste to put back into supply chain

Management estimates assuming material recovery from 1 MT Computer e-Waste

… Large opportunity for CEREBRA

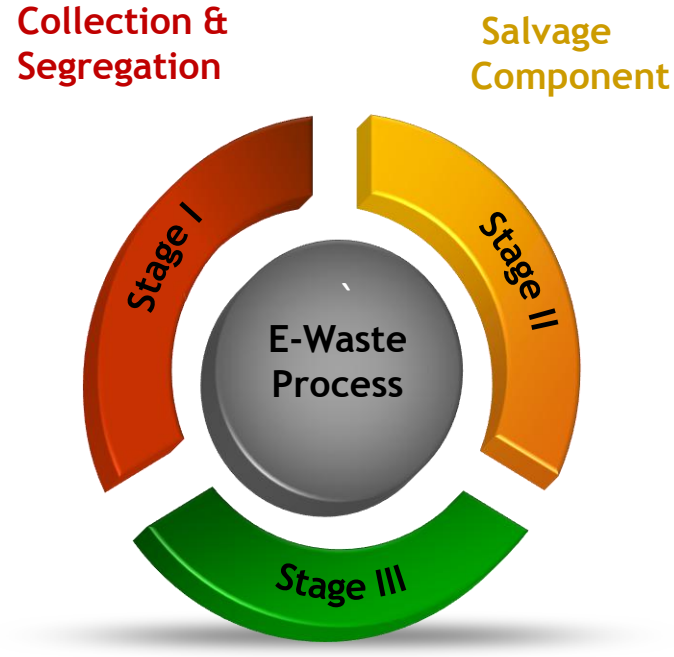
- Setting up India's largest e-Waste recycling at Narsapura, Bangalore
- Construction to be completed in 3 months, trial run for 2 months, fully operational by October 2016

- Allotted 12 acres industrial land from Government of Karnataka
- License received from Karnataka State Pollution Control Board

- Plant capacity to process 96,000 tonnes of e-Waste per annum
- Equipped for 100% recycling of collected e-Waste with zero landfill

- Plant to facilitate Refining & Recycling & Refurbishment of e-waste
- Signing channel partners & large corporates to expand network of e-Waste collection

Cerebra E-Waste Business Process



Advantage Cerebra

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01 Pioneer in hardware manufacturing with strong skill sets in repair & refurbish

02 Location Benefit: (i) Around 1,500 Software & BPO companies in Bangalore
(ii)Chennai manufacturing hub for Electronics & Automobiles

03 Strong vendor alliances and partnerships with IBM, Dell, HP, Oracle etc

04 Extensive dealer network already in place due to existing line of business

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Financial Performance

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Profitability Highlights - Q3 & 9M FY16

Rs. Crore	Q3 FY16	Q3 FY15	YoY	9M FY16	9M FY15	YoY
Revenue from Operations	**58.0**	**67.1**		**178.1**	**183.1**	
Raw Material & Fuel costs	52.5	62.0		162.7	169.0	
Employee Cost	1.4	1.5		4.6	5.1	
Other costs	2.2	2.2		6.1	4.2	
EBIDTA	**1.9**	**1.4**	**41.6%**	**4.6**	**4.7**	**-2.1%**
EBITDA Margin (%)	***3.3%***	***2.0%***		***2.6%***	***2.6%***	
Other Income	1.4	0.0		3.6	0.2	
Depreciation	0.1	0.2		0.5	0.5	
Interest	0.7	0.5		2.3	1.3	
Exceptional items	0.0	0.0		-1.0	0.0	
Tax	0.5	0.2		1.4	0.7	
Profit After Tax	**2.1**	**0.5**	**344.7%**	**3.0**	**2.3**	**30.2%**
Margin (%)	***3.6%***	***0.7%***		***1.7%***	***1.3%***	
Minority Interest	0.1	0.1		0.2	0.4	
PAT after MI	**2.0**	**0.4**		**2.8**	**1.9**	

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Consolidated Annual Profitability Highlights

Rs. Crore	FY15	FY14	FY13
Revenue from Operations	**267.47**	**130.46**	**230.74**
Other Income	0.19	0.81	1.3
Total Income	267.66	131.27	232.04
Raw Material & Fuel Costs	245.5	120.85	211.78
Employee Cost	6.76	3.64	6.13
Other Cost	8.62	3.05	5.9
EBITDA	**6.78**	**3.73**	**8.23**
EBIDTA margin (%)	***2.53%***	***2.84%***	***3.55%***
Interest	3.09	1.18	1.17
Depreciation	1.06	0.47	1.15
Tax	0.3	0.25	0.33
Profit After Tax	**2.33**	**1.83**	**5.58**
PAT Margin (%)	***0.87%***	***1.39%***	***2.40%***
Minority Interest	0.43	0.38	0.2
PAT after MI	**1.9**	**1.45**	**5.38**

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Balance Sheet Highlights

Rs. Crore	Sep-15	Mar-15
Shareholder's Funds	**134.25**	**132.87**
Share capital	84.33	84.33
Reserves & Surplus	49.92	48.54
Minority Interest	**0.94**	**6.02**
Non-current liabilities	**33.45**	**31.87**
Long term borrowings	33.22	31.58
Long-Term Provisions	0.23	0.27
Current liabilities	**110.24**	**60.49**
Short Term Borrowings	0	5.83
Trade Payables	105.42	48.58
Other Current liabilities	3.94	4.86
Short-term provisions	0.88	1.22
Total Equities & Liabilities	**278.88**	**231.25**

Rs. Crore	Sep-15	Mar-15
Non-current assets	**46.48**	**47.18**
Fixed assets	6.05	7.25
Non-current Investments	0	0
Long-term loans & advances	40.25	39.91
Other non-current assets	0.18	0.02
Current Assets	**232.4**	**184.08**
Current Investments	0	0
Inventories	2.91	17.25
Trade receivables	149.51	98.24
Cash & Cash equivalents	71.89	64.82
Short-term loans & Advances	5.48	2.82
Other Current Assets	2.61	0.95
Total Assets	**278.88**	**231.25**

THANK YOU