

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 30.09.2006**

PARTICULARS	SCHEDULE NO.	30.09.2006 (12 Months) Rs.	30.09.2005 (12 Months) Rs.
<b>INCOME</b>			
Sales and Services	13	1594055	21984837
Increase( Decrease in stock)	14	0	-4735150
Other Income	15	63388	307829
<b>TOTAL</b>		<b>1657443</b>	<b>17557516</b>
<b>EXPENDITURE</b>			
Materials	16	1106362	20556373
Manufacturing & Administrative Expenses	17	3608594	50004660
Marketing Expenses	18	34067	271524
Interest and Financial Charges	19	9658848	12385862
Depreciation		1979650	3840591
Public Issue expenses w/off		0	630080
<b>TOTAL</b>		<b>16385512</b>	<b>87689080</b>
<b>Profit/(Loss) Before Taxation</b>		<b>(14728070)</b>	<b>(70131574)</b>
Provision for Taxation			
	Current	0	0
	Deferred	-	(681,200)
	Fringe Benefit Tax	20883	0
<b>Profit/(Loss) after Tax</b>		<b>(14,748,953)</b>	<b>(69,450,374)</b>
Proposed Dividend-Final		0	0
<b>Balance Transferred to Balance Sheet</b>		<b>(14,748,953)</b>	<b>(69,450,374)</b>

Significant Accounting Policies & Notes to Accounts 20  
The Schedules referred to above form an integral part of the Balance Sheet

As per our Audit Report of Even Date  
for M.S.REDDY & ASSOCIATES  
Chartered Accountants

By Order of the Board  
For Cerebra Integrated Technologies Limited

**M.Sridhar Reddy**  
Partner  
Membership Number 201103

**V. Ranganathan**  
Managing Director

**Sridhar S Hegde**  
Director

PLACE : BANGALORE  
Date : November 30, 2006

For CEREBRA INTEGRATED TECHNOLOGIES CO.,

**Annual Report 2004-05**

**SCHEDULE TO BALANCE SHEET AS AT 30TH SEPTEMBER, 2006**

	30.09.2006 Rs.	30.09.2005 Rs.
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized Capital</b>	100,000,000	100,000,000
100,00,000 Equity Shares of Rs 10/-each Issued & Subscribed & Paid Up 58,96,253 equity shares of Rs. 10/- each of the above Shares:	58,962,530	58,962,530
I 140000(1998:140000) Equity Shares of Rs 10 each, have been alloted as fully Paid bonus Shares by capitalisation of Profits of the previous years.		
II 16153 (1998:16153) Equity Shares of Rs 10 each, have been alloted as fully paid-up, pursuant to a contract without payment being received in cash.		
III 1177400 Equity Shares of Rs 10 each, have been alloted as fully paid bonus Shares by capitalisation of the Profits on 4-2-2000.		
IV 1479300 equity shares of Rs 10 each, have been alloted on 8-5-2000 as fully paid up shares consequent to public issue Add Forfeited Shares (amount originally paid on 20300 shares @ Rs. 5/- each).	101,500	101,500
	<u>59,064,030</u>	<u>59,064,030</u>
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
Capital Reserve	1,143,412	1,143,412
Share Premium Account	177,077,500	177,077,500
Total	<u>178,220,912</u>	<u>178,220,912</u>
<b>Schedule 3</b>		
<b>SECURED LOAN</b>		
Term Loan & Other Secured Loans (Note # 1)	3,929,710	3,929,710
Working Capital Finance (Note # 2)	76,761,456	76,065,942
	<u>80,691,166</u>	<u>79,995,652</u>

**NOTES**

- Secured by Exclusive First charge on Plant and Machinery, Lien on Fixed Deposits and other assets procured under Term Loan from Canara Bank.
- Secured by Hypothecation of Inventories, Plant and Machinery, Furniture & Fixture and Other Fixed Assets present & future and charge on book debts, Land and Guaranteed by Managing Director and Three other directors for credit limits availed from Canara Bank and State Bank of India.

FOR FREBRA INTEGRATED TECHNOLOGIES LTD.

  
Director