

Date: 31<sup>st</sup> May 2019

To

The General Manager  
Department of Corporate Services  
BSE LTD,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

The Manager  
Listing Compliance  
The National Stock Exchange of India Limited  
BKC Complex  
Bandra Kurla  
Mumbai

**KAVVERI TELECOM PRODUCTS LIMITED**

Dear Sir,

*Sub: - Intimation of Board Meeting*

*Sub: - OUTCOME OF Board Meeting - RESULTS for the 4<sup>th</sup> quarter & Year ending on 31<sup>st</sup> March 2019*

Pursuant to the Regulation 29 (1) a) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, and pursuant to above referred references, we hereby submit the Audited Financial Results for the 4<sup>th</sup> Quarter & Year ending on 31<sup>st</sup> March 2019 which were considered, and approved in the Meeting of the Board of Directors of the Company held on Thursday, 30<sup>th</sup> May 2019 at the Registered Office of the Company.

*Board has considered various possibilities for the growth of the business and has discussed the business extensively and matters at length and due to which the meeting last long and took long time. The Meeting was commenced at 11.00 a.m. on 30<sup>th</sup> May 2019 and concluded at 06.00 p.m. on 31<sup>st</sup> May 2019.*

This is for your information and records.

Thanking You.

For Kavveri Telecom Products Limited

Chairman & Managing Director





**KAVVERI TELECOM PRODUCTS LIMITED**

Registered Office : Plot No 31 -36, 1st Floor, 1st Main, 2nd Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore, Karnataka - 560076

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR QUARTER and YEAR ENDED 31st March, 2019**

telecom products limited

(Rs. In Lacs)

S. No	Particulars	Year to Date				
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
		Audited	Unaudited	Audited	Audited	Audited
1	Revenue From Operations					
	a) Net Sales / Revenue from Operations	20.09	86.07	18.68	173.09	64.28
	b) Other Operating Income	5.97	0.20	0.37	7.20	-
	<b>Total Revenue from Operations (Net)</b>	<b>26.06</b>	<b>86.27</b>	<b>19.05</b>	<b>180.29</b>	<b>64.28</b>
2	Other Income	-	-	8.48	-	8.48
	<b>Total Income (1+2)</b>	<b>26.06</b>	<b>86.27</b>	<b>27.53</b>	<b>180.29</b>	<b>72.76</b>
3	Expenses					
	a) Cost of materials consumed	12.71	38.85	10.05	70.75	40.21
	b) Purchases of Stock - in - trade	-	-	-	-	-
	c) Changes in inventories of finished goods , work-in-progress and stock-in-trade	-	-	-	-	-
	d) Employee benefits expenses	23.68	13.74	10.46	58.74	45.25
	e) Depreciation and amortisation expenses	103.35	95.40	80.12	389.54	382.64
	f) Other expenditure	-	-	-	-	-
	- Operating Expenses	409.97	25.84	1,641.13	480.02	1,689.98
	- Finance Costs	350.66	331.16	350.60	1,344.21	1,344.18
	<b>Total Expenses</b>	<b>900.37</b>	<b>504.99</b>	<b>2,092.36</b>	<b>2,343.26</b>	<b>3,502.26</b>
4	Profit / (Loss) before tax (1+2-3)	(874.31)	(418.72)	(2,064.83)	(2,162.97)	(3,429.50)
5	Tax Expenses.	2,019.00	24.78	598.10	2,137.74	(645.38)
6	Net Profit (+) / Loss (-) from ordinary activities after tax (4-5)	1,144.69	(393.94)	(1,466.73)	(25.23)	(2,784.12)
7	Extraordinary items (net of tax expenses)	-	-	-	-	-
8	Net Profit (+) / Loss (-) for the period (6-7)	1,144.69	(393.94)	(1,466.73)	(25.23)	(2,784.12)
9	Other Comprehensive Income	-	-	-	-	-
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
10	<b>Total Comprehensive Income for the period (8+9)</b>	<b>1,144.69</b>	<b>(393.94)</b>	<b>(1,466.73)</b>	<b>(25.23)</b>	<b>(2,784.12)</b>
	<b>Earnings Per Equity Share - (for Continuing operation)</b>					
	Basic (Rs.)	-	-	-	-	-
	Diluted (Rs.)	-	-	-	-	-
11	<b>Earnings Per Equity Share - (for Discontinued operation)</b>					
	Basic (Rs.)	-	-	-	-	-
	Diluted (Rs.)	-	-	-	-	-
12	<b>Earnings Per Equity Share - (for Continuing &amp; Discontinued operation)</b>					
	Basic (Rs.)	5.69	(1.96)	(7.29)	(0.13)	(13.83)
	Diluted (Rs.)	-	-	-	-	-

**Notes**

- The Company has adopted Indian Accounting Standards (IND AS) prescribed under section 133 of Companies Act, 2013, read with relevant rules issued there under. The date of transition of the Ind As is 1st April 2016 and accordingly, these audited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period have been reinstated accordingly.
- The above audited financial results for the quarter ended 31st March, 2019 were taken on record at the meeting of the Board of Directors held on 30th May, 2019 after being reviewed and recommended by the Audit committee.
- There is no segment wise income, only we are having single segment of income i.e telecom products services
- The figures for the previous period/year have been regrouped/reclassified, wherever necessary.

 Place : Bangalore  
 Date : 30.05.2019

For Kavveri Telecom Products Limited

 C Shiva Kumar Reddy  
 Whole Time Director




KAVVERI TELECOM PRODUCTS LIMITED		
Standalone Balance Sheet as at 31st Mar, 2019		
PARTICULARS	As at 31 Mar 2019	As at 31 Mar 2018
<b>ASSETS</b>		
<b>Non - Current Assets</b>		
Property, Plant & Equipment	101,928,023	240,562,283
Intangible Assets	26,005,928	25,296,145
Capital Work in Progress	5,416,969	5,366,919
<b>(i) Financial Assets</b>		
(a) Investments	538,250,215	538,250,160
(b) Loans and advances	31,626,862	16,754,299
Other Non Current Assets	928,912,099	833,164,971
Deferred Tax Asset	207,376,465	
<b>Subtotal</b>	<b>1,839,516,561</b>	<b>1,659,394,776</b>
<b>Current Assets</b>		
Inventories	574,814,889	568,292,200
<b>(i) Financial Assets</b>		
(a) Trade Receivables	386,075,117	428,596,650
(b) Cash and cash Equivalents	2,798,282	2,959,487
Other Current Assets	45,185,066	32,972,486
<b>Subtotal</b>	<b>1,008,873,355</b>	<b>1,032,820,824</b>
<b>Total</b>	<b>2,848,389,916</b>	<b>2,692,215,600</b>
<b>PARTICULARS</b>		<b>As at 31 Mar 2018</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	201,242,600	201,242,600
Other equity	590,319,133	592,840,344
<b>Subtotal</b>	<b>791,561,733</b>	<b>794,082,944</b>
<b>LIABILITIES</b>		
<b>Non- Current liabilities</b>		
<b>(i) Financial liabilities</b>		
Provisions	224,857,647	226,203,907
Deferred tax liabilities (Net)	-	5,946,861
<b>Subtotal</b>	<b>224,857,647</b>	<b>232,150,769</b>
<b>Current liabilities</b>		
<b>(i) Financial liabilities</b>		
(a) Borrowings	764,993,440	845,358,440
(a) Trade Payables	117,778,682	12,979,242
Other Current Liabilities	916,122,515	777,426,172
Provisions	33,075,899	30,218,034
<b>Subtotal</b>	<b>1,831,970,536</b>	<b>1,665,981,888</b>
<b>Total</b>	<b>2,848,389,916</b>	<b>2,692,215,600</b>

For KAVVERI TELECOM PRODUCTS LTD

Authorized Signatory



**P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
Fax : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

**Auditor's Report on Standalone Quarterly Financial Results and Year to Date Financial Results of M/s. KAVVERI TELECOM PRODUCTS LIMITED pursuant to the Regulation 33 of the SEBI ( Listing Obligations and Disclosures Requirements) Regulations, 2015.**

To

The Board of Directors

**KAVVERI TELECOM PRODUCTS LIMITED**

1. We have audited the standalone quarterly financial results ("the Statement") of **M/s. KAVVERI TELECOM PRODUCTS LIMITED** ("the Company") for the quarter ended March 31, 2019 and to the year to date financial results for the year ended March 31, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, except for the disclosures regarding Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The standalone quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The standalone financial results for the quarter ended March 31, 2019 have been prepared on the basis of the standalone annual IND AS financial Statements for the nine-month period ended December 31, 2018, the audited annual financial statements as at and for the year ended March 31, 2019, and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with applicable Ind AS and other recognised accounting policies laid down in Ind Accounting Standard (AS) 34, Interim Financial Reporting, specified under section 133 of the act, read with rules 7 of the companies (Accounts) Rules 2014. And other accounting principles generally accepted in India and our audit of the standalone annual financial statements as at and for the year ended March 31, 2019; and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. These standalone financial results have been prepared on the basis of Ind AS financial statements and reviewed quarterly financial results up to the end of the third quarter, which are the responsibility of Companies Management. Our responsibility is to express an opinion on these standalone financial results based on our Audit of such annual Ind AS Financial statements, which has been prepared in accordance with the recognised and measurements principles laid down in Indian Accounting Standards, prescribed under section 133 of the Companies Act, 2013 and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.





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3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

#### **4. Qualified Opinion:**

- I. In respect of preparation of financial statements of the Company on going concern basis, during the year the Company has incurred a Net Loss of Rs. 2,162.96 Lakhs resulting into accumulated losses of Rs. 7,002.49 Lakhs. The Company has obligations towards fund based borrowings aggregating to Rs. 16,701.57 Lakhs and significant decrease in revenue over the years, Operational creditors, statutory dues. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statements.
- II. In relation to carrying value of investments held in by the company to its subsidiaries, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments are realizable at the value stated in the books. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value made thus, we are unable to comment whether any provision for impairment in the value of investments is required.
- III. The Company has defaulted in repayment of dues to Banks for the year ended 31st March, 2019. All the loans outstanding were classified as NPA by the Banks. The balance outstanding as at 31.03.2019 is Rs. 83.46 Crores (Including Principle and Interest Provisions on the loans but excluding Penal Interest if any) and Interest Provision during the year charged Statement of Profit & Loss Account amounting to Rs. 13.24 Crores have been Provided, which is not paid by the company.
- IV. In respect of non-availability of confirmations of Trade Receivables and various advances. In the absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.
- V. In respect of non-availability of confirmations of Trade Payables and various advances/borrowings. In the absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are payable.



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- VI. The Company is not regular in payment of undisputed statutory dues towards TDS for the year ended 31<sup>st</sup> March, 2019.
- VII. The company recognised deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to Rs. 2,137.75 Lakhs. The management of the company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12), Had the aforesaid deferred tax assets not been recognised, Loss after tax for the year ended 31<sup>st</sup> March, 2019 would have been higher by Rs. 2,137.75 Lakhs, Other equity would have been lower by Rs. 2,137.75 Lakhs.
5. In our opinion and to the best of our information and according to the explanations given to us except as mentioned in qualified opinion paragraph, these standalone quarterly financial results as well as the year to date standalone financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in this regard; and
  - (ii) Give a true and fair view of the total comprehensive income (Comprising of net loss & other Comprehensive income) and other financial information for the quarter ended March 31, 2019 as well as the year to date results for the period from April 1, 2018 to March 31, 2019.

For P. Murali & Co.

Chartered Accountants

FRN: 007257S

*P. Murali Mohana Rao*

P. Murali Mohana Rao

Partner

Membership No. 023412



Place: Hyderabad

Date: 30-05-2019



KAVVERI TELECOM PRODUCTS LIMITED		
Consolidated Balance Sheet as at 31st Mar, 2019		
PARTICULARS	As at 31 Mar 2019	As at 31 Mar 2018
<b>ASSETS</b>		
<b>Non - Current Assets</b>		
Property, Plant, Equipment (including goodwill)	26,05,86,240	1,81,78,74,911
Capital Work in Progress	54,16,969	53,66,919
<b>(i) Financial Assets</b>		
(a) Security Deposits	-	1,69,73,197
Other Non Current Assets	91,09,42,989	20,35,54,466
Investment	36,64,86,258	6,07,57,116
	<b>1,54,34,32,456</b>	<b>2,10,45,26,609</b>
<b>Current Assets</b>		
Inventories	73,42,23,949	75,11,33,568
<b>(i) Financial Assets</b>		
(a) Trade receivables	53,12,28,310	1,05,74,02,975
(b) Cash and Cash Equivalents	3,82,76,196	7,63,66,815
Current Tax Assets (Net)	-	15,59,14,419
Other Current Assets	67,92,83,370	76,63,82,489
	<b>1,98,30,11,826</b>	<b>2,80,72,00,266</b>
<b>Total</b>	<b>3,52,64,44,282</b>	<b>4,91,17,26,875</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	20,12,42,600	20,12,42,600
Other equity	17,57,66,733	3,20,75,633
	<b>37,70,09,333</b>	<b>23,33,18,233</b>
<b>Minority Interest</b>	-	<b>19,72,441</b>
<b>LIABILITIES</b>		
<b>Non- Current liabilities</b>		
<b>(i) Financial liabilities</b>		
(a) Borrowings	85,84,78,979	48,50,81,131
(B) Provisions	22,48,57,647	23,13,88,432
Deferred tax liabilities (Net)		3,65,36,876
	<b>1,08,33,36,626</b>	<b>75,30,06,439</b>
<b>Current Liabilities</b>		
<b>(i) Financial Liabilities</b>		
(a) Borrowings	1,44,29,55,700	2,18,62,54,659
(b) Trade Payables	32,45,36,391	78,78,55,973
(c) Other Financial Liabilities	4,43,31,163	41,02,14,513
Other Current Liabilities	22,11,28,114	33,31,94,909
Provisions	3,31,46,954	20,59,09,708
	<b>2,06,60,98,323</b>	<b>3,92,34,29,762</b>
<b>Total</b>	<b>3,52,64,44,282</b>	<b>4,91,17,26,875</b>

For Kavveri Telecom Products Limited

Chairman & Managing Director





**KAVVERI****KAVVERI TELECOM PRODUCTS LIMITED**

Registered Office : Plot No 31 -36, 1st Floor, 1st Main, 2nd Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore, Karnataka - 560076

**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR QUARTER IV AND YEAR ENDED 31st MARCH, 2019**

telecom products limited

(Rs. In Lacs)

S. No	Particulars	Quarter ended			Year ended	
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
		Audited	Unaudited	Audited	Audited	Audited
1	Revenue From Operations					
a)	Net Sales / Revenue from Operations	99.71	378.25	490.49	558.81	1469.07
b)	Other Operating Income	12.83	10.69	-	88.50	17.64
	<b>Total Revenue from Operations (Net)</b>	<b>112.54</b>	<b>388.94</b>	<b>490.49</b>	<b>647.31</b>	<b>1,486.71</b>
2	Other Income	-	-	(15.05)	-	-
	<b>Total Income</b>	<b>112.54</b>	<b>388.94</b>	<b>475.44</b>	<b>647.31</b>	<b>1,486.71</b>
3	Expenses					
a)	Cost of materials consumed	40.99	140.26	101.73	194.08	198.04
b)	Purchases of Stock - in - trade	-	-	-	-	-
c)	Changes in inventories of finished goods , work-in-progress and stock in-trade	10.03	(11.06)	(633.74)	-	-
d)	Employee benefits expenses	44.26	37.59	121.53	132.92	304.08
e)	Depreciation and amortisation expenses	103.84	409.29	400.31	393.96	1,649.83
f)	Other expenditure	-	-	-	-	-
	- Operating Expenses	495.32	116.85	1,118.80	684.54	2,079.57
	- Finance Costs	305.03	481.18	656.90	1,302.85	1,950.08
	<b>Total Expenses</b>	<b>999.47</b>	<b>1,174.11</b>	<b>1,765.53</b>	<b>2,708.35</b>	<b>6,181.60</b>
4	Profit / (Loss) before exceptional items and tax	(886.93)	(785.17)	(1,290.09)	(2,061.04)	(4,694.89)
5	Exceptional items	-	-	-	-	-
	<b>Profit / (Loss) before tax</b>	<b>(886.93)</b>	<b>(785.17)</b>	<b>(1,290.09)</b>	<b>(2,061.04)</b>	<b>(4,694.89)</b>
6	Tax Expenses	2,019.00	2,495.91	(1,722.03)	2,137.74	(1,722.03)
7	Net Profit (+) / Loss (-) from ordinary activities after tax (4-5)	1,132.07	1,710.74	431.94	76.70	(2,972.86)
8	Extraordinary items (net of tax expenses)	-	-	-	-	-
9	Net Profit (+) / Loss (-) for the period (6-7)	1,132.07	1,710.74	431.94	76.70	(2,972.86)
10	Other Comprehensive Income	-	-	-	-	-
A (i)	Items that will not be reclassified to profit or loss	-	-	-	-	-
(ii)	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
B (i)	Items that will be reclassified to profit or loss	-	-	-	-	-
(ii)	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
11	<b>Total Comprehensive Income for the period (8+9)</b>	<b>1,132.07</b>	<b>1,710.74</b>	<b>431.94</b>	<b>76.70</b>	<b>(2,972.86)</b>
	<b>Earnings Per Equity Share - (for Continuing operation)</b>					
	Basic (Rs.)	5.63	8.50	2.15	0.38	(14.77)
	Diluted (Rs.)	-	-	-	-	-
12	<b>Earnings Per Equity Share - (for Discontinued operation)</b>					
	Basic (Rs.)	-	-	-	-	-
	Diluted (Rs.)	-	-	-	-	-
13	<b>Earnings Per Equity Share - (for Continuing &amp; Discontinued operation)</b>					
	Basic (Rs.)	5.63	8.50	2.15	0.38	(14.77)
	Diluted (Rs.)	-	-	-	-	-

**Notes**

- The Company has adopted Indian Accounting Standards (IND AS) prescribed under section 133 of Companies Act, 2013, read with relevant rules issued there under. The date of transition of the Ind As is 1st April 2016 and accordingly, these unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period have been reinstated accordingly.
- Kavveri Telecom Infrastructure Limited, Which is a Subsidiary to the company, the Hon'ble National Company Law Tribunal, Bengaluru Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Kavveri Telecom Infrastructure Limited and appointed Sri B. Hariharan to act as interim resolution professional (IRP). We are yet to get the approval of financial statements or financial information from the Committee of Creditors for the quarter ended 31st March, 2019 and year to date financial results. Hence we are unable to consolidate Kavveri Telecom Infrastructure Limited financials into consolidation results. In view of the above earlier quarter consolidated financial results are not comparable with current quarter consolidated financial results
- The Company recognised deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to Rs. 2,137.75 Lakhs. The management of the company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised.
- The above audited financial results for the quarter ended 31st March, 2019 were taken on record at the meeting of the Board of Directors held on 30th May, 2019 after being reviewed and recommended by the Audit committee.
- There is no segment wise income, only we are having single segment of income i.e telecom products services
- The figures for the previous period/year have been regrouped/reclassified, wherever necessary.

For Kavveri Telecom Products Limited

Place : Bangalore

Plot No 31 -36, 1st Floor, 1st Main, 2nd Stage, Arakere Mico Layout, Bannerghatta Road, Bangalore - 560 076, Karnataka, India

Tel: +91-80-41215999, 41215960 / 61 / 62 / 64 / 65 / 67 Fax: +91-80-41215958 www.kaveritelecoms.com





**P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
Fax : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.p murali.com

**Auditor's Report on Consolidated Quarterly Financial Results and Year to Date Financial Results of M/s. KAVVERI TELECOM PRODUCTS LIMITED pursuant to the Regulation 33 of the SEBI ( Listing Obligations and Disclosures Requirements) Regulations, 2015.**

To

The Board of Directors

**KAVVERI TELECOM PRODUCTS LIMITED**

1. We have audited the consolidated quarterly financial results ("the Statement") of **M/s. KAVVERI TELECOM PRODUCTS LIMITED** ("the Company") and its subsidiaries ( the Company and its subsidiaries together referred to as, 'the Group') for the quarter ended March 31, 2019 and to the year to date financial results for the year ended March 31, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, except for the disclosures regarding Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The consolidated quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The consolidated financial results for the quarter ended March 31, 2019 have been prepared on the basis of the consolidated annual IND AS financial Statements for the nine-month period ended December 31, 2018, the audited annual financial statements as at and for the year ended March 31, 2019, and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our review of the financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with applicable Ind AS and other recognised accounting policies laid down in Ind Accounting Standard (AS) 34, Interim Financial Reporting, specified under section 133 of the act, read with rules 7 of the companies (Accounts) Rules 2014. And other accounting principles generally accepted in India and our audit of the consolidated annual financial statements as at and for the year ended March 31, 2019; and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. These consolidated financial results have been prepared on the basis of Ind AS financial statements and reviewed quarterly financial results up to the end of the third quarter, which are the responsibility of Companies Management. Our responsibility is to express an opinion on these consolidated financial results based on our Audit of such annual Ind AS Financial statements, which has been prepared in accordance with the recognised and measurements principles laid down in Indian Accounting Standards, prescribed under section 133 of the Companies Act, 2013 and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.





## **P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
Fax : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

#### **4. Qualified Opinion:**

- i. In respect of preparation of financial statements of the Company on going concern basis, during the year the Company has incurred a Net Loss of Rs. 2,162.96 Lakhs resulting into accumulated losses of Rs. 7,002.49 Lakhs. The Company has obligations towards fund based borrowings aggregating to Rs. 16,701.57 Lakhs and significant decrease in revenue over the years, Operational creditors, statutory dues. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying consolidated financial statements.
- ii. In relation to carrying value of investments held in by the company to its subsidiaries, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments are realizable at the value stated in the books. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value made thus, we are unable to comment whether any provision for impairment in the value of investments is required.
- iii. The Company has defaulted in repayment of dues to Banks for the year ended 31st March, 2019. All the loans outstanding were classified as NPA by the Banks. The balance outstanding as at 31.03.2019 is Rs. 83.46 Crores (Including Principle and Interest Provisions on the loans but excluding Penal Interest if any) and Interest Provision during the year charged Statement of Profit & Loss Account amounting to Rs. 13.24 Crores have been Provided, which is not paid by the company.
- iv. In respect of non-availability of confirmations of Trade Receivables, Trade Payables and various advances/borrowings of the company. In the absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are Recoverable/Payable.





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- v. The Company is not regular in payment of undisputed statutory dues towards TDS for the year ended 31<sup>st</sup> March, 2019.
  - vi. Note No.3 to the financial results, The Company recognised deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to Rs. 2,137.75 Lakhs. The management of the company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12), Had the aforesaid deferred tax assets not been recognised, Loss after tax for the year ended 31<sup>st</sup> March, 2019 would have been higher by Rs. 2,137.75 Lakhs, Other equity would have been lower by Rs. 2,137.75 Lakhs.
  - vii. Note No.2 to the financial results, Kavveri Telecom Infrastructure Limited, Which is a Subsidiary to the company, the Hon'ble National Company Law Tribunal, Bengaluru Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Kavveri Telecom Infrastructure Limited and appointed Sri B. Hariharan to act as interim resolution professional (IRP) with direction to initiate appropriate action contemplated with extent provisions of the insolvency and Bankruptcy Code, 2016 and other related rules. As per section 134 of the Companies Act, 2013, the standalone financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the ongoing Corporate Insolvency Resolution Process (CIRP), powers of the Board of Directors have been suspended and these powers are now vested with Sri B.Hariharan in his capacity as the IRP From 21<sup>st</sup> March, 2019 as per the provisions of the Code. We didn't receive audited financial statements or financial information from the management or Interim resolution professional for the quarter ended 31<sup>st</sup> March, 2019 and year to date financial results. Hence we are unable consolidate Kavveri Telecom Infrastructure Limited financials into consolidation results. In view of the above earlier quarter consolidated financial results are not comparable with current quarter consolidated financial results.
5. In our opinion and to the best of our information and according to the explanations given to us except as mentioned in qualified opinion paragraph, based on the consideration of the reports of other auditors on separate financial statements and the other financial information of subsidiaries:





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(i) Includes the results of the following entities:

- a) DCI- Digital Communications Ltd.
- b) EAICOM India Private Limited.
- c) Kaveri Realty 5 Inc.
- d) Kavveri Technologies Americas Inc.
- e) Til - Tek Antennae Inc.
- f) Spotwave Wireless Ltd.
- g) New England Communications Systems Inc.
- h) Quality Communications Systems Inc.
- i) Kavveri Technologies Inc

(ii) Are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in this regard; and

(iii) Give a true and fair view of the total comprehensive income (Comprising of net loss & other Comprehensive income) and other financial information for the quarter ended March 31, 2019 as well as the year to date results for the period from April 1, 2018 to March 31, 2019.

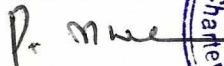
### 6. Other Matter Paragraph

We did not audit the financial statements and other financial information, in respect of the above mentioned subsidiaries, whose Ind AS financial statements include total assets of Rs.6,780.54 Lakhs as at 31st March, 2019, total revenue of Rs.557.99 Lakhs for the year ended on that date. These Ind AS financial statements and other financial information have been prepared by the management and these financial statements not audited by any other auditors. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the Financial Statements provided by the management.

For P. Murali & Co.,

Chartered Accountants

FRN: 007257S

  
P. Murali Mohana Rao

Partner

Membership No. 023412



Place: Hyderabad

Date: 30-05-2019