



# Cerebra : Riding on E-Waste, LPO & Fuel from Plastic

Cerebra Integrated Technologies Limited provides Total IT Solutions comprising LPO, BPO and KPO services. It commenced its business in 1992 starting with the Hardware sector and later expanded to provide software services, IT training and consulting. From being a pure IT company, Cerebra has re-jigged its business plan and pins a lot of hopes on the LPO and e-waste businesses, together with plastics to fuel tech-

**The research being conducted at Cerebra focuses on areas identified as:**  
**Conversion of e-Waste generated plastic, metal & copper towards a greener environment carried out with local Universities and research institutes**

nologies to get itself into a totally different league. Cerebra serves its customers through branch offices and with over 100 channel partners in India. The System Integration Division (SID) is located in the Peenya Industrial belt of Bangalore with an ultra modern facility.

**Cerebra primarily offers following services to its clients :**

**1. Electronic manufacturing services :** Cerebra EMS has the state of the art SMT line which caters to manufacturing of electronic assemblies to the global market.

## Electronic Manufacturing Services



**2. System integration :** The System Integration Division manufactures Servers, Desktops, Notebooks, Workstations, Kiosks and World-Class servers including Rack-mountable servers and High-end 8 way Intel based servers in a fully antistatic environment.

**3. Legal support services (LPO) :** At Cerebra LPO, lawyers, paralegal and engineers work together to deliver quality legal services to global clients. It is a very profitable business. It provides professional legal outsourcing services to Europe and USA based customers under 100% subsidiary company. For LPO business also it has been allotted 2 Acre land near New Bangalore airport. LPO unit is also acquiring an old company based in UK having 200 cr topline with equity swap ratio which would also be higher than prevailing price.

**4. Medical transcription services :** Cerebra MT provides I.T. solutions for physician practices and healthcare organizations. Its products and services are affordable, interoperable, pragmatic,

- \* Cerebra Integrated Technologies is setting up one of India's largest e-waste facility and will be one of the leading players in this business. It will be game changer for the company
- \* It will set up 30000 ton one shift (90000 ton for 3 shift basis) E-waste project in banglore under 12 Acre land allotted to it under Karnataka Vibrant Investor summit during Sep-10 under technical and financial collaboration of world's largest E-waste processor Cimelia, Singapore
- \* Cimelia has patented technology to convert plastic to fuel for which plant would be set up in near future. Under this project plastic would be converted into diesel. It will be major trigger for the company as if the project implemented in full scale 1 kilogram plastic will give 1 litre of fuel.
- \* Cimelia is going to increase its shareholding beyond 51% in due course of time at much higher share price compared to its present price.
- \* Cerebra would be pioneer in this E-Waste business and with expected top line of 500 crores with a 25% margin; its EPS is expected to be around 25 in 2013 and growing at 30% every year. At CMP of Rs. 37, the stock is worth accumulating for next two years with a target of Rs. 300

compliant, and secure. The company provides transcription services and solutions to doctors in the United Kingdom and USA.

5. Infrastructure Management (IM) Cerebra, provides comprehensive services to help organizations optimize critical IT staff. Its Infrastructure Management Services offer



law under process by the central government, total E-Waste Industries would come under organised sector as soon as law

per cent of product produced in this process is high grade fuel oil and 10 per cent is LPG.

The global e-waste material during 2009 was worth about Rs. 400 billion and is expected to be Rs. 500 billion by 2014. In India, about 8 lakh tones of e-waste is generated annually. Other e-waste recyclers are struggling

## Promoter of Cerebra Integrated Technologies

V. Ranganathan, Managing Director, Cerebra Integrated Technologies, is an Engineer from R.V. College of Engineering in Electrical Science. Initially he worked as a Design engineer in Electro systems & Associates for a year, started his own manufacturing and Trading organisation in 1987 under the name and style of Elco Systems, which was a partnership firm involved in manufacturing of various types of personal computers and trading in electronic components catering to the needs of medium and large scale industries in both private and public sector. In the year 1989, he set up a private Limited company, Megatromech Systems Private Limited in electronic city at Bangalore to manufacture various computer peripherals and add-on cards. In the year 1992, he started the present company as a partnership firm under the name 'Integrated Technologies' which was later converted into a public limited company under the name and style of Cerebra Integrated Technologies Limited. As a part of the strategy to cater to the needs of the hardware market and as part of backward integration, he started Monolithic Components and Peripherals during the year 1992 to trade in components and Kranion Technologies Private Limited during the year 1993 to manufacture Motherboards and add-on cards. In the year 1995, he was involved in setting up a software training Institute in Koramangala, Bangalore under the name and style Sri Vidya Education Centre, which was a franchisee of Aptech Limited, one of the leaders in computers education. Monolithic components and peripherals were merged with CEREBRA with effect from 1st April 1997.



**V. Ranganathan (MD)**  
Cerebra Integrated Technologies

a complete portfolio of solutions and services for managing enterprise IT infrastructures.

In the recent years, the company has focused on high growth and high margin business of LPO. The company has bagged orders from UK and US law firms and practice areas include bankruptcy and foreclosure, commercial litigation, family law, personal injury, will and trusts, etc. This division boasts getting fees of 90-120 dollars per hour. It has 500 seat LPO.

In a major development, which might be game changer for the company, Cerebra Integrated Technologies is setting up one of India's largest e-Waste facility and wants to be one of the leading players in this business. E-Waste business has huge potential not only in terms of generating huge revenues and profits for the company and its shareholders but also wants to contribute in a big way to the Green environment issues that have taken off worldwide.

Since many decades E-Waste Business is under unorganised sector but due to

is promulgated due to Environment and pollution related matter. Gazette has been announced recently.

Cerebra is going to be pioneer to set up 30000 ton one shift (90000 ton for 3 shift basis) E-waste project in banglore under 12 Acre land allotted to it under Karnataka Vibrant Investor summit during Sep-10 under technical and financial collaboration of world's largest E-waste processor Cimelia, Singapore which is present in 23 countries and also is listed on Singapore Stock Exchange. According to Mohammed Ansari, Business development director, Cimelia, who is in Singapore, the catalyst that is used in this technology can handle any kind of plastic and 85

**Research : Cerebra Group has a unique mission to lead Cerebra into a green future: Efforts towards this perspective will lead to being a global leader of open innovation for new green products and green recycling methods**

with short of capacity. It will be advantage Cerebra.

Cimelia will invest about Rs.46 crore and in this project and targets to invest Rs.230 crore in next three years. Cimelia has been allotted 93 lakh shares as Co-promoter in Cerebra, approval of which is under process and is to be completed within few days. Cimelia is going to manage total project and also run plant and also going to increase its shareholding beyond 51% in due course of time at much higher share price compared to its present price. It may trigger open offer. Cerebra has roped in Scenic Singapore Pte, to supply plant and machinery and Leytron Pte, to ensure proper installation and commissioning of the plant and machinery. All three companies have been allotted shares at Rs. 17.5 per share as part of payment. After this, the promoter holding would be at around 40 per cent.

Cerebra will have another major benefit from its tie-up with Cimelia. Cimelia has patented technology to convert plastic to fuel for which plant would be set up in near future. Under this

project plastic would be converted into diesel. It will be major trigger for the company as if the project implemented in full scale 1 kilogram plastic will give 1 litre of fuel.

Its projected sales for the Oct-10 to Sep-11 year is expected to be Rs.125 Cr and profit is expected to be Rs.15 cr on equity of Rs.15 cr. Also, its projected sales for the 2011-12 year is expected to be Rs.250 Cr and bottomline to be Rs.65 cr on equity of Rs.35

**Cerebra strives for open innovation with academia, industry collaborators and independent researchers. We are in talks with some of our projects to take place with leading Educational Institutes, Research Organisations and the Industry.**

crore. It is expected to achieve Rs. 125 crore net profit in the year 2012-13 on sales of Rs. 500 crore with an equity of just Rs. 37 crore.

All in all, Cerebra has made strong come back. Now It's a debt free company and all its efforts for the past 2 years have paid off after having Cimelia as their Co-promoters in setting up India's largest E-waste processing outfit. The Turnover is expected to be around Rs. 500 Crores by 2012-13 with a margin of around 25% without the plastic to fuel technology being implemented at all. Cerebra already has

## E-Waste Recycling Facility



relationships with hardware suppliers, vendors and companies like Infosys, Wipro etc which can act as major e-waste source. (This is currently a major concern for Cimelia in Singapore since Ewaste is not available freely there and has to be imported). Cerebra has benefit that its e-waste revenue will start immediately even before the plant is ready as it plans to act as an aggregator in the meanwhile and export the E-waste to Singapore facility of Cimelia for processing. Also, there is possibility of demerger of the LPO business and the Ewaste Business from the existing Hardware business. The management also seconds this view and demerger is definitely on the cards as a lot of institutions are already looking at these vertically on a standalone basis as to how it pans out.

As Cerebra would be pioneer in this E-Waste business and with expected topline of 500 crores with a 25% margin, its EPS is expected to be around 25 in 2013 and growing at 30% every year. At CMP of Rs. 37, the stock is worth accumulating for next two years with a target of Rs. 300. \*\*\*

## Legal Process Outsourcing



## Medical Transcription

