



KAVYERI

TELECOM PRODUCTS LIMITED



13th Annual Report 2007-08

Letter from CMD

My dear Shareholders,

It gives me great pleasure to address and present to you the highlights of your company's performance for the year 2007-2008.

During the year 2007-08, your company has increased its turnover by almost 3 times in comparison to last year. This was achieved through strong business processes and dedication demonstrated by the entire team to improve the shareholders value.

Being in the telecom market, the company faces an exciting future with many possibilities. The challenge is that the market is affected by external factors, such as shifts in technology, pricing, consumer demand trends, global economy and other changes. Increasing demand continues to create new opportunities that will present strong growth options for the company.

During the year your company has acquired two companies in Canada namely DCI Digital Communications Inc, Spotwave Wireless Canada Inc. and Spotwave Wireless Inc. Acquisitions are in line with your company's strategy for the North American and Asian markets. With these acquisitions, we hope to bring better and more cost effective products. This will also add a significant number of products in GSM, CDMA and WiMax markets to Kavveri's portfolio.

Our continued focus in R&D has ensured that investments in R&D are spent effectively. The R&D team is engaged in developing innovative and cost effective products.

In the past year your company had a clear focus in building the senior management team. We were able to attract senior people from the industry which has added strength and value to the team, to take the business ahead.

Your company is in the path of significant growth. I would like to thank our customers, suppliers and bankers for their continued support. I would like to thank the employees for their contribution and last but not the least all the shareholders for their unflinching support, understanding and care for taking this company to greater heights and glory

Best Regards,

*C Shivakumar Reddy
Chairman & Managing Director*

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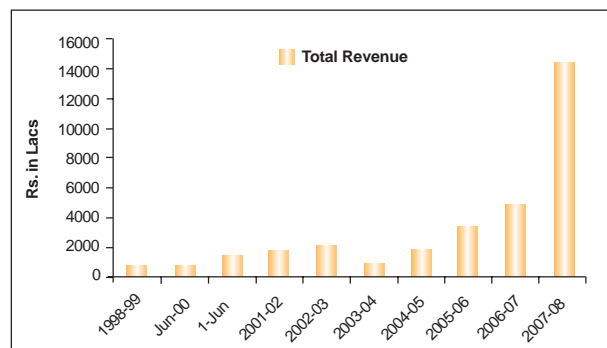
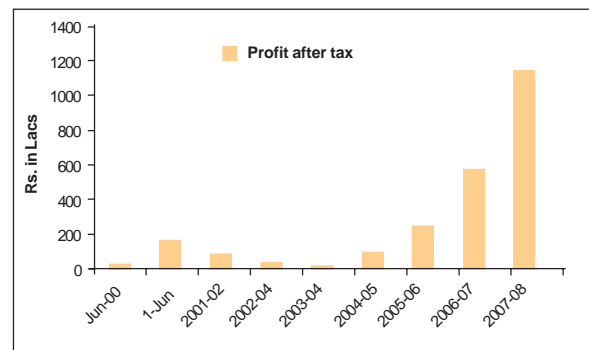
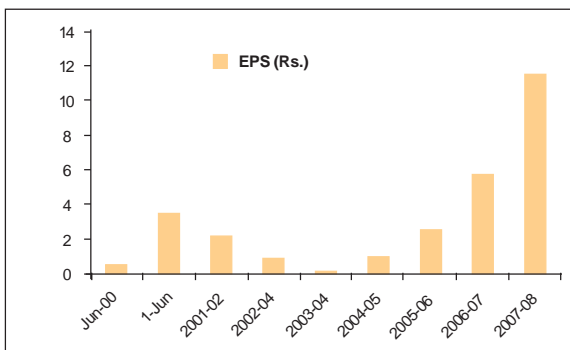
VISION

The Vision of Kavveri is to become a global leader in the field of Antennas & R F Products adopting latest technology for providing the best products and services to customers' at the most competitive prices to realize the highest level of customer satisfaction.

DECADE AT A GLANCE:

(Rs. in Lacs)

Particulars	1998-99	Jun-00 15 months	Jun-01 12 months	2001-02 9 months	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Total Revenue	744.61	962.05	1516.90	1848.62	2211.84	1120.45	1934.86	3568.14	5051.89	14565.67
Operating Profit (PBDIT)	-31.90	118.54	271.06	312.86	246.30	120.59	215.54	405.33	818.12	2161.48
Profit after tax	-	36.15	180.96	97.90	51.49	25.07	108.66	264.71	590.63	1164.74
EPS (Rs.)	-	0.65	3.55	2.19	1.00	0.25	1.08	2.63	5.87	11.58
Share Capital	438.29	548.63	546.61	512.58	512.58	1006.08	1006.08	1006.08	1006.08	1006.08
Reserves & Surplus	35.11	6.52	133.44	183.81	137.85	1124.48	1175.79	1325.78	1798.44	2689.68
Fixed Assets (Gross Block & CWIP)	282.99	334.79	340.71	356.56	441.39	506.09	509.41	578.02	762.35	1606.41
Current Assets	650.26	1017.22	1271.09	1404.29	2240.49	1855.23	1494.78	2517.20	4756.82	11752.25
Dividend declared	-	-	10%	12%	12%	-	5%	10%	10%	20%



BOARD OF DIRECTORS

Mr C Shiva Kumar Reddy,	Chairman and Managing Director
Mrs R H Kasturi,	Director (H R & Administration)
Ms C Uma Reddy,	Director (Operations)
Mr L Nicholas,	Director (Research and Development)
Mr L R Venugopal,	Independent Director
Mr P C Krishnamachary,	Independent Director
Mr B S Shankarnarayan,	Independent Director
Mr Arun N Avadhani,	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr Purushottam A.Rasalkar

AUDITORS

M/s Patel Mohan Ramesh & Co.
Chartered Accountants

KEY MANAGEMENT PERSONNEL

Mr. Amarta Datta Gupta	Vice President (Operations)
Mr. V J Ananth	General Manager (Marketing)
Mr. E Basavakumar	General Manager (Operations)
Mr. M G Balaji	General Manager (Commercial)
Mr. H C Kubera	Head- HR & Admin
Mr. B. Krishnan	Senior Finance Manager

REGISTERED OFFICE

No. 31-36, I Main, II Stage
Arakere MICO Layout
Bannerghatta Road
Bangalore 560 076

BOARD COMMITTEES

AUDIT COMMITTEE

Mr L R Venugopal, Chairman of the Committee
Mr P C Krishnamachary, Member
Mr B S Shankarnarayan, Member

REMUNERATION COMMITTEE

Mr L R Venugopal, Chairman of the Committee
Mr P C Krishnamachary, Member
Mr B S Shankarnarayan, Member

SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE

Mr L R Venugopal, Chairman of the Committee
Mr P C Krishnamachary, Member
Mr B S Shankarnarayan, Member

BANKERS

State Bank of India
Specialized Commercial Branch
Bangalore

AXIS Bank Ltd.,
Jayanagar Branch
Bangalore

REGISTRAR & SHARE TRANSFER AGENTS

Alpha Systems Pvt. Ltd.
30, Ramana Residency,
4th Cross, Sampige Road
Bangalore 560 003

Listing and trading at Stock Exchanges

National Stock Exchange Ltd.
Bangalore Stock Exchange Ltd.
Madras Stock Exchange Ltd.
Bombay Stock Exchange Ltd.

LOCATION OF FACILITIES

Unit I	Unit II	Unit III
I Floor, No. 31-36, I Main II Stage, Arakere MICO Layout Bannerghatta Road Bangalore 560 076	Sy No. 77/4, 2 nd Stage 29 th Main, 23 rd Cross BTM Layout Bangalore 560 076	Sy. No. 104/2 Suragajakkanahalli Village Kasaba Hobli, Anekal Taluk Bangalore - 560 106

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of Kavveri Telecom Products Limited will be held as per the schedule given below:

Day and Date : Tuesday, 30th day of September 2008
Time : 10.00 a.m.
Venue : Plot No. 9, I Main, II Stage, Arakere MICO Layout, Bannerghatta Road, Bangalore 560 076

Ordinary Business:

1. To receive, consider and adopt
 - a. The audited balance sheet as at 31st March 2008;
 - b. The audited Profit and Loss Account for the year ended on that date;
 - c. The auditors' report, thereon; and
 - d. The directors' report.
2. To declare a dividend on equity shares for the financial year ended 31st March 2008.
3. To appoint a Director in place of Mr L Nicholas, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Arun N. Avadhani , who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

6. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 310,314 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Mr. L Nicholas, as Director (R & D) of the Company, whose period of office shall be liable to retire by rotation, with effect from 3rd March 2008 for a further period of Five Years. He will receive the existing remuneration up to 31st March 2008. The remuneration from 1.04.2008 is as set out hereunder:

 - i. Salary (per month) — Rs. 1,75,000/-
 - ii. Commission — Nil
 - iii. Perquisites:
 - a. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - b. Leave travel concession as per the Company's rules.
 - d. Medical reimbursement as per the Company's rules.
 - e. Use of Car and telephone at residence.

Note : The perquisites shall be valued on cost to Company basis.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter or modify the different components of the above remuneration as may be agreed to by the Board of Directors and Mr. L Nicholas."

"RESOLVED FURTHER THAT in case of absence or inadequacy of profits for any financial year, Mr. L Nicholas shall be paid remuneration as per Section II of Part II of Schedule XIII to the Companies Act, 1956. (including any statutory modification or re-enactment thereof, for the time being in force) as may be applicable from time to time."

7. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, the consent of the company be and is

hereby accorded to the payment of commission of a sum not exceeding 1% of the annual net profit of the company computed in accordance with the provisions of sections 198,345 and 350 of the said Act, subject to an overall ceiling of Rs. 15.00 Lakhs.(Rupees Fifteen Lakhs only) to such Directors of the Company (other than Chairman and Managing Director and Whole Time Directors) in such proportion and manner as may be directed by the Board of Directors, for a period of three (3) years and such payment shall be made in respect of the profits of the company for the financial year commencing from April 1,2008 to March 31,2011.

By Order of the Board

Bangalore
Date: 01.09.2008

Purushottam A. Rasalkar
Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company. The instrument appointing a proxy should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6 & 7 of the Notice is annexed hereto.
3. Documents relating to any of the items mentioned in the Notice are open for inspection at the Registered Office of the Company on any working day during the business hours.
4. The Register of Members and share transfer books will remain closed from 18th September 2008 to 30th September 2008 both days inclusive.
5. Dividend if declared shall be payable to those members whose name appear in the Register of Members as on 18th September 2008 and to the beneficial owners as per the records of NSDL and CDSL on day ending on 18th September 2008.
6. Members who have not encashed their dividend warrants so far, for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to the provisions of Section 205 C of the Companies Act, 1956 on the respective dates mentioned hereunder. The members will lose their right to claim such dividend after such date.

Financial Year	Due Date
2000-01	29-09-2008
2001-02	30-09-2009
2002-03	30-09-2010
2004-05	30-09-2012
2005-06	29-09-2013
2006-07	29-09-2014

7. Members are requested to notify any change in their address, transfer of shares, and request for demat of shares to our Registrar and Share Transfer Agents.
8. The trading in the Company's equity shares on the Stock Exchanges is permitted only in dematerialized form for all classes of investors. In view of numerous advantages offered by the depository system, members are requested to avail of the facility of dematerialization of the Company's equity shares held by them.
9. Members are requested to bring duly filled in Attendance Slip for attending the meeting.

By Order of the Board

Bangalore
Date: 01.09.2008

Purushottam A. Rasalkar
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

Mr. L. Nicholas was appointed as Whole Time Director at the annual general meeting held on 30th September 2003 with effect from 3rd March 2003 for a period of five years. Mr. L. Nicholas is heading the R& D division and has enabled the company in integrating the technologies and bringing the new products to meet the current market requirements.

Your Directors considered that the re-appointment of Mr. L. Nicholas will be in the best interest of the Company and accordingly, he has been re-appointed as Director (R&D) for a further period of five years with effect from 3rd March 2008 at the meeting of Board of Directors held on 12th January 2008 at a remuneration as provided.

The appointment was considered and recommended by the remuneration committee at its meeting held on 10th January 2008.

The Board recommends the Resolution set out at item no. 6 of the accompanying Notice.

No Director other than Mr. L. Nicholas is interested in this resolution. This may also be treated as a memorandum issued pursuant to section 302 of the Companies Act, 1956.

ITEM NO.7

At the Annual General Meeting of the Company held on 29th September 2007 the shareholder had given their consent to the Board of Directors of the Company to pay commission not exceeding 1% of Annual net profit of the Company to be distributed amongst the Non-Wholetime Directors of the company for the financial year 2007-08.

It is now proposed that Non-Wholetime Directors be paid commission not exceeding 1% of the Annual Net profits of the Company computed in accordance with the provisions of section 198,345,350 of the said Act, subject to the overall ceiling of Rs. 15.00 Lakhs for further period of three (3) Financial years commencing from April 1,2008 to March 31, 2011.

The Board recommends the Special Resolution set out at item no. 7 of the accompanying Notice.

All the Non-Whole time Directors of the company may be deemed to be concerned or interested in the aforesaid resolution to the extent of the commission that may be received by them.

By Order of the Board

Purushottam A. Rasalkar
Company Secretary

Bangalore
Date: 01.09.2008

DIRECTORS' REPORT

To the members,

The Board of Directors take pleasure in presenting their Report along with the Audited Accounts of the Company for the year ended 31st March 2008.

Financial Highlights

	(Rs. in Lacs)	
	As at 31.3.2008	As at 31.03.2007
Net Sales & other income	14565.67	5051.89
Operating Profit	2161.48	818.12
Interest	545.41	86.99
Profit before Depreciation	1616.07	731.13
Depreciation	51.24	30.73
Profit before Tax	1564.81	700.40
Provision for Tax		
- Current Tax	183.00	50.00
- Deferred Tax	213.80	56.74
- Fringe Benefit Tax	3.27	3.03
Profit after Tax	1164.74	590.63
Balance brought forward	835.60	362.93
Income Tax for previous year	38.09	0.26
Amount available for appropriation	1962.25	953.30
Dividend @ 20% per equity share	201.22	100.61
Dividend Tax	34.20	17.10
Amount Transferred to General Reserve	87.50	0.00
Balance carried to balance sheet	1639.33	835.60
Basic Earnings per share (Rs.)	11.58	5.87

Results of Operation

Your Company has continued its growth and made a substantial improvement in its financial and operational performance. The salient points are:

- Total Revenue grew to Rs. 14565.67 lacs as against Rs. 5051.89 lacs in the corresponding previous financial year, which is an increase of 188%.
- Operating profit grew to Rs. 2161.48 lacs as against Rs. 818.12 lacs in the corresponding previous financial year, which is an increase of 164%.
- Significant growth was achieved in Net Profit by earning Rs. 1164.73 lacs as against Rs. 590.63 lacs in the corresponding previous financial year, which is an increase of 97%.
- Earnings per shares of Rs. 11.58 for the year against Rs. 5.87 in the corresponding previous financial year.

For detailed analysis of the performance, please refer to Management's Discussion and Analysis section which forms part of this Annual Report.

DIVIDEND

In January 2008, we paid an interim dividend of Rs. 1.00 per share (10% on par value of Rs. 10). Your directors recommend a final dividend of Rs. 1.00 per share (10% on par value of Rs. 10) fortifying the company's tradition of enabling shareholders to participate in its progressive performance. If approved by the shareholders at the ensuing Annual General Meeting, the dividend will be paid as per the applicable regulations.

SUBSIDIARIES

EAICOM INDIA PVT LTD.

For the year ended March 31, 2008 Eaicom India Private Limited achieved turnover of Rs. 13,70,91,260/- as against Rs.5,61,78,772/- last year and a net profit of Rs.4,13,133 /- as against Rs. 38,96,572/- last year.

KAVVERI TECHNOLOGIES INC.

For the year ended March 31,2008 Kavveri Technologies Inc. earned an income of Rs. 1,98,32,362/- as against Rs. 21,20,699/- last year and a net profit of Rs. 6,88,099/- as against the net loss of Rs. 1,51,91,405/- last year. Kavveri Technologies Inc is a holding company for all our acquisitions in North America and is a wholly owned subsidiary of Kavveri Telecom Products Limited.

TILTEK ANTENNAE INC.

For the year ended March 31,2008 Tiltek Antenna Inc. achieved turnover of Rs.17,21,80,865/- as against Rs.14,12,33,926/- last year and a net profit of Rs. 28,45,585/- as against Rs. 2,13,204/- last year. Tiltek Antenna Inc. is 100% subsidiary of Kavveri Technologies Inc.

KAVVERI REALTY 5 INC.

For the year ended March 31,2008 Kavveri Realty 5 Inc. has incurred a loss of Rs. 30,57,149/-. Kavveri Realty Inc. is 100% subsidiary of Kavveri Technologies Inc.

DCI DIGITAL COMMUNICATIONS INC.

For the eleven months period ended on March 31,2008 DCI Digital Communications Inc. has incurred a loss of Rs. 9,90,385/-. DCI Digital Communications Inc. is 100% subsidiary of Kavveri Technologies Inc.

SPOTWAVE WIRELESS LIMITED

For the three months period ended on March 31,2008 Spotwave Wireless Limited earned income of Rs. 80,59,362/-. Spotwave Wireless Limited is 100% subsidiary of Kavveri Technologies Inc.

Pursuant to Accounting Standard (AS 21) issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include financial information of its subsidiaries.

A statement in respect of the said subsidiaries pursuant to Section 212 of the Companies Act, 1956 is enclosed herewith as required. The un-audited Statement of Accounts along with the Report of Directors for the Period/Year ended on March 31, 2008 of the above subsidiaries also form part of this Annual Report.

EMPLOYEE STOCK OPTION PLAN

Employees Stock Option Scheme-2008(ESOS-2008)

Under this scheme, a corpus of 5,00,000 options were created for grant to the eligible employees. Each option is convertible into one fully paid-up equity share of Rs. 10/- each. This scheme has been formulated in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999.

As per the scheme a compensation committee is formed, which grants option to the eligible employees. The options are granted at face value of Rs. 10/- at par. The options granted vests over a period of 1 to 3 years and can be exercised over a period of 5 years from the date of vesting. The compensation committee has granted 59925 options to eligible employees.

Fixed Deposits

Your Company has not accepted any Fixed Deposits during the year within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

Directors Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that:

- In preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made Judgments and estimates

that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

Corporate Governance

A Separate report on Corporate Governance has been provided as a part of this report.

Particulars of Employees

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 The names and other particulars of employees are set out in the annexure included in this report.

Human Resource Management

At Kavveri, the most important asset is its employees. Your company has created a favorable work environment that encourages innovation and meritocracy. Your company has set up a scalable recruitment and human resource management process to attract and retain the talent.

Disclosures

Disclosures in terms of Companies (Disclosure of Particulars in report of the Board of Directors) Rules, 1988 in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo are attached (Annexure I) and forms part of this Report.

Certificate of Compliance of Corporate Governance in terms of Clause 49 of the Listing Agreement is attached (Annexure II) and forms part of this Report.

Particulars of the Directors seeking re-appointment

Mr L.Nicholas and Mr Arun N. Avadhani, retire by rotation at the ensuing Annual General Meeting, being eligible offers themselves for re-appointment.

The brief resume / details relating to Directors who are to be re-appointed are furnished in the Corporate Governance Report

Auditors

The Auditors M/s Patel Mohan Ramesh & Co., Chartered Accountants retire after the conclusion of the ensuing Annual General Meeting.

Corporate Social Responsibility

Your Company believes that we have a responsibility to serve the underprivileged and the satisfaction derived from serving the needy is unparalleled. Kavveri believes it owes to the society, and has a responsibility to give back to fulfill its social commitments. Your Company's aim is to fulfill its responsibility to the society at large and has been actively involving in a variety of public service projects serving underprivileged groups. Your Company has made donations to religious institutions.

Separation of Ownership from Management

The Chairman being executive, four out of eight Directors on the Board of Kavveri are non-executive and independent, as per the requirements of Listing Agreement.

Acknowledgements

The Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the customers, vendors, bankers, investors, shareholders and the media and look forward to their continued support. Your Directors also thank employees at all levels for their contribution and our growth was made possible by their hard work, dedication, co-operation and support.

For and on behalf of the Board

Bangalore
Date : 01.09.2008

C. UMA REDDY
Director

C. SHIVA KUMAR REDDY
Chairman and Managing Director

ANNEXURE TO DIRECTORS REPORT

Annexure - I

Sl. No.	Name	Designation	Qualification	Age	Experience (Years)	Date of Commencement of employment	Remuneration received	Previous employment
1	C. Shivakumar Reddy.	Chairman-cum managing director	B.Tech	45	20	19.01.1996	52,16,045	-
2	R.H. Kasturi	Director- H R & Administration	B E	40	17	19.01.1996	52,16,046	-
3	C. Uma Reddy	Director- Operations	B A	49	20	01.04.2000	52,16,045	-

Annexure - II

Disclosures of particulars pertaining to conservation of energy, Research and development expenditure and Foreign Exchange earnings and out go as required under Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

A. Conservation of Energy

The operations of the Company are not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption.

B. Technology Absorption

Efforts made in Technology absorption : Form — B Enclosed

C. Particulars of Foreign Exchange Earnings and Outgo (2007-08)

CIF Value of imports : Rs. 96,60,65,098/-

Expenditure in foreign currency (travel) : Rs. 81,25,107/-

Foreign Exchange earned : Rs. 1,54,69,700/-

FORM B

Specific areas in which Research and Development was carried out by Your Company

The Company has In-house Research and Development Centre which has been recognized by the Ministry of Science & Technology, Government of India since 1994. It carries out R&D in specific areas, design and development of various RF products and antennas for Telecom, Defense and Space applications. Company invests and encourages continuously in upgrading the R&D facilities to the state of the art. Our R & D is always focused to provide unique benefits to our customers and other stakeholders by working both proactively (self driven research) and reactively (customer driven research)

R & D also carried out continuous improvements on various existing products achieving better productivity by design improvements and working with alternate input materials to reduce the cost without compromising on the quality of the products.

New Products developed:

During the last year R & D has developed the following new products for various agencies:

Products for Telecom:

1. Omni Directional Antenna - Wideband
2. Patch Panel Antenna - Wideband
3. Bi-directional Antenna - Wideband
4. Omnidirectional Antenna - Wideband
5. Patch panel Antenna - GSM & UMTS
6. Dual Polarized Direct Satellite Broadcast Receive Antenna (L Band)

These products were developed and validated at the customers end and are to be productionised during the current year.

Products for Export

1. Yagi Antenna - UHF, 12dbi Gain,
2. Yagi Antenna – GSM, 8.5dbi Gain
3. Yagi Antenna – GSM, 12dbi Gain

These antennas were developed for North American Public Safety&GSM requirements. All these products have been qualified and approved by customers with sample orders.

Products for Defence

1. Frequency Channelizer,
2. Analog Low Probability Intercept Module
3. Activity Detector,

These are the sub-systems of an Early Warning System. It also finds use in various other detection systems used in data analyses systems

Benefits derived as a result of above research and Development

All the products that are manufactured by the company are designed and developed by the Company's in-house R&D based on the Customers Order and requirements. The Company has been a leader in introducing various new products in its field because of its continued efforts in R & D. Our R & D activities will help us gear up for future opportunities.

Future plan of action

This year R & D's thrust will be mainly on the following areas:

PRODUCTS FOR TELECOM

1. Design and Development of various Base Station Antennas.
2. Bisector Antenna GSM applications
3. Microwave Antennas up to 38 GHz
4. Subscriber Antennas for Wi max
5. Wide band Couplers and splitters
6. TMAs
7. Intelligent Repeaters for GSM & Wi-Max.
8. Lightning Arresters and Bias-T

PRODUCTS FOR EXPORT

1. Antennas for Tetra Band.
2. Directional couplers.
3. Subscriber antenna for Wi-max.
4. Base Station Antennas.
5. Antennas for Video Broadcast

PRODUCTS FOR DEFENCE AND SPACE

1. Low Frequency Power Amplifiers.
2. Microwave Power Splitters.
3. Products for EW applications.
4. Filters.

Expenditure on Research and Development

	2007-08	2006-07
a. Capital	6,71,88,348	1,78,77,946
b. Recurring	1,37,67,417	4,03,24,983
Total	8,09,55,765	5,82,02,929
c. Total R & D expenditure as a percentage of sales and services	5.75%	11.59%

Your company's Research and Development Team continued to develop new products, innovate new processes for the existing ones and improve production facilities and process. During the year Company has acquired several technical know how which will be made use of in developing the state of the art products for Base station antennas such as Dual Band & Tri Band with variable electrical tilt and remote electrical tilt for GSM, 3G & Wimax applications. These are the products which are required in the near future for GSM, 3G & Wimax applications.

In future, thrust will continue to be on Quality as always, to identify ways to optimize costs and develop new products with focus on customer needs.

For and on behalf of the Board

Bangalore
Date : 01.09.2008

C. UMA REDDY
Director

C. SHIVA KUMAR REDDY
Chairman and Managing Director

Annexure - III

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE
PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

To

**The Members,
Kavveri Telecom Products Ltd.**

We have reviewed the compliance of conditions of corporate governance by Kavveri Telecom Products Limited ("the Company"), for the year ended 31st March 2008 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India with the relevant records and documents mentioned by the Company and furnished to us.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to be best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of a Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

*for **Patel Mohan Ramesh & Co.**
Chartered Accountants*

Bangalore
Date: 27.08.2008

RAMESH M.J.
Partner
Membership No.20010

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on corporate governance envisages the attainment of corporate excellence by providing enhanced shareholders value, customer satisfaction. The company believes that governance process should ensure economic prosperity and long term value creation for the company and its shareholders by following principles of transparency, accountability and responsibility, investor protection, compliance with statutory laws and regulations. The Company also upholds the rights of its investors and other stakeholders to information on the performance of the Company.

I. BOARD OF DIRECTORS

A. Composition of Board

The Board of Directors of the Company has an optimum combination of executive and non-executive directors. The Chairman and Managing Director along with three whole-time Directors are managing the day-to-day operations of the Company.

The Chairman of the Board is an Executive Director. There are four executive directors and four non-executive directors.

For the Financial Year ended 31st March 2008 there were 8 Board Meetings held and the dates of which were 14th April 2007, 19th June 2007, 26th June 2007, 14th July 2007, 27th August, 2007, 13th October 2007, 12th January 2008, 8th March 2008.

The composition of the Board of Directors, the attendance of each Director in each Board Meeting and the last AGM and also membership on other company's Board or Committee of Board is as under:

Name of the Director	Category	Presence in last AGM	No. of Board Meetings attended	Directorship in other Companies			
				Public	Private	Committee Chairman	Committee Member
1. C Shivakumar Reddy	Chairman & MD	Yes	8	Nil	2	None	None
2. R H Kasturi	Director Admin.	Yes	7	Nil	1	None	None
3. C Uma Reddy	Director Operations	Yes	5	Nil	None	None	None
4. L Nicholas	Director R & D	Yes	7	Nil	None	None	None
5. L R Venugopal	Independent Director	Yes	8	Nil	None	None	None
6. P C Krishnamachary	Independent Director	Yes	8	Nil	2	None	None
7. B S Shankarnarayan	Independent Director	Yes	8	1	4	None	None
8. Arun N Avadhani	Independent Director	No	1	Nil	None	None	None

B. There were no pecuniary relations or transactions between the non-executive Directors and the Company during the financial year 2007-08.

II. COMMITTEES OF THE BOARD

The Board of Directors has constituted the following committees with adequate delegation of powers to discharge day to day affairs of the company as well as to meet the exigencies of the business of the company.

The Committees constituted by the Board as on date are:

1. Audit Committee

The Board has set up an Audit Committee as per the provisions of part II of clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Members of the committee are as follows:

Mr L R Venugopal	Chairman
Mr P C Krishnamachary	Member
Mr B S Shankarnarayan	Member

The Secretary of the Company also acts as Secretary to the Committee. The quorum is two independent members present.

Terms of reference

- Oversee the Company's financial reporting to ensure that the statements are correct, sufficient and credible.
- Recommending to the Board, appointment, re-appointment and removal of statutory auditors and fixing their fees.
- Reviewing with the management and auditors the adequacy of internal control systems.
- Review of Management discussion and analysis of financial condition and results of operations.
- Review of significant related party transactions submitted by management.
- Reviewing the Internal Audit function.
- Investigating into activities within its terms of reference including seeking information from employees, taking outside legal opinion wherever deemed necessary.
- Reviewing financial and risk management policies.
- Ensuring compliance with legal and other statutory compliances.
- Ensuring compliance with the accounting standards.

The Audit Committee of the Board had met six times during the period under review and the meetings were held on 11th April 2007, 9th June 2007, 12th July 2007, 25th August 2007, 11th October 2007 and 10th January 2008. The details of attendance of members of the Audit Committee are as follows:

Name of the Member	Status	No. of Meetings attended
Mr L R Venugopal	Chairman	6
Mr P C Krishnamachary	Member	6
Mr B S Shankarnarayan	Member	6

2. Remuneration Committee

Members of the committee are as follows:

Mr L R Venugopal	Chairman
Mr P C Krishnamachary	Member
Mr B S Shankarnarayan	Member

Terms of reference

To fix the remuneration payable to Managerial Personnel from time to time.

The Committee has met twice during the year i.e. on 25th August 2007 and 10th January 2008.

The details of attendance of members of Remuneration Committee are as follows:

Name of the Member	Status	No. of Meetings attended
Mr L R Venugopal	Chairman	2
Mr P C Krishnamachary	Member	2
Mr B S Shankarnarayan	Member	2

3. Shareholders /Investors Grievance Committee

Members of the committee are as follows:

Mr L R Venugopal	Chairman
Mr P C Krishnamachary	Member
Mr B S Shankarnarayan	Member

Terms of reference

- Allotment, transfer, transmission and issue of share certificates including duplicate, split, sub-divide or consolidated certificates and to deal with all related matters.

- To look into and redress shareholders/ investors grievances relating to transfer of shares, non-receipt of balance sheets, dividend warrants and such other matters that may be considered necessary in relation to shareholders and investors of the Company.

The Company during the period under review has received and transferred 84 Nos. of Transfers involving 61800 Shares.

The Shareholders / Investors Grievance Committee of the Board had met ten times during the period under review and the meetings were held on 16th July 2007, 31st July 2007, 31st August 2007, 20th September 2007, 12th November 2007, 16th November 2007, 19th January 2008, 28th January 2008, 16th February 2008, and 28th March, 2008.

The details of attendance of members of Shareholders Committee are as follows:

Name of the Member	Status	No. of Meetings attended
Mr L R Venugopal	Chairman	10
Mr P C Krishnamachary	Member	10
Mr B S Shankarnarayan	Member	10

Depository System

The Shares of the Company can be dematerialized through either of the two Depositories in India - **ISIN Code**-INE641C01019

The Company has signed agreements with both the Depositories in India namely M/s National Securities Depository Ltd. and M/s Central Depository Services (India) Ltd. As on 31st March 2008 around 68.08% of the shares of the Company were dematerialized.

Mode of Shareholding	No. of shares	% of total equity shares
Physical Mode	31,35,354	31.92
Electronic Mode	66,88,096	68.08

Directors

Mr L. Nicholas and Mr Arun N. Avadhani retire by rotation as per Section 256 of the Companies Act, 1956 and being eligible offer themselves for re-appointment.

Brief profile of Mr. L.Nicholas, who retires by rotation and is eligible for re-appointment

Mr. L. Nicholas has a Degree in Bachelor of Engineering (Electronics & Communications) from Bangalore University. He had joined Communication Systems Division of ISRO Satellite Centre, Department of Space, Bangalore and served this organization for about 23 years. During this period he had been actively associated with Design, Development, Training and Qualification of various Onboard Satellite Antennas and Ground based antennas.

Major contribution at ISRO

- Responsible for setting up Antenna test ranges both indoor (Anechoic chamber) and outdoor test ranges.
- Designed and Developed Shaped Beam Antennas for Indian Remote Sensing Satellites to transmit data in S-band and X-band.
- As a Project Manager for Antennas and Passive Systems of Indian Remote Sensing Satellites, IRS-IC and IRS-ID, he had been responsible for engineering wave guide plumbing and feed network system at X-band which went onboard for the first time on Indian Satellite.

Since May 1997 he has been with Kavveri heading its R&D. He has been responsible for design, development of various RF Products and antenna's at Kavveri.

Awards

- "Distinguished Achievement Award" from Department of Space (DOS) for his contribution for the first Indian Satellite, 'Aryabhata'.
- National Research and Development Corporation's (NRDC) Independence Day Award in the year 1995 for the design and development of Satellite Hand Held Phone Antenna in UHF/L/S band.

Patent

He holds a patent for Triband Satellite Hand Held Phone Antenna (UHF/L/S bands) registered at European Patent Agency. This antenna was developed at ISRO on contract on INMARSAT-U.K.

Technical Publications

He has about 16 papers published in foreign and Indian journals viz., IEEE, European Microwave Conference, Japan Microwave and Space Symposium etc.

Brief Profile of Mr. Arun N.Avadhani who retires by rotation and is eligible for re-appointment

Mr. Arun N Avadhani is a B.E. graduate from Bangalore University and completed MBA in United Kingdom. He has worked as a Management consultant in Wipro, UK and at present he is a consultant in telecom field.

Annual General Meetings

The last three Annual General Meetings of the Company were held as under :

Year	Venue	Date & Time
2005	31-36, 1 st Main, 2 nd Stage, Arakere MICO Layout, Bannerghatta Road, Bangalore 560 076.	30-09-2005 & 10.00 a.m.
2006	31-36, 1 st Main, 2 nd Stage, Arakere MICO Layout Bannerghatta Road, Bangalore 560 076.	29-09-2006 & 10.00 a.m.
2007	31-36, 1 st Main, 2 nd Stage, Arakere MICO Layout, Bannerghatta Road, Bangalore 560 076.	29-09-2007 & 10.00 a.m.

Disclosures

The Company has complied with the requirements of listing agreement/ regulations / guidelines / rules of the Stock Exchange / SEBI/ other statutory authorities.

There has not been any non-compliance, penalties or strictures imposed by the Stock Exchange, SEBI or any other Statutory Authority, on any matter relating to Capital Markets during the last 3 years.

Means of Communication

The quarterly / half-yearly / annual / un-audited / audited financial results are sent to the Stock Exchanges immediately after they are approved by the Board of Directors.

The results are published in a leading English Edition and a Vernacular news paper having wide circulation. The Company does not send Half Yearly reports to the shareholders.

All official news release and financial results are communicated by the company through its corporate website www.Kaveritelecoms.com

General Shareholders Information

AGM	: Thirteenth Annual General Meeting
Date & time	: 30 th September 2008, 10.00 a.m.
Venue	: Plot No. 9, I Main, II Stage, Arakere MICO Layout, Bannerghatta Road, Bangalore 560 076
Financial year	: 1 st April to 31 st March
Book Closure	: 18 th September 2008 to 30 th September 2008

Listing on Stock Exchanges

S No.	Name & Address of the Stock Exchange	Stock Code
1.	Bombay Stock Exchange Ltd. 25 th Floor, P J Towers, Dalal Street, Mumbai 400 001	590041(Group S)BSE Indo-next
2.	Bangalore Stock Exchange Ltd.Stock Exchange Towers, 51, 1 st Cross, J C Road, Bangalore 560 027	KAVERITELE
3.	National Stock Exchange of India Ltd.Exchange Plaza, Bandra Kurla Complex,Bandra (E), Mumbai- 400 051	KAVVERITEL
4.	Madras Stock Exchange Ltd.Exchange Building, Post Box No. 18311, Second Line Beach, Chennai 600 001	KTM

The listing fee for the year 2008-09 has been paid to all the Stock Exchanges where the Company's shares are listed.

Share Transfer System

The Shareholders Committee of the Board of Directors of the Company are authorized to approve allotment, transfer, transmission of shares, consolidation, split of share certificates, issue of duplicate share certificates in lieu of misplaced/lost share certificates, renewal of share certificates, dematerialization/re-materialization of shares.

The Shareholders and Investors Grievances Committee meets as often as required (depending upon the share transfers received) to consider and approve all share related matters.

Transfers in Physical form are registered by our Registrar and Share Transfer Agents **M/s Alpha Systems Private Ltd.** within 21 days of receipt of documents complete in all respects. Invalid Share Transfers are returned within 15 days of receipt.

Market Price Data

Monthly High, Low and Trading volumes for the F.Y. 2007-08 in Bombay Stock Exchanges is as follows:

Month	High	Low	No. of shares	No. of Trades	Net T/ORs.
April 2007	64.90	46.30	808735	6946	47,315,370.00
May 2007	69.90	53.75	1815892	13181	116,474,108.00
June 2007	86.90	61.65	2526475	19082	185,331,984.00
July 2007	122.45	78.10	4422124	33186	447,744,373.00
August 2007	151.20	95.00	1690510	15016	206,105,135.00
September 2007	158.00	131.60	1296696	11671	187,270,808.00
October 2007	219.50	138.10	1500885	12220	267,230,883.00
November 2007	207.15	176.00	499793	5485	96,330,798.00
December 2007	276.50	191.00	691662	6870	161,923,809.00
January 2008	309.45	227.20	901860	9791	251,411,245.00
February 2008	293.00	223.00	380573	4592	102,170,834.00
March 2008	264.95	175.60	258019	2867	56,294,356.00

Distribution of Shareholding as on 31st March 2008

S No	Category (No. of shares)	No. of Holders	% of Holders	Holding in Rs.	% of Holding
1	1 - 500	3944	84.87	5,14,362	5.24
2	501 - 1000	280	6.03	2,34,911	2.39
3	1001 - 2000	159	3.42	2,39,243	2.44
4	2001 - 3000	69	1.48	1,71,734	1.75
5	3001 - 4000	33	0.71	1,14,813	1.17
6	4001 - 5000	35	0.75	1,60,533	1.63
7	5001 - 10000	47	1.01	3,19,163	3.25
8	10001 & above	80	1.72	80,68,691	82.13

Shareholding Pattern as on 31st March 2008

Category Code	Category of Shareholder	Number of shareholders	Total No. of Shares	No. of shares held in dematerialised form	Total shareholders as a percentage of total number of shares	
					As a % of (A+B)	As a % of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
(a)	Individuals/Hindu Undivided Family	3	1469968	1469868	14.96	14.96
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	Sub-Total (A)(1)	3	1469968	1469868	14.96	14.96
2	Foreign					
(a)	Individuals (Non-resident	0	0	0	0.00	0.00
	Individuals/Foreign individuals					
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter & Promoter Group					
	(A) = (A)(1)+(A)(2)	3	1469968	1469868	14.96	14.96
(B)	Public Shareholding					
1	Institutions					
(a)	Mutual Funds / UTI	1	3450	3450	0.04	0.04
(b)	Financial Institutions/Banks	2	100	100	0.00	0.00
(c)	Central Government/State Government (s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	3	158099	158099	1.61	1.61
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (Specify)	0	0	0	0.00	0.00
	Sub-Total(B)(1)	6	161649	161649	1.65	1.65
2	Non-institutions					
(a)	Bodies Corporate	221	759205	520665	7.73	7.73
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital upto Rs. 1 lakhs	4359	1601903	1516298	16.31	16.31
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	58	5830725	3019626	59.36	59.36
(c)	Any Other (Specify)	0	0	0	0.00	0.00
	Sub-Total(B)(2)	4638	8191833	5056579	83.39	83.39
	Total Public Shareholding	4644	8353482	5218228	85.04	85.04
	(B)=(B)(1)+(B)(2)					
	Total (A) + (B)	4647	9823450	6688096	100.00	100.00
(C)	Shares held by Custodians & against which Depository Receipts have been issued	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	4647	9823450	6688096	100.00	100.00

Name and Designation of the Compliance Officer:

Mr Purushottam A. Rasalkar : Company Secretary
Telephone No. : 080-41215999/60/61
Fax : 080-41215966
E-mail : companysecretary@kaveritelecoms.com, complianceofficer@kaveritelecoms.com

Registrar and Share Transfer Agents

M/s Alpha Systems Private Ltd.
No. 30, Ramana Residency, 4th Cross
Sampige Road, Malleswaram
Bangalore 560 003.

Plant Locations:

Kavveri Telecom Products Ltd. Plot No. 31-36, 1 st Main, 2 nd Stage Arakere MICO Layout, Bannerghatta Road Bangalore 560 076.	Kavveri Telecom Products Ltd. Plot No. 104, Suragajakkanahalli, Kasaba Hobli, near Jigani, Anekal Road Bangalore 560 106.	Kavveri Telecom Products Ltd. Sy No. 77/4, BTM Layout 2 nd Stage, 29 th Main, 23 rd Cross Bangalore 560 076
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Non-mandatory Requirements

No office has been provided for the Chairman of the Board of Directors.

The quarterly results contains information on important developments for the benefit of the Shareholders.

MANAGING DIRECTOR CERTIFICATION ON CORPORATE GOVERNANCE

I, C Shiva Kumar Reddy Managing Director of Kavveri Telecom Products Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the balance sheet and profit and loss account (consolidated and unconsolidated), and all its schedules and notes on accounts, as well as the cash flow statements and the directors' report;
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of, the company's affairs, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of my knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct;
5. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the company, and we have:
 - a) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - b) evaluated the effectiveness of the company's disclosure, controls and procedures; and
 - c) disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting
6. We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors (and persons performing the equivalent functions)
 - a) all deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data, and have identified for the company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
 - b) significant changes in internal controls during the year covered by this report;
 - c) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - d) instances of significant fraud of which we are aware, that involves management or other employees who have a significant role in the company's internal controls system;
7. In the event of any materially significant misstatements or omissions, we will return to the company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors, as decided by the audit committee;
8. I affirm that we have not denied any personnel, access to the audit committee of the company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
9. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Bangalore
01-09-2008

C SHIVA KUMAR REDDY
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

PROFILE:

Kavveri Telecom Products Ltd. formerly Kaveri Telecoms Ltd. (Kavveri) was incorporated in 1996 and is engaged in the design, development and manufacture of RF Products and Antennas for Telecom, Defence and Space Applications in India and abroad. Kavveri enjoys the stature of being the largest manufacturer of Antennas & RF Products in India. Kavveri also provides total Turnkey solutions for coverage and capacity enhancement requirements for GSM & CDMA carriers in India. Also, Kavveri manufactures Solar Modules & solar systems for various applications.

Kavveri is a leading provider of intelligent indoor coverage solutions for the mobile communications industry. Kavveri is working directly with mobile carriers to introduce innovative approaches that extend wireless coverage indoors while preserving network integrity. It provides repeater solutions seamlessly to bring the outdoor signal inside for medium and large sized enterprise facilities - ensuring that cell phones and mobile devices work reliably indoors. With a history of working closely with carriers, industry innovation and proven multi-generation products deployed in the field, Kavveri is well positioned to continue its leadership of the market.

Its focus on quality products has also enabled Kavveri to become the most favoured vendor for GSM & CDMA operators and OEMs across India. Kavveri's esteemed clientele include industry giants such as Airtel, Alcatel-Lucent, Airports Authority of India, BSNL, Idea, ISRO, Motorola, Nokia, Rcom, Tata Tele, Vodafone and Worldspace to name a few. All the products that are manufactured by the Company are designed and developed by the In-house Research & Development Centre of the Company.

Kavveri's products are mainly used in Telecom, Defence and Space segments and it has been dominant in the Telecom Segment since inception. For the last three years Kavveri has been designing and developing various Radio Frequency Products and Antennas for defense and space requirements. Kavveri continue to invest in the research and development of Telecom products and the diversification of product offerings, and has one of our industry's leading product portfolios in terms of performance and features. The proprietary design technology is a further differentiator for the company's products. The company is also looking aggressively at Inorganic growth opportunities and has acquired three companies in US and Canada, Til-Tek (in April 2006); DCI digital communications (in April 2007) and SpotWave Wireless (in December 2007) in the last two years apart from acquiring the technology, design and IP rights of Antenna technology from another European company. The Company has 26 Patents and Trademarks acquired through these overseas acquisitions.

DEVELOPMENTS

Telecom Applications:

The Cellular Industry in India is growing rapidly and has at present a subscriber base of approximately 296 million as of end August'08 and expected to grow to 500 Million subscribers by March 2010. Company's Radio Frequency products and Antennas are used for the cellular industry for their network roll out for increasing the subscriber base and also for in-building solutions for increasing the subscriber revenues by maximizing the existing capacity utilization of the operators.

To enable seamless connectivity to the targeted subscribers, TRAI has projected need of additional 330,000 cell sites. This would provide strong thrust to the telecom equipment manufacturing companies like Kavveri.

Government of India has announced the policy guidelines for auction of 3G & Wi-max spectrum in the next two three months. This should spur the requirement of RF Products & Antennas for 3G & Wi-max. Your Company's R & D has already designed and developed products for 3G & Wi-max applications and has received approvals from some prominent OEMs for the same.

Defence and Space Applications:

Your Company has been pursuing various opportunities in defence and space segments and it has worked on the prototypes of these products. Some of the prototypes have been approved by the defence and space industry and these are expected to generate huge revenues in the coming years. Your Company has received very good encouragement from the defence and space segments and has been entrusted with the design and development of various RF products and Antennas for defence and space applications. Your Company has designed and developed some of these products and delivered to the defence and space establishments.

In building Solutions:

In-building solutions are used for capacity enhancement and Coverage enhancement. Revenues from In-building solution are expected to grow over next 2-3 years. There exists a huge business potential in this vertical.

Your Company provides coverage solutions to the wireless network carriers wherever their customer is located, for a positive customer experience. Selling service quality has become an increasingly important step to prevent attrition of the installed customer base.

With an increasingly competitive environment and an increase in the number of services used in conjunction with a cell phone, carriers that offer superior network quality are more likely to attract new customers and increase customer retention. In fact, improving network quality is a beneficial financial incentive for wireless carriers, as customers experiencing at least one call quality problem are almost four times more likely to definitely switch carriers in the future.

This should really come as no surprise, since wireless carrier subscribers are increasingly dependent on their wireless services as the trend of landline replacement by wireless communications continues. Enterprises and consumer customers' requirements for a totally mobile "always on" experience for both voice and data communications are creating acute demand for high-quality wireless in-building services. This expectation steadily increases while the workforce becomes increasingly mobile.

Financial Performance

(Rs. in Lakhs)

	As at 31.3.2008	As at 31.03.2007
Net Sales & other income	14565.67	5051.89
Operating Profit	2161.48	818.12
Interest	545.41	86.99
Profit before Depreciation	1616.07	731.13
Depreciation	51.24	30.73
Profit before Tax	1564.81	700.40
Provision for Tax		
- Current Tax	183.00	50.00
- Deferred Tax	213.80	56.74
- Fringe Benefit Tax	3.27	3.03
Profit after Tax	1164.74	590.63
Balance brought forward	835.60	362.93
Income tax for previous year	38.09	0.26
Amount available for appropriation	1962.25	953.30
Dividend @ 10% per equity share	100.61	100.61
Dividend Tax	34.20	17.10
Amount Transferred to General Reserve	87.50	0.00
Balance carried to balance sheet	1639.33	835.60
Basic Earnings per share (Rs.)	11.58	5.87

- Total Revenue grew to Rs. 14565.67 lacs as against Rs. 5051.89 lacs in the corresponding previous financial year, which is an increase of 188%.
- Operating profit grew to Rs. 2161.48 lacs as against Rs. 818.12 lacs in the corresponding previous financial year, which is an increase of 164%.

- Significant growth was achieved in Net Profit by earning Rs. 1164.74 lacs as against Rs. 590.63 lacs in the corresponding previous financial year, which is an increase of 97%.
- The Board has recommended a dividend of 20% per equity share of Rs. 10/- considering the expansions and the growth of the Company.
- The Corporate tax liability for the year was Rs. 183.00 lacs as against Rs. 50.00 lacs during the previous financial year and there was a deferred tax charge of Rs. 213.80 lacs as against Rs. 56.74 lacs for the previous year.
- Total fixed assets of the Company is increased from Rs. 762.35 lacs to Rs. 1606.40 lacs, which is mainly due to purchase of Plant and Machinery during the year under review.
- The total Equity Dividend payout @ 20% per equity share of Rs. 10/- during the year is of Rs. 2,01,21,600/- and the dividend tax on the above is Rs. 34,19,666/-.
- Earnings per shares of Rs. 11.58 for the year against Rs. 5.87 in the corresponding previous financial year.

Product wise Performance:

Antennas & RF Products:

Your Company during the year has sold large quantity of RF Products & Antennas for GSM & CDMA Carriers.

The Antennas supplied were Yagi Antenna, Omni Antenna, Patch Panel Antenna and Base Station Antenna etc. Base Station antennas are the first critical component of wireless infrastructure. They capture wireless signals from the users' handsets, delivers the radio frequency (RF) signal from the base station radio back to the handset and sends signals to operators base stations.

The RF Products supplied during the year were filters, combiners, splitters, couplers etc. RF Products & Antennas are having reasonable margins.

In-building Solutions:

Your Company during the year has been able to establish itself as a major player in in-building solutions with GSM & CDMA Carriers like Vodafone, Airtel, Idea, Reliance & Tata Tele Services. Your Company sees growing opportunities going forward in In-building solutions with reasonable margins. During August 2008 your company has decided to enter into Build, Operate and Lease (BOL) model of business for In-building solutions as your company sees a huge potential for multiple operators of multiple technologies like GSM, CDMA, 3G & WI MAX sharing the In-building network infrastructure of huge buildings. To undertake this business your company is in the process of forming a Subsidiary called **Kavveri Telecom Infrastructure Limited**.

Solar Products:

Your Company during the year has been a major supplier to BEL for its requirement of solar modules. Solar powered products are a source of reliable and cost effective energy solutions for areas with erratic power supply, for energy conservation and for areas with fewer energy sources. However, this is not the focus area of KTPL due to low margins. But with the demand for alternate energy, the company is willing to take up new opportunities provided margins are good.

Outlook:

Telecom in India is very encouraging with the growing network roll out action plans of various operators to meet the demands of the subscribers. Telecommunication is the backbone of a flourishing economy. Your Company's entry into defence and space segments will allow it to tap the huge potential over a longer period. Solar business continues to generate revenues although with small margins as compared to RF Products & Antennas. Your Company sees In-building solutions as huge growth opportunities for the next 3-4 years as the cellular operators are concentrating on maximizing their revenues with the available infrastructure in certain areas of high revenue generating subscribers.

Opportunities and Threats:

Your Company has designed and developed various RF Products and Antennas for 3G & Wi-max Technology. Some of them are approved and some of them are in the process of approval. Your Company sees great opportunities for these products and space applications. Also, your company is pursuing the opportunities for its products in the North American Market.

Capacity Expansion

Your company is looking at further expansion of its capacity. In order to serve the increasing demand of active infrastructure arising due to increasing telecom penetration, the company is shifting all its existing operation under one roof at Jigani, about 25 km away from Bangalore. This new facility, comprising of 3 floors built on the company's own land, would be about 1, 45,000 square foot in area- the largest facility in India for RF Products and Antennas. This would help in doubling its capacities of RF products and Antennas. Also one of the floors would be dedicated for contract manufacturing in order to cater to the demand of its overseas subsidiaries as well as other overseas customers.

Risks and Concern:

Our business faces risks. The risks described below may not be the only risks we face. Additional risks that we do not yet know of or that we currently think are immaterial may also impair our business operations. If any of the events or circumstances described in the following risks actually occur, our business, results of operations or financial conditions could suffer and the trading price of our shares could decline.

We rely upon a few customers for the majority of our revenues and the loss of any one of these customers or rescheduling of orders from any of these customers, would have material adverse effect on our business, results of operations and financial condition.

Our success is tied to the growth of the wireless services communications market and our future revenue growth is dependent on the expected increase in the size of the market.

Internal Control Systems and their adequacy:

KTPL has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against any loss and all the transactions are authorized, recorded and reported correctly.

The internal control system is designed to ensure that the financial and other records are reliable for preparing final statements and maintaining accountability of assets. The system is also supplemented by reviews undertaken by the management and the Audit Committee of the findings and recommendations of the internal audit.

Major Developments in Human Resources/Industrial Relations Front:

Human Resources are the center of focus at KTPL. They are the driving force behind the accelerated growth of the Company. KTPL provides constant training and development to ensure both personnel and technical enhancement. Several new initiatives in terms of new HR policies, benefits to employees, new hirings have taken Kavveri into a different level altogether. The employee relationship has been cordial and the directors wish to place on record their appreciation for the contribution of all the employees towards the growth of the company.

AUDITOR'S REPORT

To

**The Members,
Kavveri Telecom Products Limited.
Bangalore**

1. We have audited the attached Balance Sheet of **Kavveri Telecom Products Limited** as at 31st March, 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally prevailing in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have 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 accounts, as required by law, have been kept by the company, so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow dealt with by this report are in agreement with the books of account;
 - d. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub section (3-C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant Accounting Policies followed by the company and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of Balance Sheet, of the statement of affairs of the Company at 31st March, 2008;
 - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Patel Mohan Ramesh & Co**
Chartered Accountants

(Ramesh M J)
Partner

MEM No: 20010

Place: Bangalore
Date: 26.06.2008

ANNEXURE TO AUDITOR'S REPORT OF KAVVERI TELECOM PRODUCTS LIMITED

Referred to in Paragraph 3 of our report of even date

Based upon the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- 1 In respect of its Fixed Assets:
 - a The company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
 - b As explained to us, the Fixed Assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2 In respect of its inventories:
 - a As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
- 3 In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a The company has not granted any loans to parties covered in the register maintained under section 301 of the Act.
 - b As the company has not given any loans to the parties specified under section 301 of the Act, commenting on the rate of interest does not arise.
 - c As the company has not given any loans to the parties specified under section 301 of the Act commenting on the receipt of interest and principal does not arise.
 - d As the company has not given any loans to the parties specified under section 301 of the Act, commenting on the overdue amount exceeding Rs. Five Lakh and steps taken by the company for the recover of amounts due does not arise.
 - e The Company has not taken loans from the parties covered in the register maintained under section 301 of the Act.
 - f In our opinion and according to the information and explanations given to us, these loans are interest free and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - g In respect of loans taken by the company, the payment of principal amount wherever applicable is regular.
- 4 In our opinion and according to the information and explanations given to us, internal control procedures needs to be strengthen considering the size of the Company and the nature of its growth in business for the purchase of inventory, fixed assets and also for the sale of goods and services.
- 5 In respect of transactions covered under section 301 of the Companies Act, 1956
 - a In our opinion and according the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that required to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and

exceeding value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time

- 6 The Company has not accepted any deposits from the public
- 7 In our opinion, the company has an internal audit function commensurate with the size and nature of its business.
- 8 As explained to us, maintenance of Cost Records has not been prescribed by the Central Government to this company under Section 209(1)(d) of the Companies Act, 1956.
- 9 In respect of statutory dues:
 - a According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, VAT, CST, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. However we have observed in a few cases, there has been delay in remittances of provident Fund, Value added tax and Tax deducted at source (TDS), Cess, Service tax dues to Appropriate authorities. According to information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2008 for a period of more than six months from the date of becoming payable.
 - b According to the information and explanations given to us, there are no dues of the sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess which have not been deposited with appropriate authorities on account of any dispute.
- 10 The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our report or in the immediately preceding financial year.
- 11 Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- 12 In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- 14 In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15 According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- 16 According to the information and explanations given to us, term loans availed by the Company during the year were, prima facie, applied by the company for the purposes for which the loans were obtained.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- 18 During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 During the year, the Company has not issued debentures.
- 20 The company has not raised any money by way of public issue during the year.
- 21 In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **Patel Mohan Ramesh & Co.,**
Chartered Accountants

(Ramesh M J)
Partner

MEM NO: 20010

Place: Bangalore
Dated: 26.06.2008

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Sch No.	As at 31st march 2008 Rs.	As at 31st march 2007 Rs.
Sources of Funds			
Share Holders Funds			
Share Capital	1	10,06,08,000	10,06,08,000
Reserves & Surplus	2	26,89,68,384	17,98,44,667
Loan Funds			
Secured Loans	3	56,35,41,210	13,25,48,409
Unsecured Loans		33,48,772	2,63,38,454
Deferred Tax Liability		3,51,37,294	1,37,56,579
		97,16,03,660	45,30,96,109
Application of Funds			
Fixed Assets			
Gross Block	4	14,58,34,105	7,62,35,450
Less : Accumulated Depreciation		2,71,56,377	2,27,74,988
Net Block		11,86,77,728	5,34,60,462
Capital Work In progress		1,48,06,922	–
Investments	5	23,37,27,300	15,71,57,300
Current Assets, Loans and Advances			
Inventories	6	7,06,62,372	4,54,32,291
Sundry Debtors		65,89,78,442	27,47,75,279
Cash & Bank Balances		17,67,57,573	5,13,26,549
Loans & Advances		26,88,27,194	10,41,48,009
		1,17,52,25,581	47,56,82,128
Less: Current Liabilities and Provisions	7		
Current Liabilities		55,41,95,566	21,29,59,205
Provisions		1,66,38,305	2,02,44,576
Net Current Assets		60,43,91,710	24,24,78,347
Miscellaneous Expenditure (to the extent not written off or adjusted)	8	–	–
		97,16,03,660	45,30,96,109
Notes on Accounts	15		
Accounting Policies and Schedules 1 to 8 and 15 form an Integral Part of the Balance Sheet			

This is the Balance Sheet referred to in our report of even date

For Patel Mohan Ramesh & Co
Chartered Accountants

Ramesh.M.J
Partner
Membership No: 20010

Place: Bangalore
Date : 26.06.2008

For and on behalf of the Board

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

Purushottam A Rasalkar
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Sch No.	For the Year ended 31st March 2008 Rs.	For the Year ended 31st March 2007 Rs.
Income			
Gross sales		1,60,31,69,445	53,64,98,670
Less: Excise Duty		19,59,11,167	3,44,96,330
Net Sales	9	1,40,72,58,278	50,20,02,340
Other Income	10	2,99,00,305	31,86,636
Accretion to Stock	11	1,94,08,452	-
Total		1,45,65,67,035	50,51,88,976
Expenditure			
Decretion to Stock	11		1,48,57,492
Operating Expenses	12	1,13,27,42,690	35,68,63,009
Administrative, Selling & Other Expenses	13	10,76,77,197	5,16,56,609
Interest & Financial Expenses	14	5,45,41,061	86,99,003
Depreciation	4	51,24,729	30,73,010
Total		1,30,00,85,676	43,51,49,123
Profit before Taxation		15,64,81,359	7,00,39,853
Less: Provision for Taxation			
Current Tax		1,83,00,000	50,00,000
Deferred Tax charge / (credit)		2,13,80,715	56,74,194
Fringe benefit Tax		3,27,012	3,03,104
Profit after Taxation		11,64,73,632	5,90,62,555
Income Tax for the year 2005 -2006		34,647	1,24,995
earlier excess provisions made		-11,25,220	
Excess provision of Income Tax 2004 - 2005		-	66,839
Excess provision of Income Tax 2003 - 2004		-	33,319
income tax for the year 2003-04		22,41,460	-
income tax for the year 2006-07		26,57,762	-
Surplus Brought forward from Previous Year		8,35,60,169	3,62,93,083
Amount available for Appropriations		19,62,25,152	9,53,30,801
Transferred to General Reserve		87,50,000	-
Interim Dividend paid		1,00,60,800	-
Dividend Tax on the same		17,09,833	-
Proposed Final Dividend		1,00,60,800	1,00,60,800
Dividend tax on the same		17,09,833	17,09,833
Balance carried to Balance Sheet		16,39,33,886	8,35,60,168
Notes on Accounts	15		

Accounting Policies and Schedules 4, 9 to 15 form an Integral Part of the Profit and Loss Account

Earning Per Share

Equity Shares of Par value of Rs.10/- each

Before Tax

Basic Earning Per Share	15.55	6.96
No. of Equity shares used in computing Earnings Per share	1,00,60,800	1,00,60,800

After Tax

Basic Earning Per Share	11.58	5.87
No. of Equity shares used in computing Earnings Per share	1,00,60,800	1,00,60,800

This is the Profit and Loss Account referred in our report of even date.

For Patel Mohan Ramesh & Co
Chartered Accountants

Ramesh.M.J
Partner (Membership No: 20010)

Place: Bangalore
Date : 26.06.2008

For and on behalf of the Board

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

Purushottam A Rasalkar
Company Secretary

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
SCHEDULE - 1		
Share Capital		
Authorised Share Capital 2,00,00,000 EQUITY SHARES OF RS.10/-	20,00,00,000	20,00,00,000
Issued, Subscribed & Paid-up 98,23,450 EQUITY SHARES OF RS.10/-	9,82,34,500	9,82,34,500
Share Capital Suspense Account [Refer Note 1(a) of Schedule 15]	23,73,500	23,73,500
Total	10,06,08,000	10,06,08,000
SCHEDULE - 2		
Reserves and Surplus		
Capital Reserves		
Arising from Amalgamation [Refer Note 1 (b) of Schedule 15]	73,25,779	73,25,779
Securities Premium(arising from amalgamation)	8,45,57,700	8,45,57,700
Securities Premium Suspense Account		
Arising from Amalgamation [Refer Note 1(a) of Schedule 15]	42,72,300	42,72,300
General Reserve	88,78,719	1,28,719
Profit and Loss Account Balance	16,39,33,886	8,35,60,168
TOTAL	26,89,68,384	17,98,44,666
SCHEDULE - 3		
SECURED LOANS		
Term Loan from Bank *	18,17,08,981	10,00,00,000
Cash Credit Account *	29,71,96,291	3,22,73,552
Corporate Loan from Bank*	8,35,62,538	
ABN Amro Bank Car Loan**	1,60,475	2,74,857
ICICI Car Loan**	9,12,925	
TOTAL - A	56,35,41,210	13,25,48,409
UNSECURED LOANS		
Loan from Directors	-	2,11,32,132
Sales tax Deferred Liability **	33,48,772	52,06,322
TOTAL - B	33,48,772	2,63,38,454
Grand Total of Loan Funds (A+B)	56,68,89,982	15,88,86,863

* Term Loan & corporate loan are secured by all Fixed Assets & cash credit account is secured by all stock / debtors & other current assets of the company

** The Car loans are secured by hypothecation of the relevant vehicles

The above secured loans excepting Car loans are covered by the personal guarantees of the promoter directors

** Includes amount payable within one year

Sales Tax Deferred liability	19,49,872	19,49,872
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SCHEDULE FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

SCHEDULE : 4 Fixed Assets

Description	Gross Block at Cost			Depreciation			Net Block			
	As at 1.04.2007 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.2008 Rs.	Upto 31.03.2007 Rs.	for the year Rs.	Adjustments on disposal Rs.	Upto 31.03.2008 Rs.	As at 31.3.2007 Rs.	As at 31.3.2008 Rs.
Land	5,62,500	-	-	5,62,500	-	-	-	-	5,62,500	5,62,500
Building	85,39,778	-	-	85,39,778	22,07,188	2,85,229	-	24,92,417	63,32,590	60,47,361
Plant & Machinery	4,88,81,328	3,18,26,391	-	8,07,07,719	1,14,14,927	31,27,564	-	1,45,42,491	3,74,66,401	6,61,65,228
Jigs & Moulds	5,94,359	83,813	-	6,78,172	4,65,728	35,406	-	5,01,134	1,28,631	1,77,038
Furniture & Fixtures	42,09,767	-	-	42,09,767	23,86,031	2,66,478	-	26,52,509	18,23,736	15,57,258
Computers	39,54,478	21,15,799	-	60,70,277	20,78,719	8,19,084	-	28,97,803	18,75,759	31,72,474
Electrical Installation	25,99,764	-	-	25,99,764	5,91,933	1,23,489	-	7,15,422	20,07,831	18,84,342
Office Equipments	28,78,138	1,30,614	-	30,08,752	10,36,639	1,40,521	-	11,77,160	18,41,499	18,31,592
Vehicles	40,15,338	17,22,161	1,439,513	42,97,986	25,93,824	3,26,958	7,43,341	21,77,441	14,21,514	21,20,545
Technology knowhow	-	35,159,390	-	35,159,390	-	-	-	-	-	35,159,390
Total	7,62,35,450	7,10,38,168	14,39,513	14,58,34,105	2,27,74,989	51,24,729	-	2,71,56,377	5,34,60,461	11,86,77,728
Balance as at 31.3.07	5,78,01,757	1,84,33,693	-	7,62,35,450	1,97,01,979	30,73,010	-	2,27,74,989	3,80,99,778	5,34,60,461

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
SCHEDULE - 5		
Investments : Long Term, Unquoted Trade		
Investments in Subsidiary Company		
M/s. Eaicom India Pvt Ltd	14,57,18,000	14,57,18,000
[Refer Note 2(a) of Schedule 15]		
Investments in Subsidiary Company	8,80,09,300	1,14,39,300
M/s.Kavveri Technologies Inc Refer Note 2(b) of schedule 15		
TOTAL	23,37,27,300	15,71,57,300
SCHEDULE - 6		
Current Assets, Loans and Advances		
Inventories		
Raw Materials	2,08,37,416	1,50,15,787
Finished Goods	4,64,03,775	3,04,16,504
Work-in-Progress	34,21,181	-
TOTAL	7,06,62,372	4,54,32,291
Sundry Debtors		
(Unsecured)		
Debt outstanding for a period Exceeding 6 months		
Considered Good	5,33,27,439	2,95,46,981
Considered Doubtful	-	4,57,463
	5,33,27,439	3,00,04,444
Other Debts - Considered Good	60,56,51,003	24,52,28,298
	65,89,78,442	27,52,32,742
Less: Provision	-	4,57,463
TOTAL	65,89,78,442	27,47,75,279
Cash and Bank Balances		
Cash on hand	1,301	930
DD On hand	-	1,03,69,855
Balance with Scheduled Banks		
In Current Account	57,38,887	40,05,749
In Deposit Account	16,86,56,130	3,56,32,393
In Unclaimed Dividend Account	23,54,940	13,11,306
Balance with Other Banks		
In Current Account - ICICI Bank	6,315	6,315
TOTAL	17,67,57,573	5,13,26,548
Loans & Advances		
Unsecured, Considered Goods		
Advances recoverable in cash or in kind or value to be received		
from Others	4,43,68,065	9,69,93,208
from subsidiaries	20,97,29,348	-
Deposit with others	89,85,773	67,43,391
Balances with Customs, Excise Authorities	57,44,008	4,11,410
TOTAL	26,88,27,194	10,41,48,009

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
SCHEDULE - 7		
Current Liabilities		
Due to Subsidiary	11,17,22,879	1,95,93,354
Sundry Creditors		
Due to S S I undertakings (Note 15 of Schedule 15)	–	–
Others	16,67,66,487	10,16,29,182
OTHER LIABILITIES	27,33,51,260	9,04,25,119
Unclaimed Dividends (Note 12 of Schedule 15)	23,54,940	13,11,550
	55,41,95,566	21,29,59,205
Provisions		
Taxation		
Income tax	1,80,00,000	63,73,660
Fringe benefit tax	6,27,012	3,03,104
Less: advance taxes	1,73,27,748	1,23,104
	12,99,264	65,53,660
Gratuity	16,25,800	11,15,296
Leave Encashment	19,42,608	8,04,987
TAX ON DIVIDEND	17,09,833	17,09,833
Proposed final dividend	1,00,60,800	1,00,60,800
	1,66,38,305	2,00,64,576
SCHEDULE - 8		
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
Technology Fees		
Opening	–	59,215
Less: 1/6 charged to Profit & Loss Account	–	59,215
Balance Carried to Balance Sheet	–	–
SCHEDULE - 9		
Sales and Services		
Local Sales	1,60,23,76,012	43,23,86,067
Export Sales	54,69,700	66,21,792
Sale of traded goods/other services	1,05,29,520	10,11,13,947
Freight & Insurance Collected	1,14,94,901	1,14,864
	1,62,98,70,133	54,02,36,670
Less: Sales Return	2,67,00,688	37,38,000
Total	1,60,31,69,445	53,64,98,670

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
SCHEDULE - 10		
Other Income		
Interest on Fixed Deposit (gross)*	29,72,311	10,47,769
Miscellaneous Income	1,98,90,306	4,27,322
Interest on Income Tax Refund	–	25,627
forex gain or Loss	2,44,686	16,85,918
EXCESS PROVISION WRITTEN BACK	67,93,003	–
Total	2,99,00,305	31,86,636
* Tax Deducted at Source on Interest Income	5,80,925	1,36,798
SCHEDULE - 11		
Accretion/Decretion to Stock		
Opening Balance of Finished goods	3,04,16,504	4,51,83,021
opening Balance of Semi-finished goods	–	90,975
Total (A)	3,04,16,504	4,52,73,996
Less:		
closing balance of finished goods	4,64,03,775	3,04,16,504
closing balance of semi-finished goods	34,21,181	–
Total (B)	4,98,24,956	3,04,16,504
(A)- (B)	(1,94,08,452)	(1,48,57,492)
Net Accretion/Decretion to stock	(1,94,08,452)	(1,48,57,492)
SCHEDULE - 12		
Operating Expenses		
a. Raw Materials Consumed		
Opening Stock of Raw materials	1,50,15,787	67,24,374
Add : Purchase during the Year		
- Imported	82,85,67,064	11,93,34,683
- Indigenous	27,03,39,701	21,97,70,995
	1,11,39,22,553	34,58,30,052
Less : Closing Stock	2,08,37,416	1,50,15,787
(A)	1,09,30,85,137	33,08,14,265
b. Others		
Consumables	13,37,782	6,15,330
Packing Materials	15,49,564	2,44,039
Job Work	81,95,954	22,49,875
Power Charges	5,73,009	3,16,433
Other Manufacturing Expenses	2,76,83,724	52,84,924
(B)	3,93,40,033	87,10,600
(C)	3,17,520	1,73,38,144
Total (A+B+C)	1,13,27,42,690	35,68,63,009

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
SCHEDULE - 13		
Adminstrative, Selling & Other Expenses		
Salaries, Wages & Bonus (Includes commission to Directors)	3,18,22,418	1,36,23,316
Contribution to :		
Provident Fund & Other Funds	7,18,282	5,24,870
Gratuity & Leave encashment	16,48,125	3,36,595
Staff Welfare Expenses	4,87,185	26,10,924
Rent	59,79,359	49,60,023
Electricity, Water Charges	97,197	3,74,155
Telephone & Telex	7,96,687	6,54,475
Postage & Telegram	1,24,548	4,25,818
Rates & Taxes	2,75,782	3,14,549
Repairs & Maintenance		
- Office & Building	9,58,951	11,35,878
- Computer Maintenance	1,82,018	3,25,622
- Generator	25,101	3,000
- Vehicles	5,85,398	4,75,698
Travelling & Conveyance Expenses	1,81,76,306	27,55,617
Security Charges	12,74,341	12,34,847
Printing & Stationery	5,12,343	5,77,279
Auditor's Remmuneration	3,75,000	1,55,000
Professional Charges	18,73,022	9,87,989
Research & Development Expenses	1,07,04,541	1,11,98,304
Business Promotion Expenses	12,12,069	2,87,748
Bad debts written off	29,69,058	8,68,091
Carraige Outwards	1,79,92,070	3,77,971
Donations	11,69,366	-
Technical Know-How Fees Written Off	-	59,215
Loss on Sale of Assets	3,21,172	-
Miscellaneous Expenses	73,96,858	73,89,625
Total	10,76,77,197	5,16,56,609
SCHEDULE - 14		
Financial Expenses		
Interest		
on term loan, cc and others	1,85,32,148	53,33,153
Bank Charges	77,60,773	33,65,850
Bill Discounting charges	2,82,48,140	
Total	5,45,41,061	86,99,003

SCHEDULE 15

NOTES TO ACCOUNTS

1. Amalgamation of Megasonic Telecoms Private Limited

- a) The Company has amalgamated with erstwhile Megasonic Telecoms Private Limited in the year 2003-04 and as per the scheme of amalgamation 4935000 equity shares were issued as consideration.

Against the said shares issued excepting 2,37,350 equity shares, the balance shares have been allotted in the earlier years. As the Company is unable to identify the allottees in respect of 2,37,350 shares the same remain un-allotted and the related amount is shown under "Share Capital Suspense" and the corresponding premium under "Securities Premium suspense", pending allotment. Efforts are being made to locate the members to allot the un-allotted shares.

- b) The Capital Reserve of Rs. 73,25,779/- represents the excess of net fair value of assets (values determined by an Independent valuer) over the purchase consideration in terms of scheme of amalgamation taken place during the year 2003-04 which was duly approved by the Hon'ble High Courts of Karnataka and Bombay.

2. Investments

- a) Pursuant to the Scheme of Amalgamation as referred to in Note 1 above, Eaicom India Private Limited (EIPL) erstwhile 100% subsidiary company of Megasonic Telecoms Private Limited has become a wholly owned subsidiary of the Company.

- b) Also during the financial year 2005-06 the company had incorporated a 100% subsidiary in the name of KAVVERI TECHNOLOGIES INC of its own at Canada and an initial sum of 292 Thousand CAD Dollars had been invested in the said company towards its share capital. Further, during the year 2007-08 a sum of CAD 2,015,000/- had been invested in equity by converting a portion of loan granted to them.

3. Contingent Liabilities not provided for -

Particulars	March 31, 2008 Rs.	March 31, 2007 Rs.
i) Estimated amount of Contracts remaining to be executed on Capital Account.	Rs.9,25,00,000	-
ii) Claims against the Company not acknowledged as a debt : On account of Bank Guarantee (refer Para 4 as under)	32,32,200	32,32,200
iii) On account of Income Tax	-	22,41,460
vi) Letters of Credit issued on behalf of the Company by bankers	29,13,29,284	10,12,25,371
v) Guarantees issued by bankers on behalf of the company and counter guarantee issued	1,59,33,916	1,53,80,607

4. The Mahanagar Telephone Nigam Ltd, New Delhi, had invoked a Bank Guarantee against the company for Rs. 4.41 lakhs and Bharat Sanchar Nigam Ltd., New Delhi had invoked two bank guarantees for Rs. 20.36 lakhs and Rs.7.55 lakhs. The company has obtained stay order against the same in High court of Karnataka. The Company is advised that matter will be resolved in favour of the company. Hence, no provision is made in accounts.

5. Information regarding Capacity, Stock, Production and Sale

- a) Licensed Capacity Not Applicable.

- b) Installed Capacity * Company has an installed capacity of 200000 nos. of Microwave components. Since the company has manufactured components, systems during the year, quantification of capacity is not feasible.

* As certified by the Management not verified by the Auditors' being Technical in Nature.

c) Production, sales and stock:

ITEMS	Opening (Nos)	Production (Nos)	Sale (Nos)	Closing (Nos)
Antenna/Components/Accessories	3325 (2061)	67163 (64988)	63934 (63724)	6554 (3325)
Câbles used in RF Line	-	4671210 mtrs	4671210mtrs	-
Solar Photo Voltaic Power Supply	- (115)	6598 (25000)	6598 (25115)	- (-)

Figures with in the bracket indicate figures of previous year.

d) Raw Material Consumed

There are various individual items of purchases of raw materials which are being consumed in production whereas none contribute to as single item as 10% of total consumption except RF cables whose quantitative details are as below:

1. Name of the item	qty purchased	qty consumed	value of consumption
RF cables (used in RF Line)	4671210 mtrs	4671210 mtrs	71,46,95,130

ITEMS	Year ended 31.03.2008		Year ended 31.03.2007	
	Value in Rs.	%	Value in Rs.	%
a) Indigenous	27,03,39,701	24.60%	21,14,79,852	64%
b) Imported	82,85,67,064	75.4%	11,93,34,683	36%
	** 109,89,06,765	100%	33,08,14,265	100%

** (includes consumption of R&D raw materials for Rs.30,62,876 and the figure for the same for the previous years is Rs.2,91,26,979/-)

6. Value of Imports - Cum Insurance & Freight (CIF)

(Rs.)

Particulars	Year Ended 31.03.2008	Year Ended 31.03.2007
a) Raw Material	91,95,43,278	11,93,34,683
b) Traded goods	-	1,04,97,251
c) Capital Goods	4,65,21,820	-

7. Foreign Exchange Earnings/Expenses

a) Earnings

(Rs.)

Particulars	Year Ended 31.03.2008	Year Ended 31.03.2007
On export of Goods (FOB)	54,69,700	66,21,792
On Services Provided outside India	1,00,00,000	-

b) Expenditure

(Rs.)

Particulars	Year Ended 31.03.2008	Year Ended 31.03.2007
1. Raw Materials	82,85,67,064	11,93,34,683
2. Traded goods	-	1,04,97,251
3. Capital Goods	4,65,21,820	-
4. Foreign Travel	81,25,107	4,19,878

8. Segment Results

The company's predominant risks and returns are from the segment of "Telecommunication Accessories" represented by Antenna, Duplexer, RF Products and RF accessories, which constitute the major revenue of the company for the reporting period. Since this being a single business segment, the segment information as per Accounting Standard 17, "Segment Reporting", is not disclosed.

9. Related Party Disclosure

In accordance with Accounting Standard 18 – "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the company has compiled the required information as detailed below:

a. Remuneration Paid/payable to key management personnel:

Name	Relationship	2008		2007	
		Remuneration	Others	Remuneration	Others
C. Shivakumar Reddy	Managing Director	9,70,000	7,71,935	9,70,000	5,30,000
R.H. Kasturi	Whole Time Director	9,70,000	7,71,935	9,70,000	5,30,000
C. Uma Reddy	Whole Time Director	9,70,000	7,71,935	9,70,000	5,30,000
L. Nicholas	Whole Time Director	12,85,915	1,19,835	10,55,080	4,00,000

** The above does not include the gratuity provision made for Directors in books of accounts.

** The above does not include the commission payable to Directors which is reported separately in the following paragraphs.

The Wholetime Directors are also eligible for a commission limited to a maximum of 9% of the net profits after considering of their other income paid from the company and other Independent Directors are eligible for a commission of 1% of net profits of the company and as such the following commission amount are payable to Directors:-

A. Commission as calculated under Section 198, 349 and 350 of the Companies Act 1956 :

Profit as per Profit and Loss	15,64,81,359
Commn amounts included in administrative expense	1,73,86,818
Profit before commission	17,38,68,177
10% of the same	1,73,86,818
Amount paid as salaries & perks	66,31,555
Net amount payable	1,07,55,263

The Independent Directors of the company Mr. P.C. Krishnamachary, Mr. L.R. Venugopal, Mr. B.S. Shankaranarayana and Mr. Arun. Avadhani are also eligible for total 1% of the net profits of the company amounting to Rs.17,38,681/-

B. Following is the list of Subsidiary Companies:-

Name of the Company	Percentage of Holding	
	As at 31.03.2008	as at 31.03.2007
Eaicom India Private Limited	100%	100%
Kavveri Technologies Inc	100%	100%
Til tek Antenna inc	100%	100%
Dci Digital Communications Inc	100%	-
Spotwave Wireless Ltd	100%	-
Kavveri Realty 5 Inc	100%	-

During the year 2007-08, Kavveri technologies Inc , Canada had acquired DCI Digital Communications Inc and Spotwave Wireless Limited and hence become the subsidiaries of Kavveri Telecom Products Limited.

DETAILS OF TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR 2007-08

	Particulars	Subsidiary Companies	Key Management Personnel
1	Purchases	11,07,85,038 (2,23,90,372)	
2	Sales	9,93,12,475 (12,29,87,449)	
3	Loans	19,16,57,416 (7,23,39,065)	
4	Equity	7,65,70,000 (1,16,63,600)	
5	Salaries And Commission		1,73,86,818 (59,83,160)
6	Royalty And Management Fees	1,21,73,392 (Nil)	
7	Consultancy Charges		70,00,000 (Nil)
8	Rent		48,00,000 (48,00,000)

(Figures in the brackets represent figures for the previous year)

10. In accordance with the Accounting Standard 22, "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized a deferred tax liability arising out of timing differences amounting to Rs. 2,13,80,715/- during the Current year in accordance with the present rates of Income Tax applicable for the companies and the details are as below:-

Details of deferred tax liability/(Asset) are

(Rs.)

Particulars	Deferred Tax Liability as at 01.04.2007	Current Year Charge/ (Credit)	Deferred Tax Asset/ Liability as at 31.03.2008
Depreciation	1,43,93,215	3,58,33,520	2,14,40,305
Other timing difference	(6,36,637)	(6,96,226)	(59,590)
Net	1,37,56,579	3,51,37,294	2,13,80,715

11. **Auditors remuneration:-**

The break up for the auditor's remuneration is as below

(Rs.)

Particulars	2007-08	2006-07
Audit Fees		
For Statutory audit purpose	3,50,000	1,55,000
For Tax audit purposes	25,000	
Other Services	38,000	20,000
Expenses	16,905	21,420

12. **Unclaimed Dividend**

The unclaimed dividend of Rs. 23,54,940/-(13,11,550) represents those relating to the years 2001 to 2008 and since the number of years of these unclaimed dividends had not exceeded 7 years as at the end of this year no amounts have been transferred to Investors protection fund during the year

13. **Research & Development Expenditure includes:**

Particulars	31.03.2008	31.03.2007
Salaries & Wages	30,04,030	32,07,980
Cost of materials and services	30,62,876	2,91,26,979
Overhead	77,00,511	79,90,024
Total	1,37,67,417	4,03,24,983

14. Based on the information available with the company, there are no amounts overdue and remaining unpaid to small scale/and or ancilliary industrial supplier as at 31st March 2008.
15. Based on the informations available with the company there are no suppliers who are registered as Micro, Small and Medium enterprises under the Micro Small and Medium enterprises Development Act 2006 as at 31st March 2008.
16. Confirmation of balances in respect of debtors and creditors have not been Obtained in all the cases. Cases wherein the same has been received the balances were duly reconciled.
17. Earning per share is calculated as per Accounting Standard 20, "Earning Per Share" issued by the Institute of Chartered Accountants of India. The net profit considered for calculation of basic earnings per share before tax is Rs.156481359/- (previous year Rs.700,40,120/-) and the profit considered for calculation of basic earning per share after tax is Rs.11,64,73,632/- (Previous year 5,90,62,822/-) The weighted average number of equity shares considered for calculation of Basic earning per share (for both before and after tax) is 10060800 shares for the current year as well as for the previous year.

18. Obligation of Long term, non-cancelable Operating Lease:

The company has entered into certain non cancellable lease rental agreements in respect of two of its premises located at Arakere Mico Layout, Bangalore-76 and a premises at BTM Layout Bangalore as a Lessee

Lease Rentals	As at 31st March 2008	As at 31st March 2007
From one year to end of the Lease period	Rs.60,00,000	Rs. 60,00,000

19. The Technical Know-How is being amortized over a period of ten years and the amortization of the same is to be started from the next financial year as the same is subjected to further development activity.
20. The Provision for income tax has been calculated taking into consideration investments in Capital expenditure made under Research and development eligible for a weighted deduction of 150% under section 35(2AB) of the Income Tax Act 1961.

The company during the year, (in the month of September 2007) had made a purchase of technology and know how amounting to Rs.3.52 crores. This technology is being upgraded and developed in the Research and Development department for its use in the developing of new products and for enhancement of features & functionalities of the products to be developed out of the same. This expenditure is considered under Fixed asset as Technical Know how and the benefit under section 35(2AB) of the Income Tax act 1961, is reckoned for considering the Income Tax Provisions.

21. Previous year figures have been regrouped wherever necessary to conform to the current year groupings/classifications.

Signatures to Schedule 1 to 21

For PATEL MOHAN RAMESH & CO
Chartered Accountants

Ramesh. M.J
Partner
Membership No: 20010

Place: Bangalore
Date:

For and on behalf of the Board

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

Purushottam A.Rasalkar
Company Secretary

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements:

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under historical cost convention on accrual basis. GAAP comprises of mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and guidelines issued by the Securities and Exchange Board of India.

2. Accounting Policies:

Accounting Policies are consistent and are in consonance with the Generally Accepted Accounting Principles in India.

3. Fixed Assets:

- Fixed Assets are stated at cost of acquisition plus subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation including finance charges which are directly attributable to the Fixed assets.
- Capital Work in Progress comprises of the cost of fixed assets that are not put to use as at the Balance Sheet date and advance paid towards acquisition of Fixed Assets and relevant financial charges incurred thereon.

4. Depreciation:

Depreciation on Fixed Assets is provided on Straight-line basis in accordance with Schedule XIV of the companies Act, 1956 on proportionate basis. (Refer Clause 17 of this schedule for treatment of Technical Knowhow)

5. Inventory Valuation:

Raw Materials, Work in progress are stated at lower of cost and net realizable value on first in first out basis and are net of provisions. Also the Finished Goods are valued at cost of materials and relevant conversion cost.

6. Investments:

- (a) Long-Term Investments taken over on amalgamation is recognized in the Accounts at its fair value as determined by an independent firm of Chartered Accountants.
- (b) The investment in Kaveri Technologies Inc., is stated at cost.

7. Research and Development:

Expenditure on Research and Development other than capital items is expensed.

8. Revenue Recognition:

- Sales are recognized when the significant risks attached to the goods are passed on to the buyer and are recorded net of trade discounts, rebates.
- Sales Returns are recognized as and when ascertained and are reduced from the sales turnover of the year.
- Interest on fixed deposit is recognized based on the interest rates, using the time proportion method.

9. Foreign Exchange Transactions:

Foreign currency transactions are accounted at exchange rates prevailing on the date of the transaction. All foreign currency assets and liabilities as at the Balance Sheet date, except those covered under forward contracts are translated into rupees at the rate prevailing on that date. All exchange differences are dealt with in the Profit and Loss account.

10. Employee Benefits:

- Liability to Gratuity payable to employees is calculated as per the Actuarial valuation in accordance with the Accounting Standard (AS)15 issued by the Institute of Chartered Accountants of India. other benefits like contributions to Provident Funds, Medical etc are recognized in the accounts on actual cost to the company.

11. Borrowing Cost:

- Borrowing Costs other than that attributable to a qualifying asset are Expensed as and when incurred.

12. Operating Lease:

Leases where the lessor effectively retains substantiality all risks and benefits of the ownership over the lease term are classified as Operating Lease. Operating Lease Payments are recognized as expenses in the profit and loss account on straight line basis over the lease term.

13. Provisions:

Provision is recognized when the company has a present obligation as a result of past events. It is probable that the outflow of resources will be required to settle this obligation, in respect of which reliable estimate can be made. The provision is not discounted at present value and is determined based on the best estimate which is required to settle the obligation at the Balance sheet date. These are viewed at each Balance sheet date and adjusted to reflect the current best estimate.

14. Income Tax:

- The current charge for Income Tax is based on the tax liability computed after considering tax allowances and exemptions.
- Deferred tax asset or liability is recognized for timing differences between the profit as per financial statements and the profit offered for income taxes, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized. 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 profit will be available to allow all or part of the deferred tax assets to be utilized.

15. Miscellaneous Expenditure:

- Preliminary Expenses are being amortized over a period of 10 years.

16. Contingent Liability:

All known liabilities wherever material are provided for and liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are contingent and disclosed by way of Notes on Accounts.

17. Amortization of Technical Know how:

The cost of Technical Know how is being amortized over a period of 10 years following AS-26 issued by the Institute of Chartered Accountants of India.

18. Cash Flow Statement:

Cash Flow statement is reported in the indirect method whereby net Profit or loss before tax is adjusted for the effective transactions of non cash nature and any deferrals or accruals of past or future cash receipts or cash payments. The cash flow from regular revenue generating, investing and financing activities of the group is segregated.

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

Particulars	Year ended 31 March 2008 Rs.	Year ended 31 March 2007 Rs.
A Cash Flow from Operating Activities		
Net profit before tax and extra ordinary items	15,64,81,359	7,00,39,853
Add: Adjustments for		
Depreciation	51,24,729	30,73,010
Interest paid	6,43,95,491	1,33,12,596
Technology Fees written off	-	59,215
Loss on sale of Assets	3,21,172	-
Excess provision of earlier years	-	15,05,233
	6,98,41,392	
Less: Adjustments for		1,79,50,054
Excess Provision written Back	67,93,003	
Interest on FD / other deposits	29,72,311	10,47,769
Interest recd from Kaveri technologies	98,54,430	79,82,965
Operating Profit Before Working Capital Changes	20,67,03,007	90,30,734
Adjustments for:		7,89,59,173
Trade receivables	(38,42,03,163)	(12,91,92,873)
Loans and Advances	(16,46,79,185)	(8,16,32,312)
Inventories	(2,52,30,081)	65,66,079
Trade and other payables	32,57,96,081	15,57,47,071
Prior Period Items - Income Tax	(38,08,649)	(24,837)
	(25,21,24,997)	(4,85,36,872)
Cash Generated from Operations		
Deduct:	(4,54,21,990)	3,04,22,301
Interest paid		
	6,43,95,491	1,33,12,596
	6,43,95,491	1,33,12,596
Cash Flow before Extraordinary items	(10,98,17,481)	1,71,09,706
Net Cash flow from Operating activities [A]	(10,98,17,481)	1,71,09,706
Cash Flow from Investing Activities		
Purchase of Fixed Assets	8,58,45,090	1,84,33,693
Investment in Kaveri Technologies Inc	7,65,70,000	-
Deduct Inflow		1,84,33,693
Interest on FD/other deposits	29,72,311	10,47,769
Sale of Assets	3,75,000	
Interest income from kav technologies	98,54,430	79,82,965
	1,32,01,741	90,30,734
Net Cash Flow from Investing Activities	(14,92,13,349)	(94,02,959)
Cash Flow from Financing Activities		
pay out of dividend	2,35,41,266	
Increase in Loans Liability	40,80,03,119	1,35,01,043
		1,35,01,043
Net cash flow from Financing activities [C]	38,44,61,853	1,35,01,043
Net increase in cash and cash equivalents [A + B + C]	12,54,31,024	2,12,07,790
Cash and Cash Equivalents as at 31st March 2008		
Cash and Cash Equivalents as at 1st April 2007	17,67,57,573	5,13,26,549
	5,13,26,549	3,01,18,759
	12,54,31,024	2,12,07,790

Accounting policies and Schedules 15 form an integral part of Cash Flow Statement
This is the Cash Flow Statement referred in our report of even date

For Patel Mohan Ramesh & Co
Chartered Accountants

Ramesh.M.J
Partner
Membership No: 20010
Place: Bangalore
Date : 26.06.208

For and on behalf of the Board

C. Shivakumar Reddy
Managing Director

C.Uma Reddy
Director

Purushottam A Rasalkar
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956 RELATING TO SUBSIDIARY COMPANIES

Name Of The Subsidiary	Eaicom India Private Ltd	Kaveri Technologies Inc	Tiitek Antenna Inc	Dci Digital Communications Inc	Spotwave Wireless Ltd	Kaveri Realty 5 Inc
The Financial Year Of The Subsidiary Ended On	31 St March 2008	31 St March 2008	31 St March 2008	31 St March 2008	31 St March 2008	31 St March 2008
Holding Company's Interest	212850 Equity Shares Of Rs.10/- Each	230700 Shares Of Cad 10/-each	120 Equity Shares Of Cad 1/- Each	1000 Equity Shares Of Cad 1/- Each	120 Equity Shares Of Usd 1/- Each	120 Equity Shares Of Cad 1/- Each
Extent Of Holding	100%	100%	100%	100%	100%	100%
Net Aggregate Amount Of The Subsidiary Company's Profits/(Losses) Dealt With The Holding Company's Accounts						
For The Subsidiary's Aforesaid Financial Year	Nil	Nil	Nil	Nil	Nil	Nil
for The Previous Financial Years Since It Became Subsidiary Changes, If Any, In The Holding Company's Interest In The	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiary Between The End of The Financial Year Of The Subsidiary And That Of The Holding Company	Nil	Nil	Nil	Nil	Nil	Nil

for and on behalf of the Board

C.Shivakumar Reddy
Chairman and Managing Director

Place: Bangalore
Date: 01.09.2008

EAICOM INDIA PRIVATE LIMITED

BOARD OF DIRECTORS	:	Mr C Shiva Kumar Reddy Mr P C Krishnamachary Mr H Trivedi
AUDITORS	:	M/s Patel Mohan Ramesh & Co. Chartered Accountants
REGISTERED OFFICE	:	No. 32/244, Unnat Nagar-4, M.G.Road, Goregoan west, Mumbai-400062
BANKERS	:	M/s Axis Bank Ltd. Jayanagar, Bangalore

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Annual Report for the year ended 31st March 2008.

RESULTS OF OPERATIONS:

The financial results of the Company for the year ended 31st March 2008 is as given below:

	(in Rupees)	
	31 March 2008	31 March 2007
Gross Revenue	137027835	5 61 67 503
Other Income	63425	11 269
Profit before Depreciation	458779	39 50 820
Depreciation	45646	38 96 572
Profit before tax	413133	38 96 572
Provision for Tax - Current Tax	-	-
Profit after Tax	413133	54 248

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

HOLDING COMPANY

By virtue of the provisions of Section 4 (1) of the Companies Act, 1956, your Company continues to be the Subsidiary Company of M/s Kavveri Telecom Products Limited.

PARTICULARS OF EMPLOYEES

There are no employees who draw remuneration as required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm:

- that in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company

at the end of the financial year and of the profit or loss of the company for that period;

- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT/FOREIGN EXCHANGE EARNINGS AND OUTGO:

The operations of the Company are not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption.

Particulars of Foreign Exchange Earnings and Outgo (2007-08):

Foreign Exchange Outgo	:	Rs. 1,85,32,731
Foreign Exchange earned	:	Rs. Nil

The Company has nothing else to report on the particulars required under Section (1)(e) of the Companies Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

COMPLIANCE CERTIFICATE:

Certificate from Mr D Venkateswarlu, Company Secretary in Whole Time Practice for complying with all the provisions of the Companies Act, 1956 required in pursuant to provision to Sub-section (1) of Section 383A of the Companies Act, 1956 is attached herewith and forms part of this Report.

AUDITORS:

M/s Patel Mohan Ramesh & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting.

ACKNOWLEDGEMENTS:

The Directors thank the Company's Customers, suppliers, Bankers and Shareholders for their consistent support to the Company. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

For and on behalf of the Board
for EAICOM INDIA PRIVATE LTD.

Bangalore
26th August 2008

C SHIVA KUMAR REDDY
Director

P C KRISHNAMACHARY
Director

COMPLIANCE CERTIFICATE

To,

The Members

EAICOM INDIA PRIVATE LIMITED
NO.32/244, UNNAT NAGAR-4
M. G. ROAD, GOREGOAN (WEST)
MUMBAI 400062

I have examined the registers, records, books and papers of **M/s EAICOM INDIA PRIVATE LIMITED**, (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2008 (Financial Year i.e from 1st April 2007 to 31st March 2008). In my opinion and to the best of the information provided to me and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure I to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure II to this certificate, with the Registrar of Companies, Mumbai, Maharashtra.
3. The company, being a private limited company (subsidiary of public limited company), has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was **2 (Two)** and the company during the year under scrutiny :
 - i. has not invited the public to subscribe for its shares or debentures; and
 - ii. has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 5 times respectively on **14-06-2007, 25-08-2007, 22-11-2007, 10-12-2007 and 27-03-2008** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March 2007 was held on 26th September 2007 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred in the section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company has made entries in the register maintained under section 301(3) of the Act.
11. As there were no such instances intimated falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. (i) There was no allotment/transmission of securities during the financial year.
(ii) The Company has not declared any dividend during the financial year.
(iii) The Company was not required to post warrants to any members of the company as no dividend was declared during the financial year.
(iv) The company has not transferred any amounts to Investor Education and

Protection Fund as there were no such amounts as specified in section 205C (2) (a) to (e) of the Act.

- (v) The company has complied with the provisions of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and there was no appointment of Directors, Additional Directors, alternate directors and Directors to fill casual vacancy during the Financial Year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The Company did not seek any approvals of the Central Government, Company law Board, Regional Director and obtained the approval of the Registrar of Companies, Mumbai, Maharashtra under section 21 of the Act for change of name during the Financial Year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any securities during the financial year.
21. The company has not issued any preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not accepted any unsecured deposits from others as defined in Section 58A and 58AA read with Companies (Acceptance of deposits) Rules, 1975.
24. The Company has not made any fresh borrowings during the year as envisaged in the provisions of Section 293(1)(d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provide securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the financial year.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the financial year.
28. The company has altered the provisions of the Memorandum with respect to name of the company during the financial year and complied with the provisions of the Act.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the financial year.
30. The company has not altered its Articles of Association during the financial year.
31. As per the information given to me and explanations furnished to me there was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishments was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.

Bangalore
26th June 2008

D VENKATESWARLU
Practicing Company Secretary
CP No. 7773

Annexure I - Registers as maintained by the Company

1. Register of Members u/s 150
2. Minutes books of Meetings (Board & General Meetings) u/s 193
3. Register u/s 301(3).
4. Register of Directors, Managing Director, Manager and Secretary u/s 303
5. Register of Director's Shareholdings u/s 307

Forms and Returns as filed by the Company with Registrar of Companies, Maharashtra during the financial year ending 31st March 2008:

S No	Form No. / Return	Filed under section	Date of filing prescribed time Yes/No	Whether filed within whether requisite additional fee paid Yes/No	If delay in filing	Event
1	Form DIN - 3		27.11.2007	Yes	NA	Intimation of DIN
2	Schedule -VI	220	17.12.2007	No	Yes	Annual Report for the F/year 2006-07
3	Schedule-V	159	17.12.2007	No	Yes	Annual Return up to 26.09.2007
4	Compliance Certificate	383A	17.12.2007	No	Yes	Compliance Report for the F/year 2006-07
5	Form 18	147	17.12.2007	Yes	NA	Shifting of Registered Office

AUDITOR'S REPORT

To

The Members of Eaicom India Private Limited. Bangalore

1. We have audited the attached Balance Sheet of **Eaicom India Private Limited** as at 31st March, 2008 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have 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 accounts, as required by law, have been kept by the company, so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion the Balance Sheet, Profit and Loss Account dealt with by this report comply with the accounting standards, referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant Accounting Policies followed by the company and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of Balance Sheet, of the statement of affairs of the Company at 31st March, 2008;
 - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and

For **Patel Mohan Ramesh & Co**
Chartered Accountants

Place: Bangalore
Date: 26.06.2008

(Ramesh M J)
Partner
MEM No: 20010

ANNEXURE TO AUDITOR'S REPORT OF EAICOM INDIA PRIVATE LIMITED

Referred to in Paragraph 3 of our report of even date

Based upon the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- 1 In respect of its Fixed Assets:
 - a The company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
 - b As explained to us, the Fixed Assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2 In respect of its inventories:
 - a As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
- 3 In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a The company has not granted any loans to parties covered in the register maintained under section 301 of the Act.
 - b As the company has not given any loans to the parties specified under section 301 of the Act, commenting on the rate of interest does not arise.
 - c As the company has not given any loans to the parties specified under section 301 of the Act commenting on the receipt of interest and principal does not arise.
 - d As the company has not given any loans to the parties specified under section 301 of the Act, commenting on the overdue amount exceeding Rs. Five Lakh and steps taken by the company for the recover of amounts due does not arise.
 - e The Company has not taken loans from the parties covered in the register maintained under section 301 of the Act. The aggregate amount due as on 31.01.2008 is Rs. 11.06 lacs.
 - f In our opinion and according to the information and explanations given to us, these loans are interest free and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - g In respect of loans taken by the company, the payment of principal amount wherever applicable is regular.
- 4 In our opinion and according to the information and explanations given to us, there adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal controls.
- 5 In respect of transactions covered under section 301 of the Companies Act, 1956
 - a In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that required to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time

- 6 The Company has not accepted any deposits from the public
- 7 In our opinion, the company has an internal audit function commensurate with the size and nature of its business.
- 8 As explained to us, maintenance of Cost Records has not been prescribed by the Central Government to this company under Section 209(1)(d) of the Companies Act, 1956.
- 9 In respect of statutory dues:
 - a According to the records of the company, undisputed statutory dues including Income Tax, VAT, CST, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. However we have observed in a few cases there has been delay in remittances of Excise Duties.
 - b According to the information and explanations given to us, details of disputed statutory dues which have not been deposited as on 31.03.2008 on account of any dispute are given below.

Name of the Statute	Nature of dues	Amount (Rs.)	Assessment Year	Forum where dispute is pending
Income Tax Act 1961	Income Tax & Interest on additions	1,06,22,761	2004-05	ITAT Mumbai
Income Tax Act 1961	Income Tax & Interest on additions	5,53,000	2005-06	CIT Appeals (Mumbai)

- 10 The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our report or in the immediately preceding financial year.
- 11 Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- 12 In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- 14 In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15 The Company has not given guarantees for loans taken by others from banks or financial institutions.
- 16 According to the information and explanations given to us, the Company has not availed any term loan/financial institutions during the year.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- 18 During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 During the year, the Company has not issued debentures.
- 20 The company has not raised any money by way of public issue during the year.
- 21 In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **Patel Mohan Ramesh & Co**
Chartered Accountants

(Ramesh M J)

Partner

MEM No: 20010

Place: Bangalore
Date: 26.06.2008

BALANCE SHEET AS AT MARCH 31, 2008

	Sch No. Rs.	As at March 31, 2008 Rs.	As at March 31, 2007
I SOURCES OF FUNDS			
Shareholders' Fund:			
Share Capital	1	21,28,500	21,28,500
Reserves & Surplus	2	2,66,66,400	2,62,53,268
Loan Fund:	3		
Secured Loans		-	-
Unsecured Loans		11,06,570	11,06,570
		2,99,01,470	2,94,88,338
II APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		5,75,334	5,75,334
Less : Depreciation		3,12,264	2,66,618
Net Block		2,63,070	3,08,716
Capital work-in-progress		-	-
		2,63,070	3,08,716
Investments		-	-
CURRENT ASSETS, LOANS & ADVANCES	5		
Sundry Debtors		3,81,47,501	2,38,46,658
Cash & Bank Balances		20,83,155	31,75,274
Inventory		1,85,78,529	8,06,26,039
Loans & Advances		78,31,654	10,75,227
		6,66,40,839	10,87,23,198
LESS : CURRENT LIABILITIES & PROVISIONS	6		
Current Liabilities		3,70,30,339	7,95,60,875
Provisions			15,916
NET CURRENT ASSETS		2,96,10,500	2,91,46,407
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	7	27,900	33,215
		2,99,01,470	2,94,88,338
Significant Accounting Policies and Notes on Accounts	14		-

This is the Balance Sheet referred to in our report of even date

for Patel Mohan Ramesh & co
Chartered Accountants

For and on behalf of the Board

Ramesh.M.J
Partner
Membership No:20010

C. Shiva Kumar Reddy
Director

P.C.Krishnamachary
Director

Date: 26.06.2008
Place: Bangalore

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2008

	Sch. No.	Year ended March 31, 2008 Rs.	Year ended March 31, 2007 Rs.
I INCOME			
Gross Sales	8	14,12,24,338	6,18,69,820
Less: Excise Duty		41,96,503	57,02,317
Net Sales		13,70,27,835	5,61,67,503
Other Income	9	63,425	11,269
		13,70,91,260	5,61,78,772
II EXPENDITURE			
Manufacturing Expenses	10	4,39,06,423	3,04,04,183
Administrative, Selling & Other Expenses	12	9,31,056	6,98,290
Depreciation	4	45,646	54,248
Interest & Financial Expenses	13	6,28,533	1,25,479
Accretion/Decretion in Stock	11	9,11,66,470	2,10,00,000
		13,66,78,128	5,22,82,200
Profit/(Loss) before Taxation		4,13,133	38,96,572
Less: Provision for Taxation			
Current Tax		-	-
Profit/(Loss) after Taxation		4,13,133	38,96,572
Profit/(Loss) carried forward		4,13,133	38,96,572
Profit/(Loss) for the Year		4,13,133	38,96,572
Surplus Brought forward from Previous Year		2,62,53,267	22,356,695
Amount available for Appropriations		2,66,66,400	26,253,267
Appropriations		-	-
Balance carried to Balance Sheet		2,66,66,400	2,62,53,267
		2,66,66,400	2,62,53,267

This is the Profit and Loss Account referred to in our report of even date

for Patel Mohan Ramesh & co
Chartered Accountants

Ramesh.M.J
Partner
Membership No:20010

Date: 26.06.2008
Place: Bangalore

For and on behalf of the Board

C Shiva Kumar Reddy
Director

P.C.Krishnamachary
Director

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2008

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs
SCHEDULE - 1		
SHARE CAPITAL		
Authorised Share Capital 250000 Equity Share of Rs.10/- each	25,00,000	25,00,000
Issued, Subscribed & Paid-up 212850 Equity Share of Rs.10/- each	21,28,500	21,28,500
	21,28,500	21,28,500
SCHEDULE - 2		
RESERVES & SURPLUS		
Profit Carried over from Profit & Loss A/c	2,66,66,400	2,62,53,267
	2,66,66,400	2,62,53,267
SCHEDULE - 3		
UNSECURED LOANS		
Loan from Directors/0thers	11,06,570	11,06,570
	11,06,570	11,06,570
SCHEDULE-5		
CURRENT ASSETS AND LOANS AND ADVANCES		
Sundry Debtors (Unsecured)		
Debt outstanding for a period exceeding six months		
Considered Good	69,73,280	68,21,000
Considered Doubtful	69,73,280	68,21,000
Other Debts - Considered Good	3,11,74,221	1,70,25,658
	3,81,47,501	2,38,46,658
Less: Provision	-	-
	3,81,47,501	2,38,46,658
Cash and Bank Balances		
Cash on hand	20,09,390	9,390
Balance with Scheduled Banks	-	-
On Current Account	73765	1,32,615
On Deposit Account	-	30,33,269
	20,83,155	31,75,274
Inventory		
Stock in hand	1,85,78,529	51,05,000
Goods in Transit	-	7,55,21,039
	1,85,78,529	8,06,26,039
Loans & Advances		
Unsecured, Considered Good		
Advances recoverable in cash or in kind or value to be received	5,59,244	9,14,585
Deposits Others	3,59,999	1,60,000
Balances with Customs, Excise Authorities	642	642
Others	69,11,769	-
	78,31,654	10,75,227

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2008

**SCHEDULE - 4
FIXED ASSETS**

Description	Gross Block at Cost			Depreciation			Net Block		
	As at 01.04.2007 Rs.	Additions Rs.	Deletions/ Adjustment Rs.	As at 31.03.2008 Rs.	As at 01.04.2007 Rs.	for the Period Rs.	Deletions/ Written back Rs.	As at 31.03.2008 Rs.	%
Computers	1,44,000	-	-	1,44,000	1,40,057	1,577	-	2,366	3,943
Furniture & Fixtures	86,500	-	-	86,500	46,517	7,237	-	32,746	39,983
Fax Machine	21,634	-	-	21,634	17,245	611	-	3,778	4,389
Office Equipments	48,200	-	-	48,200	24,547	3,290	-	20,363	23,653
Plant and machinery	2,75,000	-	-	2,75,000	38,252	32,932	-	2,03,816	2,36,748
Total	5,75,334	-	-	5,75,334	2,66,618	45,646	-	2,63,070	3,08,716

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2008

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs
SCHEDULE - 6		
CURRENT LIABILITIES		
Sundry Creditors		
Due to S S I undertakings (Note 14)		-
Others	3,70,30,339	7,95,60,875
Other Liability	-	
	3,70,30,339	7,95,60,875
PROVISIONS		
Taxation	-	15,916
Less Advance Tax	-	-
	-	15,916
SCHEDULE - 7		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	33,215	38,530
Less: w/off during the period	5,315	5,315
	27,900	33,215
SCHEDULE - 8		
Sales	14,12,24,338	6,18,69,820
	14,12,24,338	6,18,69,820
SCHEDULE - 9		
Other Income		
Other interest	33,714	11,269
others	29,711	
	63,425	11,269
SCHEDULE - 10		
Manufacturing Expenses		
a. Raw Materials Consumed		
Opening Stock of Raw materials	51,05,000	-
Add : Purchase during the Year/Period		
- Imported	-	-
- Indigenous	3,87,44,073	3,55,09,183
	4,38,49,073	3,55,09,183
Less : Closing Stock	-	51,05,000
Sub-total	4,38,49,073	3,04,04,183
b. Others		
Freight Charges	57,350	
Grand Total	4,39,06,423	3,04,04,183

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2008

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE - 11		
Accretion/decretion to Stock		
Opening stock of Finished Goods	7,55,21,039	–
Add: Purchases during the year	3,42,23,960	9,65,21,039
	10,97,44,999	9,65,21,039
Less: Closing stock of Finished Goods/ Goods in transit		7,55,21,039
OTHERS	1,85,78,529	
Net decrease in Stock	9,11,66,470	2,10,00,000
SCHEDULE - 12		
Administrative, Selling & Other Expenses		
Salaries, Wages & Bonus	6,00,000	3,79,370
Rent	1,72,800	1,15,200
Rates & Taxes	5,100	1,000
Electricity and water charges	5,110	24,551
Miscellaneous expenses	92,921	1,27,458
Travelling Expenses	23,560	–
Professional Charges	6,250	500
Auditors remuneration	20,000	44,896
Preliminary Expenses w/off	5,315	5,315
Total	9,31,056	6,98,290
SCHEDULE - 13		
Financial Expenses		
Bill Discounting Interest / Charges	3,33,074	1,24,604
Bank Charges	2,95,459	875
	6,28,533	1,25,479

SCHEDULES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2008

SCHEDULE: 14- Notes on Accounts

A. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements:

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under historical cost convention on accrual basis. GAAP comprises of mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI").

2. Accounting Policies:

Accounting Policies are consistent and are in consonance with the Generally Accepted Accounting Principles in India.

3. Fixed Assets:

- Fixed Assets are stated at cost of acquisition plus subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation.
- Capital Work in Progress comprises of the cost of fixed assets that are not put to use as at the Balance Sheet date and advance paid towards acquisition of Fixed Assets.

4. Depreciation:

Depreciation on Fixed Assets is provided on written down value method in accordance with Schedule XIV of the companies Act, 1956 on proportionate basis.

5. Inventory Valuation:

Raw Materials, Work in progress and Finished Goods are stated at lower of cost or net realizable value on first in first out basis and are net of provision.

6. Revenue Recognition:

- Sales are recognized when the significant risks attached to the goods are passed on to the seller and are recorded net of trade discounts, rebates.
- Sales Returns are recognized as and when ascertained and are reduced from the sales turnover of the year.
- Interest on fixed deposit is recognized based on the interest rates, using the time proportion method.

7. Foreign Exchange Transactions:

Foreign currency transactions are accounted at exchange rates prevailing on the date of the transaction. All foreign currency assets and liabilities as at the Balance Sheet date, except those covered under forward contracts are translated into rupees at the rate prevailing on that date. All exchange differences are dealt with in the Profit and Loss account.

8. Income Tax:

Since the Profit of the company is only from the unit located at Pondicherry, notified Backward area given under section 80IB of the Income Tax Act 1961, which prescribes for a 100% Tax Holiday benefits for such concerns no tax provisions has been made in books and so also the deferred tax workings for timing differences is not arrived at.

9. Miscellaneous Expenditure:

- Preliminary Expenses are being amortized over a period of 10 years.

10. Contingent Liability:

All known liabilities wherever material are provided for and liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are contingent and disclosed by way of Notes on Accounts.

B Other Notes on Accounts

- The company had received an Order from the appellate authority disallowing the 80IB deduction claimed in respect of the assessment year 2004-05 and the consequently had raised a demand of Rs.1.06 Crores against which the company had filed an appeal with Income Tax Tribunal, and the company is hopeful of getting this claim allowed and hence presently treated as a contingent liability. Also in respect of assessment year 2005-06 the assessing officer had disallowed the 80IB deduction and demanded Rs.5.53 lakhs against which also company had filed an appeal before the appellate authority which also company is hopeful of getting favourable order. Hence the same also is treated as contingent liability.
- The company has no imports during the year as against the previous year imports of Rs.2.1 crores.
- The company has not earned any foreign exchange during the year and has not made any expenditure in foreign currency.
- The auditors remuneration for the year has been provided as below:-
Towards statutory and tax audit fees : Rs.20,000 (previous year Rs.40,000/-)
- As per the accounting Standard 21 the details of related parties and the transactions with them during the year is as below:-

Name of the person	Details of relations
Kavveri telecom products limited	100% Holding company
C.Shivakumar Reddy	Director

Particulars	Kavveri telecom products Ltd.	Director
Purchases	110051000	
Sales	96100638	
Closing balance as at 31.03.2008	Rs.33377671/-	11,06,570/-

- Tax Provision has not been made in books since the company enjoys a 100% tax holiday benefits under section 80IB of the Income Tax act 1961, and the company's profit is predominantly from its Pondicherry unit.
- Previous years figures have been regrouped wherever necessary.

For Patel Mohan Ramesh & co
Chartered accountants

for an on behalf of the Board

Ramesh. M.J
Partner
Membership No: 20010

C.Shivakumar Reddy
Director

P.C.Krishnamachary
Director

Place: Bangalore
Date: 26.06.2008

KAVVERI TECHNOLOGIES INC.
(A wholly owned subsidiary of Kavveri Telecom Products Ltd.)

BOARD OF DIRECTORS	:	Mr C Shiva Kumar Reddy Mr William Mc Bride
REGISTERED OFFICE	:	15 Allstate Parkway Suite 600, Markham Ontario L3R 5B4, Canada
BANKERS	:	RBC Financial Group 2600 County RD 43 Unit 26 Kemptville, Ontario K0G 1J0
SUBSIDIARIES	:	TILTEK Antennae Inc. Kavveri Realty 5 Inc. DCI Digital Communications Ltd. SPOTWAVE Wireless Ltd.

DIRECTORS' REPORT

The Directors submit their report together with the un- audited financial statements of the company for the financial year ended 31st March 2008

DIRECTORS

The Directors of the Company in office at the date of this report.

C SHIVAKUMAR REDDY

WILLIAM MCBRIDE

DIRECTORS CONTRACTUAL BENEFITS

During the period, no director has received or become entitled to receive a benefit by reason of a contract made by the company or by a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest other than those disclosed in the financial statements.

SHARE OPTIONS

No options were granted during the financial year to take up unissued shares of the company.

No shares were issued by virtue of the exercise of options

There were no unissued shares under option at the end of the financial year.

AUDIT

The Financial Statements are unaudited as the corporation is exempt from audit where the corporation is not offering shares to public for subscription.

On behalf of the directors

C SHIVAKUMAR REDDY

August 28, 2008

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Schedule No.	As at 31st March 2008 CAD	As at 31st March 2008 INR
SOURCES OF FUNDS			
Share Holders Funds			
Share Capital	1	23,07,000	8,99,73,000
Reserves & Surplus	2	(3,65,253)	(1,42,45,034)
Loan Funds			
Secured Loans			
Unsecured Loans	3	50,36,017	19,64,04,702
Total		69,77,764	27,21,32,668
APPLICATION OF FUNDS			
INVESTMENTS			
	4	17,68,804	6,89,83,356
Current Assets, Loans and Advances			
	5		
Cash & Bank Balances		20,83,808	8,12,68,512
Loans & Advances		42,23,405	16,47,12,795
		63,07,213	24,59,81,307
Less: Current Liabilities and Provisions			
	6		
Current Liabilities		11,40,297	4,44,71,711
Provisions		–	–
Net Current Assets		51,66,916	20,15,09,596
Misc. Expenses not written off	7	42,044	16,39,716
Total		69,77,764	27,21,32,668
Notes on accounts	11		

for and on Behalf of the Board

Date: 26.06.2008

C. Shivakumar Reddy
Director

Willaim McBride
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Sch No.	For the Year ended March 31 2008 CAD	For the Year ended March 31 2008 INR
INCOME:			
OTHER INCOME	8	5,07,611	1,98,32,362
TOTAL		5,07,611	1,98,32,362
EXPENDITURE :			
Administrative, Selling & Other Expenses	9	2,36,486	92,39,532
Interest & Financial Expenses	10	2,53,512	99,04,731
TOTAL		4,89,997	1,91,44,263
Profit before Taxation		17,613	6,88,099
Profit & Loss brought forward		(3,82,866)	(1,49,58,575)
Balance carried to Balance Sheet		(3,65,253)	(1,42,70,476)
Notes on accounts	11		

for and on Behalf of the Board

C. Shivakumar Reddy
Director

Willaim McBride
Director

Date: 26.06.2008

SCHEUDLES FORMING PART OF BALANCE SHEET

	CAD	INR
SCHEDULE - 1 SHARE CAPITAL		
EQUITY SHARES OF of CAD.10/- PER SHARE	23,07,000	8,99,73,000
SCHEDULE - 2 RESERVES & SURPLUS		
PROFIT & LOSS ACCOUNT BALANCE	(3,82,866)	(1,49,58,575)
PROFIT & LOSS ACCOUNT DURING THE YEAR	17,613	6,88,099
Translation Reserve { GAIN / (LOSS) }		25,442
TOTAL	(3,65,253)	(1,42,45,034)
SCHEDULE - 3 UNSECURED LOAN		
KAVERI TELECOM PRODUCTS LTD	50,36,018	19,64,04,702
SCH - 4 INVESTMENTS		
TIL TEK INC.	54,292	21,17,380
DCI	16,81,994	6,55,97,766
SPOTWAVE	32,398	12,63,530
KAVERI REALTY5 INC	120	4,680
TOTAL	17,68,804	6,89,83,356
SCHEDULE - 5 : CURRENT ASSETS & LOANS & ADVANCES :		
BANK ACCOUNTS		
ROYAL BANK OF CANADA USD	3,161	1,23,280
ROYAL BANK OF CANADA CAD	20,80,647	8,11,45,232
TOTAL	20,83,808	8,12,68,512
LOAN AND ADVANCES :		
I) SUBSIDIARIES :		
INTEREST RECEIVABLE FROM TT	1,43,861	56,10,582
Kavveri reality inc	7,28,248	2,84,01,672
spotwave	1,27,007	49,53,258
loan to spotwave	10,39,357	4,05,34,940
loan to tiltek	13,20,586	5,15,02,858
Til Tekloan	8,09,581	3,15,73,655
TOTAL (A)	41,68,640	16,25,76,965
II) OTHERS :		
CSD	1,072	41,795
RENT ADVANCE	3,405	1,32,795
BILL MC BRIDE	22,514	8,78,036
WALKERHEAD	25,521	9,95,319
Umareddy	2,253	87,884
TOTAL (B)	54,765	21,35,830
GRAND TOTAL (A+B)	42,23,405	16,47,12,795

SCHEDULES FORMING PART OF BALANCE SHEET

	CAD	INR
SCHEDULE - 6 : CURRENT LIABILITIES & PROVISIONS :		
Interest Payable to Kaveri Telecom	2,52,225	98,36,814
Tiltek Antennae Inc.	7,62,583	2,97,40,737
DCI	1,23,440	48,14,160
audit fees	2,048	80,000
	11,40,297	4,44,71,711
SCHEDULE - 7 : Miscellaneous Expenditure (to the extent not written off or adjusted)		
Opening	47,299	18,44,661
Less: Charged to Profit & Loss Account	5,255	2,04,945
TOTAL	42,044	16,39,716
SCHEDULE - 8		
Other Income		
interest on loan	1,68,704	65,91,265
Miscellaneous Income	3,30,000	1,28,93,100
forex gain or Loss	8,907	3,47,996
TOTAL	5,07,611	1,98,32,362
SCHEDULE - 9		
Administrative, Selling & Other Expenses		
Salaries, Wages & Bonus	10,043	3,92,380
Staff Welfare Expenses	8,599	3,36,002
Rent	19,046	7,44,127
Travelling & Conveyance Expenses	1,88,982	73,83,527
Auditor's Remuneration	2,048	80,000
Donations	1,500	58,605
Pre operative expenses written off	5,255	2,05,313
Miscellaneous Expenses	1,013	39,578
Total	2,36,486	92,39,532
SCHEDULE - 10		
Financial Expenses		
Interest		
on term loan, cc and others	2,52,225	98,54,431
Bank Charges	1,287	50,300
Total	25,3,512	99,04,731

SCHEUDLES FORMING PART OF BALANCE SHEET

SCHEDULE: 11

NOTES ON ACCOUNTS:-

SIGNIFICANT ACCOUNTING POLICIES:-

- 1 The Financial statements have been prepared under the historical cost convention in accordance with the normally accepted accounting principles and provisions of the companies act 1956.
- 2 The Foreign Exchange differences are duly dealt as in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India.

OTHER NOTES ON ACCOUNTS

- 3 The company is a 100% subsidiary of Kavveri Telecom Products Limited, India
- 4 Since the company is not a listed Company in Canada, and since these accounts were required for consolidation of accounts with Indian holding company accounts, the Indian accounting Standards have been followed in preparation of the financial statements.
- 5 Since the company is a non integral subsidiary of the holding company Kavveri Telecom Products Limited, the assets and liabilities have been valued at the closing foreign exchange rate as at 31.03.2008 and the Profit and loss items have been valued at average rates for the year in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India and the exchange difference arisen thereof have been transferred to Foreign currency Translation Reserve.
- 6 No provision for Income Tax has been made in books.
- 7 A. Names of the related parties and description of relationship:

Name	Nature of Relation
Mr.C.Shivakumar Reddy	Director
Ms. C.Umareddy	Director
Mr.William Mc Bride	Director
Tiltek Antennae Inc	100% subsidiary company
DCI digital communications Inc	100% subsidiary company
Spotwave Wireless Ltd	100% subsidiary company
Kavveri Realty 5 Inc	100% subsidiary company
Kavveri Telecom Products Limited	100% Holding Company

B. The details of transactions with related parties is as below:-

Particulars	Subsidiary company Transactions	Holding Company transactions	Directors
Purchases	NIL	NIL	Nil
Sales	NIL	NIL	Nil
Remuneration	NIL	NIL	Rs.49,08,677
Finance (including loans)	Rs.16,28,68,764	Rs.19,54,35,523/-	NIL
Royalty/Management fees	Rs.1,28,93,100	Rs.1,00,00,000/-	NIL

For and on Behalf of the Board

C.Shivakumar Reddy
Director

William McBride
Director

Date: 26.06.2008

TILTEK ANTENNAE INC.
(A wholly owned subsidiary of Kavveri Technologies Inc.)

BOARD OF DIRECTORS	:	Ms. C Uma Reddy Mr. William McBride
REGISTERED OFFICE	:	15 Allstate Parkway Suite 600, Markham Ontario L3R 5B4, Canada
BANKERS	:	RBC Financial Group 2600 County RD 43 Unit 26 Kemptville, Ontario K0G 1J0

DIRECTORS' REPORT

The Directors submit their report together with the un-audited financial statements of the company for the financial year ended 31st March 2008

DIRECTORS

The Directors of the Company in office at the date of this report.

C UMA REDDY

WILLIAM MCBRIDE

DIRECTORS CONTRACTUAL BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the financial statements.

SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the company.

SHARE OPTIONS EXERCISED

During the financial year, there were no shares issued by virtue of the exercise of options to take up unissued shares of the company.

SHARE OPTIONS OUTSTANDING

There were no unissued shares of the company under option outstanding at the end of the financial year.

AUDIT

The Financial Statements are unaudited as the corporation is exempt from audit where the corporation is not offering shares to public for subscription.

On behalf of the directors,

C UMA REDDY

August 28, 2008

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Sch No.	As at 31st March 2008 CAD	As at 31st March 2008 INR
SOURCES OF FUNDS :			
Share Holders Funds			
Share Capital	1	120	4,680
Reserves & Surplus	2	77,741	30,31,860
Translation Reserve { GAIN / (LOSS) }			
Loan Funds			
Unsecured Loans	3	22,74,028	8,86,87,092
TOTAL		23,51,890	9,17,23,632
APPLICATION OF FUNDS :			
Fixed Assets			
Original Cost	4	7,09,436	2,76,68,004
Less : Accumulated Depreciation		2,39,828	93,53,292
Net Book Value		4,69,609	1,83,14,712
Current Assets, Loans and Advances			
Inventories	5	4,83,988	1,88,75,493
Sundry Debtors		5,93,034	2,31,28,326
Cash & Bank Balances		84,815	33,07,824
Loans & Advances		11,35,058	4,42,67,262
		22,96,895	8,95,78,905
Less: Current Liabilities and Provisions	6		
Current Liabilities		4,14,614	1,61,69,985
Provisions			
Net Current Assets		18,82,281	7,34,08,920
		23,51,890	9,17,23,632
Notes on Accounts	13		

For and on Behalf of the Board

C.Uma Reddy
Director

William McBride
Director

Date: 26.06.2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Sch No.	For The Year Ended March 31 2008 CAD	For The Year Ended March 31 2008 INR
INCOME :			
Sales	7	41,04,783	16,03,73,872
Other Income	8	3,02,201	1,18,06,993
Total		44,06,984	17,21,80,865
EXPENDITURE :			
Decretion To Stock	9	47,995	18,75,165
Operating Expenses	10	23,17,259	9,05,35,348
Selling & Administrative Expenses	11	17,82,833	6,96,55,334
Financial Expenses	12	1,03,055	40,26,359
Depreciation	4	83,007	32,43,083
Total		43,34,149	16,93,35,288
Profit / (Loss) Before Taxation			
Provision For Taxation		72,836	28,45,585
Surplus Brought Forward From Previous Year			
Balance Carried To Balance Sheet		4,906	1,91,677
		77,741	30,37,263
Notes On Accounts	13		

For and on Behalf of the Board

Date: 26.06.2008

C.Uma Reddy
Director

William Mcbride
Director

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2008 CAD	As at March 31, 2008 INR
SCHEDULE - 1 : SHARE CAPITAL :		
Authorised Share Capital		
EQUITY SHARES OF 120 @ CAD 1 PER SHARE		
Issued, Subscribed & Paid-up		
EQUITY SHARES OF 120 @ CAD 1 PER SHARE	120	4,680
Total	120	4,680
SCHEDULE - 2 : RESERVE & SURPLUS :		
Translation reserve		(5,403)
Profit and Loss Account Balance	77,741	30,37,263
TOTAL	77,741	30,31,860
SCHEDULE - 3 : UNSECURED LOAN		
KAVVERITECHNOLOGIES INC.	21,30,167	8,30,76,513
INTEREST PAYABLE	1,43,861	56,10,599
TOTAL	22,74,028	8,86,87,092

SCHEDULE - 4 : FIXED ASSETS

Description	Gross Block at Cost			Depreciation					Net Block	
	As at 31-03-2007 CAD	Additions CAD	Deletions CAD	As at 31.03.2008 CAD	Upto 31.03.2007 CAD	Rate of Depreceiation CAD	for the year CAD	Upto 31.03.2008 CAD	As at 31.3.2007 CAD	As at 31.3.2008 CAD
Land	50,000	-	50,000	-	-	-	-	-	50,000	0
Building	6,02,064		6,02,064	-	28,419	5.00%	(28,419)	-	5,73,645	0
Furniture & Fixtures	25,211	-	-	25211	4,760.	20.00%	4,090	8,850	20,451	16,361
Computers	55,038	14,023	-	69061	15,587	30.00%	13,759.	29,347	39,451	39,715
Operative Equipments	5,55,264	6,100	-	561364	1,04,840	20.00%	90,593	1,95,433	4,50,424	3,65,931
Vehicles	1,000	-	1,000	-	283	30.00%	215	498	717	502
Trade Marks	52,800	-	-	52800	2,932	5.55%	2,767	5,700	49,868	47,100
Total	13,41,377	20,123	6,52,064	709436	1,56,820	83,007	-	2,39,828	11,84,556	4,69,609

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2008 CAD	As at March 31, 2008 INR
SCHEDULE - 5 : CURRENT ASSETS :		
I) INVENTORY (Manufacturing) :		
RAW MATERIAL	3,83,074	1,49,39,886
WORK-IN-PROCESS	28,239	11,01,321
FINISHED GOODS	72,674	28,34,286
TOTAL	4,83,988	1,88,75,493
II) SUNDRY DEBTORS :		
DEBTORS CONSIDERED GOOD	5,93,034	2,31,28,326
TOTAL	5,93,034	2,31,28,326
III) CASH & BANK BALANCE :		
CASH ON HAND	205	7,995
BALANCE WITH ROYAL BANK OF CANADA -CAD a/c	52,423	20,44,497
BALANCE WITH ROYAL BANK OF CANADA -USD a/c	32,188	12,55,332
TOTAL	84,815	33,07,824
IV) LOAN AND ADVANCES :		
I) HOLDING :		
KAVVERY TECHNOLOGIES INC	7,62,583	2,97,40,737
DCI	2,32,414	90,64,146
SPOTWAVE	62,238	24,27,282
KAVVERI REALITY 5 INC	41,351	16,12,689
OTHER RECOVERABLES	36,472	14,22,408
TOTAL	11,35,058	4,42,67,262
SCHEDULE - 6 : CURRENT LIABILITES & PROVISIONS :		
SUNDRY CREDITORS	392025	1,52,88,975
OTHER LIABILITIES	22590	8,81,010
	414615	1,61,69,985
SCHEDULE - 7 : SALES & SERVICES :		
LOCAL SALES	41,04,783	16,03,73,872
TOTAL	41,04,783	16,03,73,872
SCHEDULE - 8 : OTHER INCOME :		
interest on loan	8,050	3,14,514
MISC. INCOME	2,45,308	95,84,184
OLD BALANCES / WARRANTY LIABILITY WRITTEN BACK	48,843	19,08,296
TOTAL	3,02,201	1,18,06,993

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2008 CAD	As at March 31, 2008 INR
SCHEDULE - 9 : Accretion / (Decretion) Of Fin.goods :		
Opening Balance Of Finished Goods	1,10,177	43,04,615
Opening Balance Of Semi-finished Goods	38,731	15,13,220
Total (A)	1,48,908	58,17,836
Closing Balance Of Finished Goods	72,674	28,39,373
Closing Balance Of Semi-finished Goods	28,239	11,03,298
Total (B)	1,00,913	39,42,671
Net Accretion / (Decretion) To Stock (A - B)	47,995	18,75,165
SCHEDULE - 10 : Raw Material Consumptions :		
Raw Materials Consumed	16,77,947	6,55,57,389
Freight Inwards	62,664	24,48,282
Total	17,40,611	6,80,05,672
Direct Labour Charges	5,65,693	2,21,01,626
Other Manufacturing Expenses	10,956	4,28,051
Total	23,17,259	9,05,35,348
SCHEDULE - 11 : Operating Expenses :		
Salaries & Bonus	12,19,528	4,76,46,959
Staff Welfare Expenses	29,069	11,35,726
Rent, Rates, Taxes & Insurance	18,137	7,08,613
Postage, Telephone & Net, Telex Expenses	48,333	18,88,370
Repairs & Maintenance - Office & Others	26,223	10,24,533
Travelling & Conveyance Expenses	1,17,826	46,03,462
Research & Development Expenses	72,533	28,33,864
Business Promotion Expenses	35,589	13,90,462
Professional Fees	2,782	1,08,693
Miscellaneous Expenses	1,10,733	43,26,348
Forex Gain Or Loss	1,02,081	39,88,305
Total	17,82,833	6,96,55,334
SCHEDULE- 12 : Financial Expenses :		
Interest Expenses - Bank	8,369	3,26,977
Bank Charges	4,230	1,65,266
Interest Expenses - Holding Company	90,456	35,34,116
Total	1,03,055	40,26,359

SCHEDULE: 13

NOTES ON ACCOUNTS:-

SIGNIFICANT ACCOUNTING POLICIES:-

1. The Financial statements have been prepared under the historical cost convention in accordance with the normally accepted accounting principles and provisions of the companies act 1956.
2. The Fixed assets have been valued at cost less depreciation calculated at Pro rata basis and represented as a written down value.
3. The Inventories have been valued at cost or net realizable value whichever is less.
4. The Foreign Exchange differences are duly dealt as in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India.

OTHER NOTES ON ACCOUNTS

1. The company is a 100% subsidiary of Kavveri Technologies Inc., Canada.
2. Since the company is a non integral subsidiary of the holding company Kavveri Telecom Products Limited, the assets and liabilities have been valued at the closing foreign exchange rate as at 31.03.2008 and the Profit and loss items have been valued at average rates for the year in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India and the exchange difference arisen thereof have been transferred to Foreign currency Translation Reserve.
3. No provision for Income Tax has been made in books.
4. A. Names of the related parties and description of relationship:

Name	Relationship
Ms.C.Uma reddy	Director
Mr.William Mc Bride	Director
Kavveri Technologies Inc., Canada	Holding Company(100%)-Canada
Kavveri Telecom Products Limited India	100% holding company of Kavveri Technologies Inc.,

B. Details of transactions with related parties:-

Particulars	Holding company Transactions (Canada)	Holding company transactions (India)	Key management/ Director Transactions
Purchases	Nil	Rs. 32,01,837	Nil
Sales	Nil	Rs. 7,34,038	Nil
Finance including Loans	Rs. 8,30,76,510	Nil	Nil
Others(Royalty)		Rs. 21,73,392	Nil

For and on Behalf of the Board

William McBride
Director

C.Uma Reddy
Director

Date: 26.06.2008

KAVVERI REALTY 5 INC.
(A wholly owned subsidiary of Kavveri Technologies Inc.)

BOARD OF DIRECTORS	:	Ms. C Uma Reddy Mr William Mc Bride
REGISTERED OFFICE	:	500 Van Buren Street Kemptville Ontario, Canada
BANKERS	:	RBC Financial Group 2600 County RD 43 Unit 26 Kemptville, Ontario K0G 1J0

DIRECTORS' REPORT

The Directors submit their report together with the un- audited financial statements of the company for the financial year ended 31st March 2008

DIRECTORS

The Directors of the Company in office at the date of this report.

C UMA REDDY

WILLIAM MCBRIDE

SHARE OPTIONS

There was no share option granted during the financial year to subscribe for unissued shares of the company.

AUDIT

The Financial Statements are unaudited as the corporation is exempt from audit where the corporation is not offering shares to public for subscription.

On behalf of the directors,

C UMA REDDY

August 28, 2008

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 CAD	As at 31st March 2008 INR
SOURCES OF FUNDS		
Share Holders Funds		
Share Capital	120	4,680
Reserves & Surplus		5,477
Loan Funds		
Unsecured Loans	6,50,000	2,53,50,000
Total	6,50,120	2,53,60,157
APPLICATION OF FUNDS		
Land and buildings	6,50,000	2,53,50,000
Current Assets, Loans and Advances		
Less: Current Liabilities and Provisions		
Current Liabilities	1,19,599	46,64,361
Provisions	-	-
Net Current Assets	(1,19,599)	(46,64,361)
Misc. Expenses not written off	41,471	16,17,369
Profit and Loss account	78,248	30,57,149
Total	5,71,872	2,53,60,157
Notes on accounts		

for and on behalf of the Board

C.Uma Reddy
Director

William McBride
Director

Date: 26.06.2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	For the Year ended March 31 2008 CAD	For the Year ended Mar 31 2008 INR
INCOME :		
OTHER INCOME	-	-
TOTAL	-	-
EXPENDITURE :		
Interest & Financial Expenses	78,248	30,57,149
TOTAL	78,248	30,57,149
Profit before Taxation	(78,248)	(30,57,149)
Balance carried to Balance Sheet	(78,248)	(30,57,149)
Notes on accounts		

for and on behalf of the Board

C.Uma Reddy
Director

William McBride
Director

Date: 26.06.2008

SCHEDULE: 3

NOTES ON ACCOUNTS:-

SIGNIFICANT ACCOUNTING POLICIES:-

- 1 The Financial statements have been prepared under the historical cost convention in accordance with the normally accepted accounting principles and provisions of the companies act 1956.
- 2 The Fixed assets have been valued at cost .
- 3 The Foreign Exchange differences are duly dealt as in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India.

OTHER NOTES ON ACCOUNTS

- 4 The company is a 100% subsidiary of Kavveri Technologies Inc., Canada.
- 5 The company has no operations during the year.
- 6 Since the company is a non integral subsidiary of the holding company Kavveri Telecom Products Limited, the assets and liabilities have been valued at the closing foreign exchange rate as at 31.03.2008 and the Profit and loss items have been valued at average rates for the year in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India and the exchange difference arisen thereof have been transferred to Foreign currency Translation Reserve.
- 7 No provision for Income Tax has been made in books.
- 8 A. Names of the related parties and description of relationship:

Name	Relationship
Ms.C.Uma reddy	Director
Mr.William Mc Bride	Director
Kavveri Technologies Inc., Canada	Holding Company(100%)-Canada
Kavveri Telecom Products Limited India	100% holding company of Kavveri Technologies Inc.,

B. Details of transactions with related parties:-

Particulars	Holding company Transactions (Canada)	Holding company transactions (India)	Key management/ Director Transactions
Purchases	Nil	NIL	Nil
Sales	Nil	NIL	Nil
Finance including Loans	2,53,50,000	NIL	Nil

For and on Behalf of the Board

C.Uma Reddy
Director

William McBride
Director

Date: 26.06.2008

DCI DIGITAL COMMUNICATIONS INC.
(A wholly owned subsidiary of Kavveri Technologies Inc.)

BOARD OF DIRECTORS	:	Ms. C Uma Reddy Mr. William McBride
REGISTERED OFFICE	:	1542, Albert Street, Regina Saskatchewan-S4P 2S4
BANKERS	:	RBC Financial Group Victoria East Branch, 950, Victoria Avenue, Regina Saskatchewan

DIRECTORS' REPORT

The Directors submit their report together with the un-audited financial statements of the company for the financial period ended 31st March 2008

DIRECTORS

The Directors of the Company in office at the date of this report.

C UMA REDDY

WILLIAM MCBRIDE

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES

During and as at the end of the financial period, the company was not party to any arrangement, the object of which was to enable the directors to acquire benefits through the acquisition of shares in the company or any other body corporate.

SHARE OPTIONS

There were no share options granted during the financial period to subscribe for unissued shares of the company.

SHARE OPTIONS EXERCISED

During the financial period, there were no shares issued by virtue of the exercise of options to take up unissued shares of the company.

SHARE OPTIONS OUTSTANDING

There were no unissued shares of the company under option outstanding at the end of the financial period.

AUDIT

The Financial Statements are unaudited as the corporation is exempt from audit where the corporation is not offering shares to public for subscription.

On behalf of the directors,

C UMA REDDY

August 28, 2008

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Sch No.	As at 31st March 2008 CAD	As at 31st March 2008 INR
SOURCES OF FUNDS :			
Share Holders Funds			
Share Capital	1	1,000	39,000
Reserves & Surplus	2	4,54,945	1,77,42,777
Loan Funds			
Secured Loans			
Unsecured Loans	3	2,32,414	90,64,146
TOTAL		6,88,359	2,68,45,923
APPLICATION OF FUNDS :			
Fixed Assets			
Original Cost	4	3,00,484	1,17,18,876
Less : Accumulated Depreciation		48,695	18,99,105
Net Book Value		2,51,789	98,19,771
Current Assets, Loans and Advances			
Inventories	5	1,54,096	60,09,744
Sundry Debtors		48,521	18,92,319
Cash & Bank Balances		76,061	29,66,379
Loans & Advances		5,19,823	2,02,73,097
		7,98,501	3,11,41,539
Less: Current Liabilities and Provisions	6		
Current Liabilities		3,61,932	1,41,15,387
Provisions			
Net Current Assets		4,36,569	1,70,26,152
		6,88,359	2,68,45,923
Notes on Accounts	14		

for and on behalf of the Board

C.Uma Reddy
Director

William McBride
Director

Date: 26.06.2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Sch No.	For the Year ended March 31 2008 CAD	For the Year ended March 31 2008 INR
INCOME :			
Sales	7	11,52,521	4,50,28,995
Other Income	8	1,991	77,788
Accretion / (Decretion) Of Fin.goods :	9	65,057	25,41,738
Total		12,19,569	4,76,48,522
EXPENDITURE :			
Raw Material Consumptions	10	3,02,800	1,18,30,396
Operating Expenses	11	20,922	8,17,423
Selling & Administrative Expenses	12	8,56,540	3,34,65,018
Financial Expenses	13	15,960	6,23,557
Depreciation	4	48,695	19,02,514
Total		12,44,917	4,86,38,907
Profit / (Loss) Before Taxation		(25,348)	(9,90,385)
Provision For Taxation		–	–
Balance Carried To Balance Sheet		(25,348)	(9,90,385)
Notes On Accounts	14		

for and on behalf of the Board

C.Uma Reddy
Director

William McBride
Director

Date: 26.06.2008

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31,2008 CAD	As at March 31,2008 INR
SCHEDULE - 1 : SHARE CAPITAL :		
Authorised Share Capital	1,000	39,000
Issued, Subscribed & Paid-up	1,000	39,000
Total	1,000	39,000
SCHEDULE - 2 : Reserve & Surplus :		
General Reserve	4,80,291	1,87,31,349
Translation Reserve { Gain / (Loss) }		(1,813)
Profit And Loss Account Balance	(25,348)	(9,90,385)
Total	4,54,944	1,77,42,777
SCHEDULE - 3 : Unsecured Loan		
Loan From Tiltek	2,32,414	90,64,154
Total	2,32,414	90,64,154

SCHEDULE - 4 : FIXED ASSETS

Fixed Assets	Gross Block			Depreciation			Net Block
	As at 19.4.07	Additions	As at 31.3.08	rate	For the year 07-08	Till 31.3.08	
Land	10,000		10,000				10,000
Building	1,12,061		1,12,061	5.00%	5,603	5,603	1,06,458
Equipments Office	32,339		32,339	30.00%	9,702	9,702	22,637
Equipments Shop	86,341	12,617	98,958	20.00%	19,426	19,426	79,532
Vehicles	43,126	4,000	47,126	30.00%	13,964	13,964	33,162
Total	2,83,866	16,617	3,00,484		48,695	48,695	2,51,789

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31,2008 CAD	As at March 31,2008 INR
SCHEDULE - 5 : Current Assets :		
I) Inventory	1,54,096	60,09,744
Total	1,54,096	60,09,744
II) Sundry Debtors :		
Debtors Considered Good	48,521	18,92,319
Debtors Outstanding For More Than 6 Months: Out Of Above : Considered Good **	-	-
Considered Doubtful	-	-
Total	48,521	18,92,319
III) Cash & Bank Balance :		
Cash On Hand	34	1,319
Balance With Royal Bank Of Canada -cad A/C	45,057	17,57,242
Balance With Royal Bank Of Canada -usd A/C	30,970	12,07,818
Total	76,061	29,66,379
IV) Loan And Advances :		
Kavveri Technologies Inc.	4,53,440	1,76,84,176
Loans From Shareholders-ralph/Karen	974	37,971
Other receavables	65,409	25,50,950
	5,19,823	2,02,73,097
SCHEDULE - 6 : CURRENT LIABILITES & PROVISIONS :		
Sundry Creditors	26,608	10,37,712
Other Liabilities	3,35,325	1,30,77,675
Audit Fees Payable	-	-
	3,61,933	1,41,15,387
SCHEDULE - 7 : SALES & SERVICES :		
LOCAL SALES	11,52,521	4,50,28,995
TOTAL	11,52,521	4,50,28,995
SCHEDULE - 8 : OTHER INCOME :		
Forex Gain Or Loss	802	31,334
Freight Inwards	455	17,777
Misc. Income	734	28,677
TOTAL	1,991	77,788

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31,2008 CAD	As at March 31,2008 INR
SCHEDULE - 9 : Accretion / (Decretion) of Stock		
Opening Balance Of Stock	89,040	34,78,793
Total (A)	89,040	34,78,793
Closing Balance Of Stock	1,54,096	60,20,531
Total (B)	1,54,096	60,20,531
Net Accretion / (Decretion) To Stock (A - B)	65,057	25,41,738
SCHEDULE - 10 : Raw Material Consumptions :		
Raw Materials Consumed	3,02,800	1,18,30,396
Total	3,02,800	1,18,30,396
SCHEDULE - 11 : Operating Expenses :		
Other Manufacturing Expenses	20,922	8,17,423
Total	20,922	8,17,423
SCHEDULE - 12 : Selling & Administrative Expenses :		
Salaries & Bonus	4,22,850	1,65,20,750
Staff Welfare Expenses	1,653	64,583
Rent, Rates, Taxes & Insurance	14,348	5,60,576
Postage, Telephone & Telex Expenses	9,485	3,70,579
Repairs & Maintenance - Office / It Expenses	40,659	15,88,547
Travelling & Conveyance Expenses	20,841	8,14,258
Research & Development Expenses	781	30,514
Business Promotion Expenses	1,322	51,651
Professional Fees	3,30,537	1,29,14,081
Miscellaneous Expenses	14,064	5,49,480
Total	8,56,540	3,34,65,018
SCHEDULE - 13 : Financial Expenses :		
Interest Expenses	4,035	1,57,647
Bank Charges	3,875	1,51,396
Interest Expenses - Holding Company	8,050	3,14,514
Total	15,960	6,23,557

SCHEDULE : 14

NOTES ON ACCOUNTS:-

SIGNIFICANT ACCOUNTING POLICIES:-

- 1 The Financial statements have been prepared under the historical cost convention in accordance with the normally accepted accounting principles and provisions of the companies act 1956.
- 2 The Fixed assets have been valued at cost less depreciation calculated at Pro rata basis and represented as a written down value.
- 3 The Inventories have been valued at cost or net realizable value whichever is less.
- 4 The Foreign Exchange differences are duly dealt as in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India.

OTHER NOTES ON ACCOUNTS

1. The company is a 100% subsidiary of Kavveri Technologies Inc., Canada.
2. Since the company is a non integral subsidiary of the holding company Kavveri Telecom Products Limited, the assets and liabilities have been valued at the closing foreign exchange rate as at 31.03.2008 and the Profit and loss items have been valued at average rates for the year in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India and the exchange difference arisen thereof have been transferred to Foreign currency Translation Reserve.
3. No provision for Income Tax has been made in books.
4. A. Names of the related parties and description of relationship:

Name	Relationship
Ms.C.Uma reddy	Director
Mr.William Mc Bride	Director
Kavveri Technologies Inc., Canada	Holding Company(100%)-Canada
Kavveri Telecom Products Limited India	100% holding company of Kavveri Technologies Inc.,

B. Details of transactions with related parties:-

Particulars	Holding company Transactions (Canada)	Holding company transactions (India)	Key management/ Director Transactions
Purchases	Nil	Rs.10000	Nil
Sales	Nil	NIL	Nil
Finance including Loans	Rs.17684176	NIL	Nil
Others(Management Fees)	Rs.12893100	NIL	Nil

For and on Behalf of the Board

William McBride
Director

C.Uma Reddy
Director

Date: 26.06.2008

SPOTWAVE WIRELESS LIMITED.
(A wholly owned subsidiary of Kavveri Technologies Inc.)

BOARD OF DIRECTORS	:	Ms. C Uma Reddy Mr William McBride
REGISTERED OFFICE	:	35 at 15 Allstate Parkway Suite 600, Markham Ontario L3R 5B4, Canada
BANKERS	:	RBC Financial Group 2600 County RD 43 Unit 26 Kemptville, Ontario K0G 1J0

DIRECTORS' REPORT

The Directors submit their report together with the un-audited financial statements of the company for the financial period ended 31st March 2008

DIRECTORS

The Directors of the Company in office at the date of this report.

C UMA REDDY

WILLIAM MCBRIDE

SHARE OPTIONS

There was no share option granted during the financial period to subscribe for unissued shares of the company.

AUDIT

The Financial Statements are unaudited as the corporation is exempt from audit where the corporation is not offering shares to public for subscription.

On behalf of the directors,

C UMA REDDY

August 28, 2008

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Sch No.	As at 31st March 2008 \$	As at 31st March 2008 INR
SOURCES OF FUNDS :			
Share Holders Funds			
Share Capital	1	120	4,800
Reserves & Surplus	2	2,01,384	80,66,466
Loan Funds			
Secured Loans	3		
Unsecured Loans		9,89,144	3,95,65,760
TOTAL		11,90,648	4,76,37,026
APPLICATION OF FUNDS :			
Fixed Assets			
Original Cost	4	53,786	21,51,440
Less : Accumulated Depreciation			
Net Block		53,786	21,51,440
Current Assets, Loans and Advances			
Inventories	5	5,55,303	2,22,23,226
Sundry Debtors		6,52,841	2,61,13,640
Cash & Bank Balances		2,76,765	1,10,70,600
Loans & Advances		12,278	4,91,120
		14,97,187	5,98,98,586
Less: Current Liabilities and Provisions	6		
Current Liabilities		3,60,325	1,44,13,000
Provisions			
Net Current Assets		11,36,862	4,54,85,586
TOTAL		11,90,648	4,76,37,026
Notes on Accounts	12		

for and on behalf of the Board

C.Uma Reddy
Director

William McBride
Director

Date: 26.06.2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Sch No.	For the Year ended March 31 2008 \$	For the Year ended March 31 2008 INR
Income			
Net Sales	7	9,89,502	3,95,99,870
Other Income	8	54,405	21,77,288
Total		10,43,907	4,17,77,158
Expenditure			
Operating Expenses	9	2,88,595	1,15,49,572
Administrative, Selling & Other Expenses	10	5,50,408	2,20,27,323
Interest & Financial Expenses	11	3,521	1,40,910
Total		8,425,23	3,37,17,806
Net Profit		2,01,384	80,59,352
Amount available for Appropriations		2,01,384	80,59,352
Balance carried to Balance Sheet		2,01,384	80,59,352
Notes on Accounts	12		

for and on behalf of the Board

Date: 26.06.2008

C.Uma Reddy
Director

William McBride
Director

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31,2008 \$	As at March 31,2008 INR
SCHEDULE - 1		
Share Capital		
Issued, Subscribed & Paid-up	120	4,800
Total	120	4,800
SCHEDULE - 2		
Reserves and Surplus		
FOREIGN CURRENCY TRANSLATION RES		7,114
Profit and Loss Account Balance	2,01,384	80,59,352
Total	2,01,384	80,66,466
SCHEDULE - 3		
UNSECURED LOANS		
Opening Bal Equity	9,89,144	3,95,65,760
Total - B	9,89,144	3,95,65,760
Grand Total of Loan Funds (A+B)	9,89,144	3,95,65,760
SCHEDULE - 4		
Fixed assets		
IP/Patents Assets	53,786	21,51,440
	53,786	21,51,440
SCHEDULE - 5		
Current Assets, Loans and Advances		
<u>Inventories</u>		
Inventory	1,70,955	68,41,619
Inventory-Z1900	2,72,935	1,09,22,859
Inventory-parts	7,283	2,91,466
Inventory~E&O	1,04,131	41,67,283
Total	5,55,303	2,22,23,226
Sundry Debtors		
Accounts Receivables USD	6,32,905	2,53,16,200
Prepays	19,936	7,97,440
Total	6,52,841	2,61,13,640
Cash and Bank Balances		
Cash on hand	402	16,080
RBC Centura	30,859	12,34,360
Bank CAD	25,765	10,30,600
Bank USD	2,12,052	84,82,080
Undeposited Funds	7,687	3,07,480
Total	2,76,765	1,10,70,600
Loans & Advances		
Schonfeld-due from	12,278	4,91,120
Total	12,278	4,91,120

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31,2008 Rs.	As at March 31,2008 INR
SCHEDULE - 6		
Current Liabilities		
Due to Tiltek	62,473	24,98,920
Due to Kavveri	1,26,032	50,41,280
Sundry Creditors	71,749	28,69,960
OTHER LIABILITIES		
Accrued Liabilites	56,778	22,71,080
Payroll Accrual	26,600	10,64,000
Vacation accrual	4,050	1,62,000
Warranty accrual	12,495	4,99,800
PST Payable	149	5960
	3,60,325	1,44,13,000
SCHEDULE - 7		
Sales and Services		
Sales	9,89,502	3,95,99,870
Total	9,89,502	3,95,99,870
SCHEDULE - 8		
Other Income		
Other services	46,550	18,62,931
Freight Collected	7,856	3,14,357
Total	54,405	21,77,288
SCHEDULE - 9		
Operating Expenses		
a. Raw Materials Consumed		
Opening Stock of Raw materials	6,73,526	2,69,54,511
Add : Purchase during the Year	1,26,247	50,52,405
	7,99,773	3,20,06,915
Less : Closing Stock	5,55,303	2,22,23,226
	(A) 2,44,470	97,83,689
b. Others		
Other Manufacturing Expenses	44,125	17,65,883
	(B) 44,125	17,65,883
Total-(A+B)	2,88,595	1,15,49,572

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31,2008 Rs.	As at March 31,2008 INR
SCHEDULE - 10		
<u>Adminstrative, Selling & Other Expenses</u>		
salaries and wages	3,98,766	1,59,58,595
Postage and shipping	4,923	1,97,002
R&D Expenses	9,342	3,73,867
Rent	33,000	13,20,660
Repairs and Maintenance	5,430	2,17,337
Telephone and Fax	6,978	2,79,260
Travel & Accomodations	6,159	2,46,483
Exchange Gain/Loss	206	8,248
Miscellaneous Expenses	85,605	34,25,872
Total	5,50,408	2,20,27,323
SCHEDULE - 11		
Financial Expenses		
Bank Charges	3,521	1,40,910
Total	3,521	1,40,910

SCHEDULE: 12

NOTES ON ACCOUNTS:-

SIGNIFICANT ACCOUNTING POLICIES:-

- The Financial statements have been prepared under the historical cost convention in accordance with the normally accepted accounting principles and provisions of the companies act 1956.
- The Fixed assets have been valued at cost less depreciation calculated at Pro rata basis and represented as a written down value.
- The Inventories have been valued at cost or net realizable value whichever is less.
- The Foreign Exchange differences are duly dealt as in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India.

OTHER NOTES ON ACCOUNTS

- The company is a 100% subsidiary of Kavveri Technologies Inc., Canada.
- Since the company is a non integral subsidiary of the holding company Kavveri Telecom Products Limited, the assets and liabilities have been valued at the closing foreign exchange rate as at 31.03.2008 and the Profit and loss items have been valued at average rates for the year in accordance with the Accounting Standard 11 issued by the Institute of Chartered Accountants of India and the exchange difference arisen thereof have been transferred to Foreign currency Translation Reserve.
- No provision for Income Tax has been made in books.
- A. Names of the related parties and description of relationship:

Name	Relationship		
Ms.C.Uma reddy	Director		
Mr.William Mc Bride	Director		
Kavveri Technologies Inc., Canada	Holding Company(100%)-Canada		
Kavveri Telecom Products Limited India	100% holding company of Kavveri Technologies Inc.,		
B. Details of transactions with related parties:-			
Particulars	Holding company Transactions (Canada)	Holding company transactions (India)	Key management/ DirectorTransactions
Purchases	Nil	NIL	Nil
Sales	Nil	NIL	Nil
Finance including Loans	Rs.39565760	NIL	Nil

For and on Behalf of the Board

William McBride
Director

C.Uma Reddy
Director

Date: 26.06.2008

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors of Kavveri Telecom Products Limited Bangalore

We have audited the attached Consolidated Balance Sheet of **Kavveri Telecom Products Limited** (the Company) and its subsidiaries (both in India & abroad) which is collectively called "Kavveri Telecom Group" as at 31.03.2008, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date.

Out of the above group companies we have audited the accounts of Kavveri Telecom Products Limited and one of the subsidiary company in India namely Eaicom India Private Limited. The other Subsidiary companies incorporated outside India were not audited by us. We are informed that in the country of incorporation of such companies the audit of accounts is not mandatory unless they are listed in a stock exchange. Accordingly the said unaudited financial statements have been consolidated for the purpose of compliance with Accounting Standard (AS) 21 issued by the Institute of Chartered Accountants of India.

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 statements are free of materials misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and its significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a In the case of Consolidated Balance Sheet, of the State of Affairs of the Kavveri Telecom Group as at March 31st 2008;
- b In the case of the Consolidated Profit and Loss Account, of the profit of the Kavveri Telecom Group for the year ended on that date; and
- c In the case of the Consolidated Cash Flow Statement, of the cash flows of the Kavveri Telecom Group for the year ended on that date.

For Patel Mohan Ramesh & Co
Chartered Accountants

(Ramesh M J)
Partner

MEM No: 20010

Place: Bangalore
Date: 26.06.2008

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Sch No.	As at 31st march 2008 Rs.	As at 31st march 2007 Rs.
Sources of Funds			
Share Holders Funds			
Share Capital	1	10,06,08,000	10,06,08,000
Reserves & Surplus	2	26,73,80,921	16,74,94,345
Translation reserve			
Loan Funds	3		
Secured Loans		56,35,41,210	13,34,50,809
Unsecured Loans		44,55,342	2,74,45,024
Deferred Tax Liability		3,51,37,294	1,37,56,579
		97,11,22,767	44,27,54,757
Application of Funds			
Fixed Assets			
Original Cost	4	21,32,97,759	12,72,69,481
Less : Accumulated Depreciation		3,87,21,038	2,91,44,962
Net Book Value		17,45,76,721	9,81,24,519
Capital WIP		1,48,06,922	
Goodwill	5	17,60,20,421	12,61,48,843
Current Assets, Loans and Advances			
Inventories	6	13,53,82,835	15,15,15,926
Sundry Debtors		70,83,59,177	24,83,66,866
Cash & Bank Balances		27,74,54,043	5,99,90,009
Loans & Advances		8,64,37,822	2,93,50,276
		1,20,76,33,877	48,92,23,077
Less: Current Liabilities and Provisions	7		
Current Liabilities		58,85,61,854	26,23,53,632
Provisions		1,66,38,305	1,01,99,692
Net Current Assets		60,24,33,718	21,66,69,753
Miscellaneous Expenditure (to the extent not written off or adjusted)	8	32,84,985	18,11,642
		97,11,22,767	44,27,54,757
Notes on Accounts	15		

Accounting Policies and Schedules 1 to 8 and 15 form an Integral Part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For Patel Mohan Ramesh & Co
Chartered Accountants

Ramesh. M.J
Partner
Membership No: 20010

Place: Bangalore
Date : 26.06.2008

For and on behalf of the Board

C. Shivakumar Reddy
Managing Director

C.Uma Reddy
Director

Purushottam A Rasalkar
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Sch No.	For the Year ended 31st March 2008 Rs.	For the Year ended 31st March 2007 Rs.
Income			
Net Sales	9	1,57,91,91,337	53,57,11,006
Other Income	10	4,18,85,891	1,59,19,321
Accretion to Stock	11	-	7,00,55,490
Total		1,62,10,77,228	62,16,85,817
Expenditure			
Decretion to Stock	11	7,20,57,974	-
Operating Expenses	12	1,08,12,84,338	42,45,83,881
Administrative, Selling & Other Expenses	13	22,79,28,958	11,27,67,805
Interest & Financial Expenses	14	6,60,16,522	1,72,76,082
Depreciation	4	1,03,15,972	90,23,708
Total		1,45,76,03,764	56,45,51,477
Profit before Taxation		16,34,73,464	5,71,34,340
Less: Provision for Taxation			
Current Tax		1,83,00,000	50,00,000
Deferred Tax charge / (credit)		2,13,80,715	56,74,194
Fringe benefit Tax		3,27,012	3,03,104
Profit after Taxation		12,34,65,737	4,61,57,044
Income Tax for the year 2005 -2006		34,647	1,24,995
Excess provisions made 2002-03		-11,25,220	66,839
Excess provision of Income Tax 2004 - 2005		-	33,319
Excess provision of Income Tax 2003 - 2004			
income tax for the year 2003-04		22,41,460	-
income tax for the year 2006-07		26,57,762	-
Surplus Brought forward from Previous Year		7,46,85,644	4,03,24,070
Amount available for Appropriations		19,43,42,732	8,64,56,277
Transferred to General Reserve		87,50,000	-
Interim Dividend		1,00,60,800	-
Tax on dividend		17,09,833	-
Proposed dividend		1,00,60,800	1,00,60,800
Tax on Dividend		17,09,833	17,09,833
Balance carried to Balance Sheet		16,20,51,466	7,46,85,644
Notes on Accounts	15		

Accounting Policies and Schedules 4, 9 to 15 form an Integral Part of the Profit and Loss Account

Earning Per Share

Equity Shares of Par value of Rs.10/- each

Before Tax

Basic Earning Per Share	16.25	5.68
No. of Equity shares used in computing Earnings Per share	1,00,60,800	1,00,60,800

After Tax

Basic Earning Per Share	12.27	4.59
No. of Equity shares used in computing Earnings Per share	1,00,60,800	1,00,60,800

This is the Profit and Loss Account referred to in our report of even date

For Patel Mohan Ramesh & Co
Chartered Accountants

Ramesh.M.J
Partner
Membership No: 20010

Place: Bangalore
Date : 26.06.2008

For and on behalf of the Board

C.Shivakumar Reddy
Managing Director

C.Uma Reddy
Director

Purushottam A Rasalkar
Company Secretary

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
SCHEDULE - 1		
Share Capital		
Authorised Share Capital 2,00,00,000 EQUITY SHARES OF RS.10/-	20,00,00,000	20,00,00,000
Issued, Subscribed & Paid-up 98,23,450 EQUITY SHARES OF RS.10/-	9,82,34,500	9,82,34,500
Share Capital Suspense Account [Refer Note 1(a) of Schedule 15]	23,73,500	23,73,500
Total	10,06,08,000	10,06,08,000
SCHEDULE - 2		
Reserves and Surplus		
Capital Reserves		
Arising from Amalgamation [Refer Note 1 (b) of Schedule 15]	73,25,779	73,25,779
Securities Premium(arising from amalgamataion)	8,45,57,700	8,45,57,700
Securities Premium Suspense Account		
Arising from Amalgamation [Refer Note 1(a) of Schedule 15]	42,72,300	42,72,300
General Reserve		
Foreign Currency Translation reserve	88,78,719	1,28,719
	2,94,957	(34,75,796)
Profit and Loss Account Balance	16,20,51,466	7,46,85,644
TOTAL	26,73,80,921	16,74,94,346
SCHEDULE - 3		
SECURED LOANS		
Term Loan from Bank *	18,17,08,981	10,00,00,000
Cash Credit Account *	29,71,96,291	3,31,75,952
ABN Amro Bank Car Loan **	1,60,475	2,74,857
ICICI Car Loan	9,12,925	-
Corporate Loan from Bank	8,35,62,538	-
TOTAL - A	56,35,41,210	13,34,50,809
UNSECURED LOANS		
Loan from Directors	11,06,570	2,22,38,702
Sales tax Deferred Liability ***	33,48,772	52,06,322
TOTAL - B	44,55,342	2,74,45,024
Grand Total of Loan Funds (A+B)	56,79,96,552	16,08,95,833
* Term Loan & corporate loan are secured by all Fixed Assets & cash credit account is secured by all stock / debtors & other current assets of the company		
** Car loans are secured by Hypothecation of the cars. The above secured loans other than Car Loans are covered by the personal guarantees of the promoter directors		
*** Includes amount payable within one year Sales Tax Deferred liability	19,49,872	19,49,872

CONSOLIDATED DEPRECIATION AND FIXED ASSET SCHEDULE MARCH 31, 2008

SCHEDULE: 4

Consolidated Depreciation

Description	Gross Block at Cost			Depreciation			Net Block			
	As at 1.04.2007 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.2008 Rs.	Upto 31.03.2007 Rs.	for the year Rs.	Adjustments on disposal Rs.	Upto 31.03.2008 Rs.	As at 31.3.2007 Rs.	As at 31.3.2008 Rs.
Land	25,12,500	3,90,000	-	29,02,500	-	-	-	-	25,12,500	29,02,500
Building	3,19,39,778	43,70,379	-	3,63,10,157	35,34,046	10,77,421	-	46,11,467	2,84,05,732	3,16,98,690
Plant & Machinery	4,91,56,328	3,69,46,974	-	8,61,03,302	1,06,80,847	31,60,496	-	1,38,41,343	3,84,75,481	7,22,61,959
Jigs & Moulds	5,94,359	83,813	-	6,78,172	4,65,728	35,406	-	5,01,134	1,28,631	1,77,038
Furniture & Fixtures	52,79,496	-	-	52,79,496	26,18,188	4,33,523	-	30,51,711	26,61,308	22,27,785
Computers	62,44,960	26,62,696	-	89,07,656	28,26,669	13,58,249	-	41,84,918	34,18,291	47,22,738
Electrical Installation	25,99,764	-	-	25,99,764	5,91,933	1,23,489	-	7,15,422	20,07,831	18,84,342
Office Equipments	29,26,338	1,30,614	-	30,56,952	10,61,186	1,43,811	-	12,04,997	18,65,152	18,51,955
Vehicles	40,54,338	35,60,075	1,439,513	61,74,900	31,49,457	3,35,359	7,43,341	27,41,475	9,04,881	34,33,425
PATENTS & IP	-	3,73,10,830	-	3,73,10,830	-	-	-	-	-	3,73,10,830
Operative Equipments	2,16,55,296	2,37,900	-	2,18,93,196	40,88,760	35,39,474	-	76,28,234	1,75,66,536	1,42,64,962
Trade Marks	20,59,200	-	-	20,59,200	1,14,348	1,08,133	-	2,22,481	19,44,852	18,36,719
Fax Machine	21,634	-	-	21,634	17,245	611	-	17,856	4,389	3,778
Total	12,90,43,991	8,56,93,281	14,39,513	21,32,97,759	2,91,48,407	1,03,15,972	-	3,87,21,038	9,98,95,584	17,45,76,721

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
SCHEDULE - 5		
GOODWILL		
(Arising on account of amalgamation)	12,58,21,574	12,61,48,844
(Arising on account of acquisition of companies in Canada during the year)	5,01,98,847	
TOTAL	17,60,20,421	12,61,48,844
SCHEDULE - 6		
Current Assets, Loans and Advances		
Inventories		
Raw Materials	8,16,22,272	3,61,86,440
Finished Goods	4,92,38,061	3,45,59,159
Work-in-Progress	45,22,502	14,56,286
Goods in transit		7,93,14,041
TOTAL	13,53,82,835	15,15,15,926
Sundry Debtors		
(Unsecured)		
Debt outstanding for a period of more than 6 months		
Considered Good **	8,53,21,364	4,06,49,531
Considered Doubtful	–	4,57,463
	8,53,21,364	4,11,06,994
Other Debts - Considered Good	62,30,37,813	20,77,17,335
	70,83,59,177	24,88,24,329
Less: Provision		4,57,463
TOTAL	70,83,59,177	24,83,66,866
Cash and Bank Balances		
Cash on hand	20,36,092	10,498
DD On hand	–	1,03,69,855
Balance with Scheduled Banks		
In Current Account	10,44,00,566	96,26,372
In Deposit Account	16,86,56,130	3,86,65,663
In Unclaimed Dividend Account	23,54,940	13,11,306
Balance with Other Banks		
In Current Account - ICICI Bank	6,315	6,315
TOTAL	27,74,54,043	5,99,90,009
Loans & Advances		
Unsecured, Considered Good		
Advances recoverable in cash or in kind or value to be received	6,87,58,463	2,20,34,833
Deposits with Others	1,19,34,709	69,03,391
Balances with Customs, Excise Authorities	57,44,650	4,12,052
TOTAL	8,64,37,822	2,93,50,276

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
SCHEDULE - 7		
Current Liabilities		
Acceptances		
Due to Subsidiary	11,17,22,879	5,02,73,868
Sundry Creditors		
Due to S S I undertakings (Note 15 of Schedule 15)		
Others	23,79,87,418	10,16,79,190
OTHER LIABILITIES	23,64,96,617	9,90,28,225
Unclaimed Dividends (Note 12 of Schedule 15)	23,54,940	13,11,550
	58,85,61,854	25,22,92,833
Provisions		
Taxation	1,80,00,000	63,89,576
fvt	6,27,012	3,03,104
less: advance taxes	1,73,27,748	1,23,104
	12,99,264	1,80,000
Gratuity	16,25,800	11,15,296
Leave Encashment	19,42,608	8,04,987
TAX ON DIVIDEND	17,09,833	17,09,833
Proposed dividend	1,00,60,800	1,00,60,800
	1,66,38,305	2,02,60,492
SCHEDULE - 8		
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
Technology Fees & Preliminary expenses		
Opening	34,95,245	20,14,560
Less: Charged to Profit & Loss Account	2,10,260	2,02,918
	32,84,985	18,11,642
SCHEDULE - 9		
Sales and Services		
Local Sales	1,57,83,97,905	43,15,98,403
Export Sales	54,69,700	66,21,792
Sale of traded goods/other services	1,05,29,520	10,11,13,947
Freight & Insurance Collected	1,14,94,901	1,14,864
	1,60,58,92,025	53,94,49,006
Less: Sales Returns	2,67,00,688	37,38,000
Total	1,57,91,91,337	53,57,11,006

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
SCHEDULE - 10		
Other Income		
Interest on Fixed Deposit	30,06,025	10,59,038
Miscellaneous Income	2,94,78,385	1,31,46,223
Interest on Income Tax Refund	46,454	25,627
forex gain or Loss	6,53,727	16,88,433
EXCESS PROVISION WRITTEN BACK	87,01,299	
Total	4,18,85,891	1,59,19,321
SCHEDULE - 11		
Accretion/Decretion to Stock		
Opening Balance of Finished goods	11,37,20,951	4,51,83,021
opening Balance of Semi-finished goods	3,57,37,180	90,975
Total (A)	14,94,58,131	4,52,73,996
Less:		
closing balance of finished goods	7,28,75,679	11,38,73,200
closing balance of semi-finished goods	45,24,479	14,56,286
Total (B)	7,74,00,158	11,53,29,486
(A)- (B)	7,20,57,974	(7,00,55,490)
Net Accretion/Decretion to stock	7,20,57,974	(7,00,55,490)
SCHEDULE - 12		
Operating Expenses		
a. Raw Materials Consumed		
Opening Stock of Raw materials	4,70,75,298	67,24,374
Add : Purchase during the Year		
- Imported	90,84,03,132	11,93,34,683
- Indigenous	10,40,38,666	28,30,34,620
	1,05,95,17,096	40,90,93,677
Less : Closing Stock	4,30,60,642	3,61,86,440
(A)	1,01,64,56,454	37,29,07,237
b. Others		
Consumables	13,37,782	6,15,330
Packing Materials	15,49,564	2,44,039
Job Work	81,95,954	22,49,875
Power Charges	5,73,009	3,16,433
Other Manufacturing Expenses	5,28,54,056	3,18,12,824
(B)	6,45,10,365	3,52,38,501
C. Purchase of Traded Goods	(C)	3,17,520
Total (A+B+C)	1,08,12,84,338	42,54,83,882

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2008

Particulars	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
SCHEDULE - 13		
Adminstrative, Selling & Other Expenses		
Salaries, Wages & Bonus (Includes commission to Directors)	11,29,41,102	4,97,03,048
Contribution to :		
Provident Fund & Other Funds	7,18,282	5,24,870
Gratuity & Leave encashment	16,48,125	3,36,595
Staff Welfare Expenses	20,23,496	47,15,288
Rent	87,77,523	83,20,245
Electricity, Water Charges	1,02,307	3,98,706
Telephone & Telex	10,75,946	18,66,905
Postage & Telegram	25,80,499	4,25,818
Rates & Taxes	9,89,495	3,15,549
Repairs & Maintenance		
- Office & Building	37,89,367	24,06,218
- Computer Maintenance	1,82,018	3,25,622
- Generator	25,101	3,000
- Vehicles	5,85,398	4,75,698
Travelling & Conveyance Expenses	3,12,47,595	93,50,574
Security Charges	12,74,341	12,34,847
Printing & Stationery	5,12,343	5,77,279
Auditor's Remmuration	4,75,000	2,49,904
Professional Charges	20,08,945	13,15,104
Research & Development Expenses	1,39,42,786	1,25,37,325
Business Promotion Expenses	26,54,182	21,64,403
Bad debts written off	29,69,058	8,68,091
Carraige Outwards	1,79,92,070	518147
Donations	12,27,971	-
Pre operative expenses written off	2,10,628	2,62,133
Loss on Sale of Assets	3,21,172	-
forex gain or Loss	39,96,552	-
Miscellaneous Expenses	1,36,57,656	1,38,72,436
Total	22,79,28,958	11,27,67,805
SCHEDULE - 14		
Financial Expenses		
Interest		
on term loan, cc and others	2,90,22,599	1,34,08,468
Bank Charges	84,12,709	38,67,614
Bill Discounting charges	2,85,81,214	-
Total	6,60,16,522	1,72,76,082

SCHEDULE 15

NOTES TO ACCOUNTS

1. Amalgamation of Megasonic Telecoms Private Limited

- a) The Company has amalgamated with erstwhile Megasonic Telecoms Private Limited in the year 2003-04 and as per the scheme of amalgamation 4935000 equity shares were issued as consideration.

Against the said shares issued excepting 2,37,350 equity shares, the balance shares have been allotted in the earlier years. As the Company is unable to identify the allottees in respect of 2,37,350 shares the same remain un-allotted and the related amount is shown under "Share Capital Suspense" and the corresponding premium under "Securities Premium suspense", pending allotment. Efforts are being made to locate the members to allot the un-allotted shares.

- b) The Capital Reserve of Rs. 73,25,779/- represents the excess of net fair value of assets (values determined by an Independent valuer) over the purchase consideration in terms of scheme of amalgamation taken place during the year 2003-04 which was duly approved by the Hon'ble High Courts of Karnataka and Bombay.

2. Investments

- a) Pursuant to the Scheme of Amalgamation as referred to in Note 1 above, Eaicom India Private Limited (EIPL) erstwhile 100% subsidiary company of Megasonic Telecoms Private Limited has become a wholly owned subsidiary of the Company.

- b) Also during the financial year 2005-06 the company had incorporated a 100% subsidiary in the name of KAVVERI TECHNOLOGIES INC of its own at Canada and an initial sum of 292 Thousand CAD Dollars had been invested in the said company towards its share capital. Further, during the year 2007-08 a sum of CAD 2,015,000/- had been invested in equity by converting a portion of loan granted to them.

3. Contingent Liabilities not provided for -

Particulars	March 31, 2008 Rs.	March 31, 2007 Rs.
i) Estimated amount of Contracts remaining to be executed on Capital Account.	Rs.9,25,00,000	Nil
ii) Claims against the Company not acknowledged as a debt : On account of Bank Guarantee (refer Para 4 as under)	32,32,200	32,32,200
iii) On account of Income Tax	NIL	22,41,460
vi) Letters of Credit issued on behalf of the Company by bankers	29,13,29,284	10,12,25,371
v) Guarantees issued by bankers on behalf of the company against which counter guarantees issued by the company	1,59,33,916	1,53,80,607

4. The M/s. Mahanagar Telephone Nigam Ltd, New Delhi, had invoked a Bank Guarantee against the company for Rs. 4.41 lakhs and Bharat Sanchar Nigam Ltd., New Delhi had invoked two bank guarantees for Rs. 20.36 lakhs and Rs.7.55 lakhs. The company has obtained stay order against the same in High court of Karnataka. The Company is advised that matter will be resolved in favour of the company. Hence, no provision is made in accounts.

5. Information regarding Capacity, Stock, Production and Sale

- a) Licensed Capacity Not Applicable.

- b) Installed Capacity * Company has an installed capacity of 200000 nos. of Microwave components. Since the company has manufactured components, systems during the year, quantification of capacity is not feasible.

* As certified by the Management not verified by the Auditors' being Technical in Nature.

c) Production, sales and stock:

ITEMS	Opening (Nos)	Production (Nos)	Sale (Nos)	Closing (Nos)
Antenna/Components/Accessories	3325 (2061)	67163 (64988)	63934 (63724)	6554 (3325)
Câbles used in RF Line	-	4671210 mtrs	4671210mtrs	-
Solar Photo Voltaic Power Supply	NIL (115)	6598 (25000)	6598 (25115)	NIL (NIL)

Figures with in the bracket indicate figures of previous year.

d) Raw Material Consumed

There are various individual items of purchases of raw materials which are being consumed in production whereas none contribute to as single item as 10% of total consumption except RF cables whose quantitative details are as below:

1. Name of the item	qty purchased	qty consumed	value of consumption
RF cables (used in RF Line)	4671210 mtrs	4671210 mtrs	71,46,95,130

ITEMS	Year ended 31.03.2008		Year ended 31.03.2007	
	Value Rs.	%	Value Rs.	%
a) Indigenous	27,03,39,701	24.60%	21,14,79,852	64%
b) Imported	82,85,67,064	75.4%	11,93,34,683	36%
	** 1,09,89,06,765	100%	33,08,14,265	100%

** (includes consumption of R&D raw materials for Rs.30,62,876 and the figure for the same for the previous years is Rs.2,91,26,979/-)

6. Value of Imports - Cum Insurance & Freight (CIF)

(Rs.)

Particulars	Year Ended 31.03.2008	Year Ended 31.03.2007
a) Raw Material	91,95,43,278	11,93,34,683
b) Traded goods	Nil	1,04,97,251
c) Capital Goods	4,65,21,820	NIL

7. Foreign Exchange Earnings/Expenses

a) Earnings

(Rs.)

Particulars	Year Ended 31.03.2008	Year Ended 31.03.2007
On export of Goods (FOB)	54,69,700	66,21,792
On Services Provided outside India	1,00,00,000	Nil

b) Expenditure

(Rs.)

Particulars	Year Ended 31.03.2008	Year Ended 31.03.2007
1. Raw Materials	82,85,67,064	11,93,34,683
2. Traded goods	Nil	1,04,97,251
3. Capital Goods	4,65,21,820	NIL
4. Foreign Travel	81,25,107	4,19,878

8. Segment Results

The company's predominant risks and returns are from the segment of "Telecommunication Accessories" represented by Antenna, Duplexer, RF Products and RF accessories, which constitute the major revenue of the company for the reporting period. Since this being single business segment, the segment information as per accounting standard 17, "Segment Reporting", is not disclosed.

9. Related Party Disclosure

In accordance with Accounting Standard 18 – "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the company has compiled the required information as detailed below:

a. Remuneration Paid/payable to key management personnel:

Name	Relationship	2008		2007	
		Remuneration	Others	Remuneration	Others
C. Shivakumar Reddy	Managing Director	9,70,000	7,71,935	9,70,000	5,30,000
R.h. Kasturi	Whole Time Director	9,70,000	7,71,935	9,70,000	5,30,000
C. Uma Reddy	Whole Time Director	9,70,000	7,71,935	9,70,000	5,30,000
L. Nicholas	Whole Time Director	12,85,915	1,19,835	10,55,080	4,00,000

** The above does not include the gratuity provision made for Directors in books of accounts.

** The above does not include the commission payable to Directors which is reported separately in the following paragraphs.

The Wholetime Directors are also eligible for a commission limited to a maximum of 9% of the net profits after considering of their other income paid from the company and other Independent Directors are eligible for a commission of 1% of net profits of the company and as such the following commission amount are payable to Directors:-

A. Commission as calculated under Section 198, 349 and 350 of the Companies Act 1956 :

Profit as per Profit and Loss	15,64,81,359
Commn amounts included in administrative expense	1,73,86,818
Profit before commission	17,38,68,177
10% of the same	1,73,86,818
Amount paid as salaries & perks	66,31,555
Net amount payable	1,07,55,263

The Independent Directors of the company Mr. P.C. Krishnamachary, Mr. L.R. Venugopal, Mr. B.S. Shankaranarayana and Mr. Arun. Avadhani are also eligible for total 1% of the net profits of the company amounting to Rs.17,38,681/-

B. Following is the list of Subsidiary Companies:-

Name of the Company	Percentage of Holding	
	As at 31.03.2008	As at 31.03.2007
Eaicom India Private Limited	100%	100%
Kavver Technologies Inc	100%	100%
Til tek Antenna inc	100%	100%
Dci Digital Communications Inc	100%	NA
Spotwave Wireless Ltd	100%	NA
Kaveri Realty 5 Inc	100%	NA

During the year 2007-08, Kavveri technologies Inc, Canada had acquired DCI Digital Communications Inc and Spotwave Wireless Limited and hence become the subsidiaries of Kavveri Telecom Products Limited.

DETAILS OF TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR 2007-08

	Particulars	Subsidiary Companies	Key Management Personnel
1	Purchases	11,07,85,038 (2,23,90,372)	
2	Sales	9,93,12,475 (12,29,87,449)	
3	Loans	19,16,57,416 (7,23,39,065)	
4	Equity	7,65,70,000 (1,16,63,600)	
5	Salaries And Commission		2,22,95,495 (59,83,160)
6	Royalty And Management Fees	1,21,73,392 (Nil)	
7	Consultancy Charges		70,00,000 (Nil)
8	Rent		48,00,000 (48,00,000)

(Figures in the brackets represent figures for the previous year)

10. In accordance with the Accounting Standard 22, "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognized a deferred tax liability arising out of timing differences amounting to Rs. 2,13,80,715/- during the Current year in accordance with the present rates of Income Tax applicable for the companies and the details are as below:-

Details of deferred tax liability/(Asset) are :-

(Rs.)

Particulars	Deferred Tax Liability as at 01.04.2007	Current Year Charge/ (Credit)	Deferred Tax Asset/ Liability as at 31.03.2008
Depreciation	1,43,93,215	3,58,33,520	2,14,40,305
Other timing difference	(636637)	(696226)	(59590)
Net	1,37,56,579	3,51,37,294	2,13,80,715

11. Auditors remuneration:-

The break up for the auditor's remuneration is as below:

	(Rs.)	
Particulars	2007-08	2006-07
Audit Fees		
For Statutory audit purpose	4,50,000	1,55,000
For Tax audit purposes	25,000	
Other Services	38,000	20000
Expenses	16,905	21420

12. Unclaimed Dividend

The unclaimed dividend of Rs. 23,54,940/-(13,11,550) represents those relating to the years 2001 to 2008 and since the number of years of these unclaimed dividends had not exceeded 7 years as at the end of this year no amounts have been transferred to Investors protection fund during the year

13. Research & Development Expenditure includes:

	Rs.	
Particulars	31.03.2008	31.03.2007
Salaries & Wages	30,04,030	32,07,980
Cost of materials and services	30,62,876	2,91,26,979
Overhead	77,00,511	79,90,024
Total	1,37,67,417	4,03,24,983

14. Based on the information available with the company, there are no amounts overdue and remaining unpaid to small scale/and or ancilliary industrial supplier as at 31st March 2008.

15. Medium enterprises under the Micro Small and Medium enterprises Development Act 2006 as at 31st March 2008.

16. Confirmation of balances in respect of debtors and creditors have not been Obtained in all the cases. Cases wherein the same has been received the balances were duly reconciled.

17. Earning per share is calculated as per Accounting Standard 20, "Earning Per Share" issued by the Institute of Chartered Accountants of India. The net profit considered for calculation of basic earnings per share before tax is Rs.16,34,73,464/- (previous year Rs.5,71,34,342/-) and the profit considered for calculation of basic earning per share after tax is Rs.12,34,65,737/ (Previous year 4,61,57,044/-) The weighted average number of equity shares considered for calculation of Basic earning per share (for both before and after tax) is 10060800 shares for the current year as well as for the previous year.

18. Obligation of Long term, non-cancelable Operating Lease:

The company has entered into certain non cancellable lease rental agreements in respect of two of its premises located at Arakere Mico Layout, Bangalore-76 and a premises at BTM Layout Bangalore as a Lessee

Lease Rentals	As at 31st March 2008	As at 31st March 2007
From one year to end of the Lease period	Rs.60,00,000	Rs. 60,00,000

19. The Technical Know-How is being amortized over a period of ten years and the amortization of the same is to be started from the next financial year as the same is subjected to further development activity.

20. The Provision for income tax has been calculated taking into consideration investments in Capital expenditure made under Research and development eligible for a weighted deduction of 150% under section 35(2AB) of the Income Tax Act 1961.

The company during the year, (in the month of September 2007) had made a purchase of technology and know how amounting to Rs.3.52crores. This technology is being upgraded and developed in the Research and Development department for its use in the developing of new products and for enhancement of features and functionalities of the products to be developed out of the same. This expenditure is considered under Fixed asset as Technical Know how and the benefit under section 35(2AB) of the Income Tax act 1961, is reckoned for considering the Income Tax Provisions.

21. The depreciation in respect of subsidiary companies are followed on WDV method whereas that of stand alone Kavveri Telecom Products Limited is worked out on Straight line method. However while consolidating the accounts under line to line basis no adjustments have been made for the difference in depreciation methods and the amountly were only aggregated.

22. Previous year figures have been regrouped wherever necessary to conform to the current year groupings/classifications.

Signatures to Schedule 1 to 22

For PATEL MOHAN RAMESH & CO
Chartered Accountants

Ramesh. M.J
Partner
Membership No: 20010

Place: Bangalore
Date : 26.06.2008

For and on behalf of the Board

C. Shivakumar Reddy
Managing Director

C. Uma Reddy
Director

Purushottam A.Rasalkar
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED ACCOUNTS

1. Basis of Preparation of Financial Statements:

The Consolidated financial statements are prepared in accordance with the Indian Generally Accepted Accounting principles ("GAAP") under historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI").

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the Group may undertake in future, actual results ultimately may differ from the estimates.

All inter company balances and transactions between the Company and its subsidiaries have been eliminated in consolidation as per AS 21.

2. Fixed Assets:

- Fixed Assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation.
- Capital Work in Progress comprises of the cost of fixed assets that are not put to use as at the Balance Sheet date and advance paid towards acquisition of Fixed Assets.

3. Depreciation:

Depreciation on Fixed Assets is provided on Straight-line basis in accordance with Schedule XIV of the companies Act, 1956 on proportionate basis.

4. Inventory Valuation:

Raw Materials, Work in progress and Finished Goods are stated at lower of cost or net realizable value on first in first out basis and are net of provision.

5. Investments

The Investments are valued in accordance with the Accounting Standard 13

6. Research and Development:

Expenditure on Research and Development other than capital items is expensed.

7. Revenue Recognition:

- Sales are recognized when the significant risks attached to the goods are passed on to the seller and are recorded net of trade discounts, rebates.
- Sales Returns are recognized as and when ascertained and are reduced from the sales turnover of the year.
- Interest on fixed deposit is recognized based on the interest rates, using the time proportion method.

8. Foreign Exchange Transactions:

- Initial Recognition** – Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency approximately at the date of the transaction.
- Conversion** – Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- Foreign operations** – In translating financial statements of non-integral operation for incorporation in financial statements, income and expenditure items are translated at the average exchange rates which are approximate exchange rates at the dates of the transactions and the assets and liabilities both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate. Exchange differences arising from such translations

are accumulated in foreign currency translation reserve until the disposal of the net investment. On disposal of a non-integral foreign operation, the cumulative amount of the exchange difference which have been deferred and which relate to that operation are recognised as income or expense in the same year in which the gain or loss on disposal is recognised. Where there is a change in the classification of a foreign operation, the translation procedure applicable to the revised classification are applied from the date of the change in the classification.

9. Employee Benefits:

Liability to Gratuity & Leave encashment payable is calculated on actuarial valuation methods in accordance with the Accounting Standard (AS)15

- Fixed contribution to Provident Fund and Superannuation fund and Cost of other benefits are recognized in the accounts on actual cost to the company.

10. Borrowing Cost:

Borrowing Costs other than that attributable to a qualifying asset are expensed as and when incurred.

11. Operating Lease:

Leases where the lessor effectively retains the substantially all risks and benefits of the ownership over the lease term are classified as operating lease. Operating lease payments are recognized as expenses in the profit and loss account on the straight-line basis over the lease term.

12. Provisions:

Provision is recognized when the company has a present obligation as a result of past events: it is probable that the outflow of resources will be required to settle this obligation, in respect of which reliable estimate can be made. The provision is not discounted at present value and are determined based on the best estimate is required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

13. Miscellaneous Expenditure:

- Preliminary Expenses are being amortized over a period of 10 years.

14. Income Tax:

- The current charge for Income Tax is based on the tax liability computed after considering tax allowances and exemptions.
- Deferred tax asset or liability is recognized for timing differences between the profit as per financial statements and the profit offered for income taxes, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized. 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 profit will be available to allow all or part of the deferred tax assets to be utilized.

15. Contingent Liability:

All known liabilities wherever material are provided for and liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are contingent and disclosed by way of Notes on Accounts.

16. Amortization of Technical Know How:

The cost of Technical Know How is being amortized over a period of 10 years following AS-26 issued by the Institute of Chartered Accountants of India.

17. Cash Flow Statement:

Consolidated Cash flow statement is reported in the indirect method whereby net profit/loss before tax is adjusted for the effective transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, investing and financing activities of the group is segregated.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

Particulars	Year ended 31 March 2008 Rs.	Year ended 31 March 2007 Rs.
A Cash Flow from Operating Activities		
Net profit before tax and extra ordinary items	16,34,73,464	5,71,34,342
Add: Adjustments for		
Depreciation	1,03,15,972	90,23,708
Interest paid	2,90,22,599	53,29,631
Technology Fees written off	2,10,628	3,35,901
Loss on sale of Assets	3,21,172	
Excess provision of earlier years		
	3,98,70,371	
Less: Adjustments for		
Excess Provision written Back	87,01,299	1,46,89,240
Interest on FD / other deposits	30,06,025	
	1,17,07,324	10,47,769
Operating Profit Before Working Capital Changes	19,16,36,511	7,07,75,813
Adjustments for:		
Trade receivables	(45,99,92,311)	(11,17,39,810)
Loans and Advances	(5,70,87,546)	2,50,38,913
Inventories	1,61,33,091	(9,61,53,356)
Trade and other payables	32,27,21,122	20,15,42,433
Prior Period Items - Income Tax	(38,08,649)	(24,837)
	(18,20,34,293)	2,15,23,900
Cash Generated from Operations		
Deduct:	96,02,218	9,22,99,713
Interest paid		
	2,90,22,599	
Cash Flow before Extraordinary items	2,90,22,599	
Net Cash flow from Operating activities [A]	(1,94,20,381)	9,22,99,713
	(1,94,20,381)	9,22,99,713
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	8,56,93,281	6,88,69,468
Investment in Kaveri Technologies Inc	4,98,71,578	3,27,270
Capital work in progress	1,48,06,922	-
foreign currency translation reserve	(19,99,689)	(34,24,496)
misc exp not written off	16,83,971	
Deduct Inflow		(7,26,21,234)
Interest on FD/other deposits	30,06,025	10,47,769
Sale of Assets	3,75,000	
	33,81,025	10,47,769
Net Cash Flow from Investing Activities [B]	(14,66,75,037)	(7,15,73,465)
C Cash Flow from Financing Activities		
Increase in Loans Liability	40,71,00,719	1,44,03,443
pay out of dividend	2,35,41,266	(53,29,631)
	38,35,59,453	90,73,813
Net cash flow from Financing activities [C]	38,35,59,453	90,73,813
Net increase in cash and cash equivalents [A + B + C]	21,74,64,034	2,98,00,060
Cash and Cash Equivalents as at 31st March 2008		
Cash and Cash Equivalents as at 1st April 2007	27,74,54,043	5,99,90,009
	5,99,90,009	3,01,89,949
Notes to Accounts - 15	21,74,64,034	2,98,00,060

Accounting policies and Schedules 15 form an integral part of Cash Flow Statement
This is the Cash Flow Statement referred in our report of even date

For Patel Mohan Ramesh & Co
Chartered Accountants

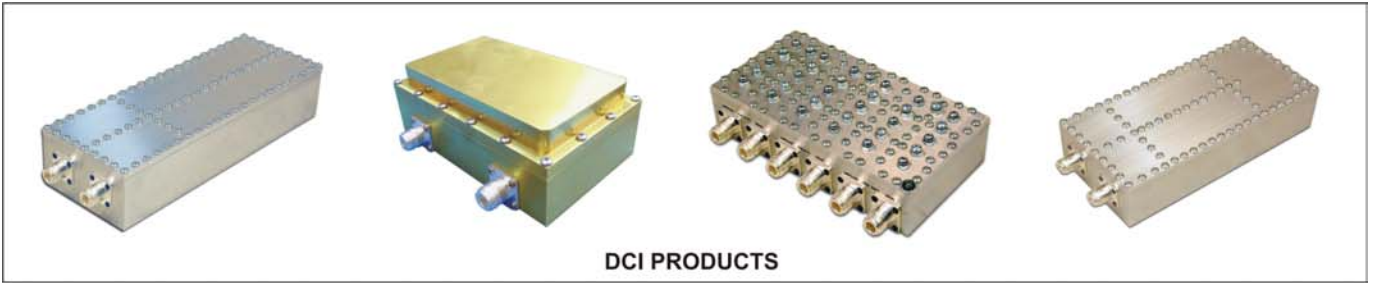
Ramesh.M.J
Partner
Membership No: 20010
Place: Bangalore
Date : 26.06.2008

For and on behalf of the Board

C.Shivakumar Reddy
Managing Director

C.Uma Reddy
Director

Purushottam A Rasalkar
Company Secretary



TIL-TEK ANTENNAS WORKING UNDER EXTREME WEATHER CONDITIONS IN CANADA



ARCHITECTS IMPRESSION OF KAVVERI'S UPCOMING PRODUCTION FACILITY AT JIGANI



TELECOM PRODUCTS LIMITED

KAVVERI TELECOM PRODUCTS LIMITED

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